

5/18/53

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STATEMENT OF SENATOR HUBERT H. HUMPHREY ON INTRODUCING SOCIAL SECURITY AMENDMENTS

Mr. President, I send to the desk six bills to amend and modernize the Social Security Act. They provide as follows:

1. Increase from \$75. to \$100. the amount which may be earned in covered employment without loss of social security benefits. It is wrong to discourage persons over 65 of working at whatever part time jobs they can find. There may have been merit at one time for such a provision but it does not exist today. Our social security payments are inadequate to meet the needs of our senior citizens when they reach the age of 65. To prohibit them from earning more than \$75. at the penalty of losing their social security benefits is both unwise and inhumane. There is reason to prefer, in fact, the complete elimination of earning ceilings. I recognize, however, that the Congress is not prepared to go that far at this time. It may also perhaps be wiser at this time to use the limited funds we have available for the improvement of our

social security system for the expansion of benefits and coverage

rather than the complete elimination of the work clause. I make this statement because it is estimated that the elimination of the work clause would increase costs by about a (billion dollars) a year.

In view of these considerations, I feel the Congress would do well and can do no less than to increase the work clause amount to a more reasonable figures so that when it is added to the meager social security benefits, our aged are in a position to sustain themselves without being a burden on the rest of the community. The establishment of a \$100. work clause is a step in that direction.

Our laws do not discriminate against a recipient of old age benefits if he receives additional funds through investments, annuities or employment in a job not covered by social security. It does, however, discriminate against an individual attempting to earn additional funds by part or full time employment in a job covered by social security. This works to the disadvantage of individuals

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in the lower income bracket who are thus most in need of social security benefits today.

2. Under the original 1935 Social Security law, Congress offered to pay each state $1/2$ the cost of providing old age assistance to needy persons providing the Federal cost did not exceed \$15.00 per needy aged. Congress increased this \$15.00 to \$20.00 in 1939. Further increases took place in 1946, 1948 and 1952, so that the Federal share is today $4/5$'s of the cost and the Federal maximum payment is \$35.00. Thus the present Federal law provides for paying $4/5$'s of the cost up to \$35.00. This provision, however, was enacted for a two-year period which expires at the end of September next year. Unless Congress takes further action the law reverts to the previous offer of $3/4$'s of the cost up to a maximum federal payment of \$30.00 a month.

At the present time there are about 2,600,000 needy aged persons drawing assistance payments. The average payment for the nation as a whole is \$49. per month. This is equivalent to only

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about \$26. at the 1935-1939 price level which is about \$4 less than the \$30. a month which was assumed to be the average payment at the time the law was enacted.

It is encouraging that the number of persons receiving old age assistance has been steadily but slowly decreasing every month for the past 2½ years. At the present time the needy aged are less than 20% of the total aged population.

During the 82nd Congress an increase of approximately \$3 to \$5 per month was provided to the states for payment to old age assistance, aid to the blind, aid to the permanently and totally disabled and aid to dependent children. This provision expires in 1954. The same considerations which led the Congress to enact this improvement in 1952 are present today and should in all decency lead the Congress to renew the increase for another two years. The cost of living is still high. The need is still great. These considerations should lead us to increase assistance benefits and not decrease them. I do hope that the Congress will act favorably on this measure in the very near future.

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3. This is a ~~bill~~ which would make it possible for employees of institutions of higher education to be covered under the Federal old age and survivors insurance assistance. Under the terms of Federal-State agreements, regardless of the fact that these employees may be covered by an existing retirement system, in a poll of public educational institutions conducted by the American Council of Education in March 1950, 80% of the institutions expressing an opinion favored giving college and university teachers who are members of public retirement systems an opportunity to be covered under the Federal OASI program. More than 83% favored making coverage available to non-teaching personnel covered by a public plan.

There is in my files a letter from Dr. J. L. Morill, President of the University of Minnesota, informing me as a spokesman of the Association of Land Grant Colleges and Universities, that the Presidents of the member institutions of that Association and the members of the National Association of State Universities have adopted a position by an overwhelming majority in favor of ~~the~~ their institutions.

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being accorded the opportunity of coverage under FOASI.

Employees of colleges and universities today are excluded from the Social Security System because they are apparently covered by state retirement plans. It is clear, however, that few of the state plans are adequate to the need.

4. Our Social Security laws today provide that men who enter the military service of our nation are to receive social security credits during their period of service. This is the least we can provide those young men and women who are sacrificing and disrupting their lives to protect the security of our nation. That provision expires this year. It is essential that we extend this provision extending social security benefits for military service. My bill would extend those benefits for one year.

5. I have received many letters from ministers and active church laymen from our state, urging that the Social Security System be extended to include an opportunity for ministers to be covered under the social security laws. It is important that this entire

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subject be examined by the Senate Finance Committee. Ministers should be given an opportunity to come into the social security program if they wish to do so and if their churches are willing to cooperate in the program. The 1950 social security amendments made it possible for lay employees of religious organizations to elect to be covered under the social security program. Ministers, whether they are actively performing services for a religious organization, or whether they are teachers or administrators in non-profit organizations, should be given a similar opportunity. I ask unanimous consent that a resolution adopted at the general convention of the Evangelical Lutheran Church, pertaining to social security for pastors be incorporated in the body of the Record at this point. My bill would carry out this provision.

The financial plight of our older people today is most difficult. There are in the United States more than 13 million men and women past 65 years of age. Less than 1/3 of them are able to find even part-time employment. As for the rest, a fortunate

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minority have savings and individual incomes; some also fortunate, still own their own homes and can rent rooms; some are partially supported by their adult children and other relatives. Most older men and women, however, must look to social security insurance or public old age assistance as their chief source of dependable income.

The number of persons age 65 and over has increased between 1900 and 1950 and is still growing. The net increase is about 325,000 a year -- an increase of about 1000 every single day.

Not only is the number of our aged increasing but the proportion of old persons in our population is also increasing. In 1900 the aged were only 4% of the total population. Today they are 8%. In about 20 years the proportion will have increased to about 10% and will still be climbing. Nevertheless and in spite of the high level of employment of the past few years, relatively few aged persons are working. Around 1900 out of every ten aged men, six were still working. Today only four out of ten are still working. It is estimated that the number of aged persons at work is remaining constant

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at a figure of about three million. Social security benefits, therefore, are vitally important to the welfare of an increasing number of Americans. The number of aged persons drawing insurance benefits today is 4,000,000. This is about 1½ million more aged persons on insurance than on assistance.

Yet in the face of the highest ^{cost} of living in our nation's history, benefits under social security insurance average only about \$50. a month. Assistance payments average about the same. Not counting luxuries, not counting doctor and hospital bills, not counting even shoes and clothing, can anyone say that \$50. a month is enough to live on. The Congress has a responsibility to re-examine this problem and act intelligently and expeditiously to improve our social security program.

The bills I submit are, by no means, meant to be inclusive. It is my hope to introduce and co-sponsor other legislative proposals to further meet the need. The sum total of these bills would only define the minimum goals for social security in the United States

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They would make our social security system not a perfect system

but a better system, a sounder, more just, and more comprehensive

system. They do not provide coverage for everybody as a perfect

social security system would, nor do they provide for every hazard

as many believe desirable. They provide merely for broader coverage

than now exists and for benefits more nearly approaching the

standards required. They ask only the very least. They are

neither complicated or involved. Each bill lends itself to

immediate action by the Senate Committee and by the Congress.



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