Old Age in the New Land

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CHAPTER 7

Social Security: A Novel Solution for the Problem of America’s Aged

The Great Depression of the 1930s provided the context in which prevailing ideas about older people’s status and their actual conditions forcefully combined and caused Americans to create a novel solution to the plight of growing old. While most Americans in 1929 already recognized that the economic situation of the elderly was problematic and had taken some steps to remedy the situation, the severity and intensity of the Depression years proved that all citizens, and especially the aged, needed an alternative means of insuring their financial independence and securing assistance when necessary. And yet, it proved to be one thing to call for governmental action for older Americans and quite another to enact legislation that would satisfy the demands and needs of many different groups. Drafting a social security bill required molding an amalgam of familiar and innovative but sometimes conflicting ideas and practices into a workable policy that reflected the harsh realities of the decade rather than the optimistic hopes of the 1920s.

The Impact of the Depression on Popular Attitudes and Current Means of Assisting the Aged

Had the prosperity most people enjoyed after World War I lasted beyond 1929, Americans probably would have been reluctant to consider or implement a new way of dealing with the problem of economic security among the aged. Existing methods seemed reasonably adequate and always could be expanded. Remaining in the labor force as long as possible and then relying upon individual savings undoubtedly would have remained the basic sources of financial independence in old age. The number of private insurance policies providing old-age annuities would have continued to grow. As
retirement systems covered an increasing number of employees in the private and public sectors of the economy, the likelihood of becoming indigent during retirement gradually might have been mitigated for a greater proportion of workers. Americans presumably would have treated old-age dependency in the prevailing manner with innovations instituted as needed. For those elderly men and women who did find themselves in straitened circumstances, the family would have remained the primary source of support. Alternatives to the almshouse for those without kin and friends would have multiplied. The size and number of private old-age homes and charitable relief programs would have expanded. More and more states would have emulated the pacesetters and provided some old-age assistance to its helpless senior citizens. A considerable segment of the aged population would have continued to claim their right to benefits under the federal military pension program. It is possible that an old-age assistance and/or insurance scheme would have eventually passed both houses of Congress. There already were people calling for various types of federal programs; it is conceivable that a growing number of financially vulnerable, elderly voters would have been able to mobilize sufficient political pressure to get some sort of measure enacted that embodied the welfare concerns and economic considerations of the day. But it is much harder to speculate about when, why, or how the federal government might have changed its posture and begun to help solve the problem of financial insecurity in old age at the national level.

The United States, of course, did not enjoy uninterrupted prosperity after 1929. The Great Depression of the 1930s disrupted the lives of all Americans. At least twenty-five percent of the labor force was unemployed between 1929 and 1933; ninety thousand businesses failed; eighteen million Americans sought emergency relief in order to subsist. “While the intensity of falling prices and monetary contraction was not at all unprecedented, the intensity and duration of unemployment was new and shocking.” Bank failures as well as the declining value of personal and real estates wiped out many people’s savings and at the very least strained the financial resources of countless Americans. A sizable proportion of the purportedly prosperous middle class personally experienced the tragic nature of dependency for the first time in their lives.

The Depression was a wrenching experience for everyone, but it had a particularly devastating effect on the elderly. The proportion of older people forced to leave the labor force exceeded the extent of unemployment among other age groups: for example, the Massachusetts Census for Unemployment for 1934 indicated an average unemployment of 25.2%; the percentages for those aged sixty to sixty-four and sixty-five to sixty-nine were 27.2% and 29.8% respectively.² Savings that had been minimal even in flush times proved grossly insufficient during the economic catastrophe.
The Depression disrupted most pension programs. Forty-five plans, covering one hundred thousand employees, were discontinued between 1929 and 1932; other plans, lacking an adequate fiscal base, curtailed benefits. In 1932, only 15% of all wage earners in industry and commerce were covered by pension schemes. Trade union pension plans fared no better: the New York Old Age Security Commission reported in 1930 that only twelve out of more than one hundred organizations had pension programs; most of these were on the verge of bankruptcy. Children, friends, and relatives who previously had borne a major part of the cost of caring for the aged found the burden unbearable as they tried to provide for their immediate families. Not only did straitened circumstances increase the need for many old people to seek public or private assistance, but many predicted that the Depression inevitably would exacerbate the problem because it wiped out people’s savings and deprived millions of older workers of jobs without guaranteeing that they would reenter the labor force.

The various hardships endured during the Depression did more than expose deficiencies in existing means of providing financial relief to the average citizen. Commentators frequently observed that the catastrophe “increasingly convinced the majority of the American people that individuals could not themselves provide adequately for their old age and that some sort of greater security should be provided by society.” Thus the economic crisis also revitalized interest and fostered support for alternative measures of protecting people against economic misfortunes, particularly in their later years.

Americans sometimes seized upon utopian schemes proposed by visionaries who called for dramatic changes in governmental policies. Two grassroots movements deserve special mention. Upton Sinclair in 1933 promulgated a program that he promised would “end poverty in California.” Included in Sinclair’s twelve-point EPIC panacea were plans to make people on relief self-supporting and to grant pensions worth fifty dollars a month to all needy persons over sixty who had resided in California for at least three years. Almost simultaneously, Dr. Francis E. Townsend of Long Beach, California, launched a movement to restore economic, social, and psychological security in the United States. He recommended that all Americans over sixty receive a monthly sum of $200 on the condition that they not engage in gainful employment and that they spend their pension within thirty days; a two percent tax on all business transactions was to pay for the plan. Townsend claimed that his measure would relieve suffering among the elderly as it restored full employment and economic prosperity, reduced taxes, and balanced the budget. Although these plans originated on the West Coast, they quickly attracted attention and support throughout the nation.
The Depression experience also aroused unprecedented support for government-supervised social insurance systems that some social workers, academics, professional reformers, and humanitarians had been advocating unsuccessfully since the 1920s. New and renewed interest in unemployment and old-age insurance systems, in turn, led to the formation of centralized organizations to coordinate reformers' efforts. Abraham Epstein's American Association for Old Age Security (founded in 1927), for instance, became the American Association for Social Security in 1933 and joined the fight for unemployment insurance. Reform groups called for a wide-ranging and coherent program to protect Americans from some of the unforeseen and inevitable tragedies of life.

In addition, organized labor changed its attitude toward the role government should play in providing social security. Reversing its previous stand, the American Federation of Labor in 1932 officially endorsed state-funded unemployment insurance "and the supplementing of such state legislation by federal enactments." Thereafter, labor union officials became increasingly active supporters of legislation calling for unemployment insurance and old-age assistance at the state and federal level. Labor unions shared the belief expressed by reform organizations and grassroots movements that a broad program of public assistance and social insurance was necessary.

Besides galvanizing public support for the idea that the federal government should assume a new role in protecting citizens from the hardships accompanying involuntary unemployment, especially those associated with growing old, the crisis also made public officials more willing to act upon such demands. This does not mean, however, that the economic crisis required the national government to assume an extraordinary responsibility for ensuring the public welfare or that it necessitated a radical reworking of bureaucratic operations at the state and federal levels. The writings of Lester Frank Ward, Richard Ely, Louis Brandeis, and John R. Commons, among others, offered philosophical justification, and previously enacted social welfare bills provided legislative precedents for guaranteeing citizens a measure of social security in old age. Hence, in pushing for specific legislation to meet the present crisis, congressional leaders and executive policymakers were able to cite and build on an existing political tradition. The reorganization and expansion of federal and state operations between 1914 and 1932, moreover, prepared the way for implementing a variety of new policies. Because most governmental bodies operated with a budget and had come to rely on a cadre of technicians, coordinators, and administrators, the creators of New Deal legislation were able to propose means of financing and regulating their measures compatible with already established and relatively sophisticated bureaucratic networks and techniques.

Between 1930 and 1932, Senator Clarence Dill offered several bills proposing that Congress promote old-age assistance at the state level by
authorizing federal grants-in-aid equal to one-third of a state's total expenditure for such relief. Representative William Connery, Jr., jointly sponsored similar bills during the 1933–34 legislative session. Senator Robert Wagner and Representative David J. Lewis introduced a bill in February 1934 designed to accelerate states' efforts to enact unemployment insurance laws. Largely because the Roosevelt administration neither initiated nor actively supported the Dill-Connery and Wagner-Lewis bills, the seventy-third Congress failed to take any affirmative action. Before adjourning, however, it listened to the executive branch's ideas on the subject.

President Franklin Delano Roosevelt addressed Congress on 8 June 1934, and announced his intention to appoint a special committee to devise ways of protecting Americans against some of the conditions that threatened their financial well-being:

If, as our Constitution tells us, our Federal Government was established among other things, 'to promote the general welfare,' it is our plain duty to provide for that security upon which welfare depends. . . . Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age.

For the first time in American history an incumbent president advocated legislation and initiated efforts in the executive branch to provide public assistance against old-age dependency and to promote unemployment insurance. In outlining a general program of social security, Roosevelt expressed his desire that funds necessary for such a measure would be raised through contributions rather than by increasing general taxation. The president avowed his belief that this legislation should be national in scope, with states and the federal government sharing responsibility for its implementation. The federal government was ready to act.

A Delicate Balance:
The Creation of the Social Security Act

Although the Depression experience fomented a sense of urgency about devising ways to relieve and to prevent various forms of economic insecurity, the crisis did not eliminate or wholly resolve obstacles that had impeded earlier attempts to involve the federal government in a publicly funded program of old-age assistance or social and unemployment insurance schemes. One of the most serious practical difficulties facing the Committee on Economic Security, which drafted the legislative particulars, was the lack of reliable data identifying who needed help and how much assistance the target population(s) required. State surveys conducted during the 1920s on the
extent and degree of old-age dependency were considered suggestive but inconclusive because the statistics differed widely. Needless to say, everyone recognized the difficulty in estimating the cost of any program for which as little as one-sixth and as much as two-thirds of all Americans over sixty-five might be eligible. It was generally assumed, moreover, that the Depression had increased the proportion of old people who sought and/or needed relief. Under the circumstances, the committee developed an elaborate old-age security program premised on the explicit assumption that at least fifty percent of all aged men and women presently alive were dependent.12

Just as the staff and committee members who formulated the Social Security Act had to make a reasonable guess about the proportion of old people in need on the basis of a wide range of opinions, so too they had to piece together a viable program in the face of political pressure from diametrically opposed groups. Some social philanthropists, believing that state-sponsored old-age pensions were un-American and ineffective, advocated that Washington do nothing except permit private charitable agencies to continue developing their own ways of assisting elderly people.13 At the other extreme, visionaries proposed a host of utopian tax schemes and panaceas for the aged. Dr. Francis Townsend, for example, claimed in 1935 to have five million supporters and at least sixty congressmen sympathetic to his measure alone, despite mounting contemporary evidence that Townsend exaggerated the effectiveness of his scheme while underestimating its cost and administrative difficulties.14 To defuse such public clamor, the federal government clearly had to enact some sort of program.

As they struggled to reach a consensus about the best way to relieve old-age dependency, the executive and legislative branches grappled with complex philosophical and procedural questions. Was it the government’s responsibility to prevent as well as to relieve destitution? Should the United States provide straight government pensions, as many Scandinavian countries did, or should it institute a contributory insurance system for wage earners, as Germany, Austria, and France did, or should it follow England’s example and inaugurate both an insurance and an assistance program for old age? Should there be a single federal system or merely an aggregate of state plans? If an insurance program were established, should it be voluntary or compulsory, universal or selective?

In addressing such questions, an even larger issue concerning the underlying function of social insurance had to be faced. Two sharply divergent theories had prevailed in the United States since at least the 1920s.15 One tradition, promulgated by John B. Andrews and John R. Commons, as well as the American Association of Labor Legislation, with which they were closely identified, stressed that preventing economic insecurity was the primary function of social insurance. To achieve collective security the “American plan” stressed business’s cooperation rather than compulsory
state action and depended upon capitalistic motives and methods rather
than a deliberate measure to redistribute income. Over time, it became in­
creasingly apparent that this approach conflicted with a theory of social in­
surance being developed in somewhat different fashions by I. M. Rubinow
and Abraham Epstein. Both Rubinow and Epstein asserted that it was the
government’s duty, regardless of overall economic conditions, to provide in­
come maintenance for that portion of the population that was in need.
Epstein, in fact, went beyond most of his contemporaries’ positions and
urged governmental leadership to use social insurance as a way to redistri­
bute income. As I shall show, the creators of the Social Security Act tried to
reconcile these two traditions into a workable policy as they debated and
later amended the intent and provisions of the act’s old-age insurance plan.
For the moment, however, it is sufficient to recognize that there was no
basic consensus even among those who advocated government-supported
social insurance.

If political realities and philosophical differences caused the framers of
the Social Security Act to approach the entire matter of social insurance
with extreme care, cost considerations ultimately played a critical role in de­
termining the program they developed. Committee members argued that the
cost of federal subsidies for old-age assistance would be enormous if a
nationwide contributory annuity system were not simultaneously imple­
mented. Actuaries estimated that the cost to the federal government of
public relief for the elderly would be $1.3 billion in 1980 without an old-age
insurance program; if such a system existed, expenditures would not exceed
$500 million.\textsuperscript{16} Comparable cost calculations influenced other decisions
about financing social security and determining benefit levels.

Not only did executive and legislative committee members endeavor to
weigh the political feasibility, philosophical implications, and economic
practicality of many public assistance and social insurance programs in
designing the Social Security Act, but they also were quite sensitive about
possible constitutional challenges as they deliberated alternatives. All
proposed measures had to be scrutinized in light of the 1935 Supreme Court
decision that the Railroad Retirement Act (1934), which established
contributory old-age annuities for employees, contravened the due process
clause of the Fifth Amendment.\textsuperscript{17} In drafting legislation, committee
members tried to minimize the possibility that the Supreme Court might also
find grounds to rule the Social Security Act unconstitutional.

Examining successive drafts of titles I and II reveals how legislators and
policy makers tried to deal with the practical difficulties, the philosophical
and political choices, and the constitutional and economic considerations
confronting them as they sought to establish a national system of old-age as­
sistance and insurance. Precisely because they were an amalgam of familiar
and innovative ideas and practices, the titles of the 1935 Social Security Act
directly affecting the elderly were, paradoxically, simultaneously ambitious and narrow in scope yet broad and restrictive in their intended effect. Indeed, the very wording of the text appears to have set crucial parameters in the measure’s actual ability to relieve and present old-age dependency.

Title I initially appropriated $49,750,000 “for the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to aged needy individuals.” The title delineated precise requirements for grants-in-aid. A state’s old-age assistance program had to be mandatory and in effect in all subdivisions. States could not transfer financial responsibility entirely to localities but had to furnish some of the funds. Federal funds could not be used to pay for the grants to aged people in public institutions. State plans had to provide an independent agency that directly administered (or supervised local administration), guaranteed the right of appeal to those denied assistance, and submitted prescribed reports to the Social Security Board. A federal board was created to establish broad guidelines on age, citizenship, and residency requirements for applicants.

In anticipation of proposed federal aid, many states passed new laws or amended existing legislation so that it would be consistent with the Social Security Act. Between 1 January and 15 October 1935, eight states (Alabama, Arkansas, Connecticut, Illinois, Missouri, Oklahoma, Rhode Island, and Vermont) and the District of Columbia passed mandatory old-age assistance laws; Florida’s new law was pending approval by referendum; Oregon’s act became operative as soon as federal funds were available. During the same period, sixteen states and two territories altered existing statutes in order to conform to anticipated federal guidelines. Some made previously optional programs mandatory; others established administrative units, liberalized residency and citizenship requirements, or enacted legal provisions for state financial participation on a matching basis. In 1936, New York substituted “assistance” for each reference to “relief” in its law and lowered eligibility requirements to sixty-five. Thus, the provisions of a bill drafted at the federal level reduced some variations in the ways different states administered relief for their aged poor.

Yet the Social Security Act did not eliminate all differences in old-age assistance from state to state. For all its specificity, Title I permitted considerable flexibility in several areas. The original draft, for example, stipulated that states provide a “subsistence compatible with decency and health.” Dr. Edwin Witte, who chaired the Committee on Economic Security, defended the phrase by citing as precedent the language in the Massachusetts and New York laws. Witte and his colleagues clearly hoped to establish minimum national standards for helping needy older Americans. But Senator Henry Byrd denounced the provision as an infringement on a state’s sovereignty. The president of the U.S. Chamber of Commerce, other senators,
and corporate executives shared Byrd's reservation and noted difficulties in defining or implementing "decency." The final version of Title I deleted the controversial provision. Instead, it pledged that the federal government would match state expenditures up to a maximum of $15 per person, and it permitted each state to determine the precise financial award in light of its own circumstances. Consequently, the Social Security Act did not guarantee all old people in the United States equal amounts of assistance. In December, 1936, for instance, the average national monthly allowance was $18.36. The average per recipient in Mississippi was $3.92; in California it was $31.36. States' old-age assistance laws also continued to vary considerably in the maximum amount of personal and real property and income an aged person could possess and still qualify for assistance. Some states, in fact, retained a clause stipulating that those whose relatives could support them were ineligible for assistance. Finally, the federal aid appropriated in Title I was an inducement, not a compulsion, for state assistance. Arizona, Georgia, Kansas, North Carolina, South Carolina, Tennessee, and Virginia still had not enacted old-age assistance statutes by 1937. Older people in Nevada could not qualify for federal assistance because the state's pension law remained optional at the county level.

The provisions of Title I thus mark a significant but circumscribed departure from existing methods of relieving indigency in old age. By appropriating a large sum of money to match state efforts and by establishing guidelines and regulations that states had to follow in order to qualify for federal grants, Congress mandated the need to supervise a national problem at the federal level. By generating funds and stimulating efforts at the state level, it provided some sort of immediate relief for the elderly. Above all, by permitting applicants to appeal administrative decisions, the federal government made old-age assistance a right that could be legally enforced. Public relief in old age was no longer a gratuity. Yet the limitations of the original title are as important as its innovations. The federal appropriation for old-age assistance was not designed to wipe out old-age dependency. Furthermore, since it granted states considerable flexibility in setting requirements and the actual amounts of assistance to be given to needy old people and allowed states the option of not applying for federal assistance, Title I precluded any federal government effort to ensure that old-age assistance be either uniform or equitable throughout the nation.

Similarly, the provisions of Title II reflect a deliberate effort to effect a profound but not radical alteration in the means by which Americans could insure their financial independence in old age. The title authorized the Department of Treasury to set up an "Old Age Reserve Account." Into this account, an employee and his or her employer would contribute equally a prescribed percentage of the first $3000 of that wage earner's salary; the federal government would appropriate additional funds sufficient to pay
current old-age benefits. (To preclude a possible constitutional issue, the authors of the Social Security Act separated titles pertaining to revenues and those related to appropriations. Hence, employee and employer taxes actually were levied in Title VIII, not Title II.) The exact amount of benefits, initially scheduled for disbursement beginning on 1 January 1942, was determined by the wages received in any employment and any service performed in the United States, Alaska, or Hawaii, up to a maximum monthly payment of $85.00.

Policy formulators and legislators hoped that ultimately Title II would provide universal coverage to all workers and thereby significantly reduce the threat of old-age dependency in the future. They were unwilling to jeopardize the future success of the program, however, by making coverage universal at the outset.²³ Because of the difficulties foreseen if, initially, all occupational categories were covered, the title specifically excluded farm laborers, domestic servants, and government employees, among others. Administrative considerations, therefore, necessitated that at least 9.4 million wage earners were not covered by the act. Yet it was not wholly clear how many workers would be participating in the program, since the law did not require “employers” to make personal contributions to insure themselves. Economists estimated that as many as seven to eight million people at the time were intermittently or simultaneously employers and employees.²⁴ The scope of the title would not be known and its effectiveness could not be assessed, in short, until it was actually implemented.

It is crucial to point out, however, that the original actuarial calculations, target population, and philosophical underpinning of the old-age insurance program were profoundly altered before the first benefit was ever paid. Amendments to the Social Security Act in 1939 affected Title II in the following ways. Monthly benefits became payable two years earlier, on 1 January 1940. More people, including employees of banks and loan associations and seamen, were to be covered by the program. Perhaps the most significant change was that the emphasis “shifted from the worker as an individual to the worker as breadwinner for the family group.”²⁵ To promote family security, the amendment provided payments not only for retired wage earners at age sixty-five but also for their wives at the same age or for their dependent children. In addition, benefits were granted to widows, dependent children, and, under certain circumstances, dependent parents of workers who died.

The 1939 amendment reflected the priorities and assumptions of the times. In expanding the scope of Title II to ensure the importance and integrity of the family in social legislation, Congress significantly broadened the Social Security Act’s welfare function. By providing family members as well as contributors at least a minimum guaranteed income, they gave greater emphasis to the “social adequacy” (or income support) aspects of
social insurance than had appeared in the 1935 version of the title. Expanding the number of potential beneficiaries, moreover, led to scrapping initial plans for a large old-age insurance trust fund and instead financing the insurance program largely on a pay-as-you-go basis. This procedural change seemed justifiable in light of the Keynesian economic principles then coming into vogue: experts argued that there was no overriding macroeconomic reason for enormous trust fund accumulations in the late 1930s or the foreseeable future. And yet, the amendment did not nullify the concept of "equity" (or earnings replacement) implicit in Title II. Benefit protection was still related to the amount a wage earner had contributed over time. Furthermore, the amendment provided coverage only for those women and other "dependents" who qualified because of their relationship to a wage earner who had contributed to the program. The 1939 amendment liberalized existing provisions without making federally supervised old-age insurance a universal right.

Not only did the creators of Title II try to strike a balance between the kind of actuarially determined payments provided by private insurance companies and the type of benefit levels proposed by income-redistribution advocates like Abraham Epstein, but they also hoped to give workers more options than they had previously enjoyed. Consider, for example, the way they sought to administer a program of income maintenance in old age without denying people over sixty-five the right to work. Tracing the successive drafts of the 1935 and 1939 social security acts indicates that lawmakers did not use the provisions of Title II to establish a compulsory retirement scheme. In fact, Congress rejected proposals requiring workers to retire in order to qualify for old-age benefits. Title II of the 1935 measure stipulated that "under regulations prescribed by the Board," a recipient would forfeit one month's worth of old-age benefits for any month in which he or she received wages from "regular employment." The wording was deliberately vague, but its intent was clear. Although they did not want to preclude older people's opportunity to work if they so desired, the authors of Social Security did want to devise some sort of retirement test because they thought that old-age benefits under Title II should primarily replace lost earnings. In 1939, the Social Security Board recommended that the law be amended by imposing a ceiling on monthly earnings. Congress listened to arguments urging the elimination of all retirement clauses, but followed the board's recommendation and permitted eligible people to receive benefits if their earnings in covered employment were less than $15.00 a month. (Later amendments prorated benefits according to an employee's annual earnings.) Once again, policy makers hoped to give the aged some options about working. Yet they restricted the range of choice because they shared a fear prevalent in labor, business, and insurance circles that subsidizing older people's wages might depress the overall wage structure.
In sum, the Social Security Act quite literally was an invention of the times. The measure established old-age assistance and insurance as a right, not an act of benevolence. Titles I and II sanctioned an elaborate institutional framework that went beyond any existing American program in potential scope, cost, and effectiveness. At the same time, however, the act sought to avoid creating a bureaucratic leviathan by incorporating precedents and building on existing programs whenever practical. The federal government also deliberately restricted the program's initial impact by limiting its coverage and making many of its crucial provisions optional. Nevertheless, the very existence of Social Security profoundly affected the subsequent history of old age in the United States.

The Emergence of an Institutional Framework to Coordinate Efforts to Help the Aged

Because the Social Security Act was a delicate balance of programs pieced together with a sense of urgency in the spirit of pragmatic compromise, it is not surprising that it was alternately condemned for doing too little or too much. Leaders of older people's grassroots movements assailed the measure because they did not believe that the old-age pension features were sufficient. Townsendites and other organizations continued to fight for broader programs: approximately eighty old-age welfare schemes bid for support during 1937 and 1938 in California alone. Businessmen also expressed severe reservations about the Social Security Act. The National Association of Manufacturers, for instance, attacked the payroll tax on employers. Some managers and shopkeepers in small communities like the Lynds' "Middletown" remained hostile to the idea of old-age pensions in any form. Finally, titles I and II disappointed reformers such as I. M. Rubinow, Eveline Burns, and especially Abraham Epstein, who had not been invited to help prepare the legislation. They faulted the program for being inadequately and/or unsoundly financed, for covering a sector of the population that was too narrowly defined, and for seeming to be more concerned with complicating administrative procedures than with liberalizing benefits. For all of their objections, however, Epstein, Rubinow, and Burns acknowledged that the fundamental aims of titles I and II were well intentioned, and in time could be remedied.

Indeed, despite criticisms and reservations raised at various points in the political spectrum, the provisions of the Social Security Act affecting the elderly seemingly enjoyed immediate and overwhelming popular support. Of all those asked in a December 1935 Gallup survey, 89% favored old-age pensions for needy persons. Two years later, 73% of all respondents approved the present Social Security tax on their wages. Eighty-five percent
rejected the suggestion that employees pay the whole amount of the tax.\footnote{31} While there clearly was widespread support for federal disbursements to the aged needy during the latter years of the Depression, it is impossible to draw a firm conclusion about whether people preferred the insurance or the assistance provisions of the measure. The difficulty goes beyond ambiguities in the ways pollsters phrased questions. It is quite likely that the public did not fully understand the difference between old-age insurance and old-age assistance. Edwin E. Witte, among others, decried the public's miscomprehension of the act they so overwhelmingly endorsed: "Despite the numerous articles which have been written . . . the two parts of the old age security program are confused and many of the essential features have been grossly misrepresented."\footnote{32} Hence, Americans initially may have accepted Social Security, not because they fully understood its operation, but because they accepted the principle that the federal government's program provided a necessary means of alleviating if not eliminating the problems associated with old age.

Although the extent of initial public acceptance of the distinctive features of Title II remains a moot issue, there can be no doubt that the judicial branch of the federal government seriously weighed the legality of the act's old-age insurance provisions. Litigation against several provisions of the Social Security Act began within a year after President Roosevelt signed the measure. The Supreme Court upheld the constitutionality of Title II in a landmark decision. Delivering the majority opinion on 24 May 1937, Mr. Justice Cardozo noted that because the problem remedied by old-age benefits was "plainly national in area and dimensions," Congress had the right to appropriate money to promote the "general welfare."\footnote{33} The Supreme Court would not rule on the wisdom of Title II, but it did certify its constitutional legitimacy. The court thereby removed a serious potential obstacle to further government efforts to relieve the aged's economic predicament.

Even as the Supreme Court deliberated the constitutionality of the Act's old-age provisions, administrators in the executive branch sought to justify governmental responsibility for the elderly's economic situation. In fulfilling its "duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance,"\footnote{34} the Social Security Board, a duly appointed federal agency, broadened current definitions of old-age dependency to include not only those who were in need but also those who potentially might be in need.

\footnote{35} The dependent person . . . will be defined as one who is dependent wholly or partially on others for support. Such a definition is not greatly at variance with previous concepts, but simply broadens the coverage to include those persons who are without means of support and who are potential dependents on public assistance or private charity.
On the basis of this definition, the board in 1937 compiled existing data and contended that no more than 34.7% of all persons over sixty-five—those supporting themselves through earnings, savings, pensions, and annuities—were financially secure. Another 19.8% of the aged population were recipients of public or private assistance. The other 45.5% were dependent by definition, the board claimed. It derived the figure by subtracting the number of people it classified as self-dependent and the number of people on relief from the total aged population. Because of the way it conceptualized the problem, the board did not have to show that the remainder of unaccounted-for people were actually dependent on others for help; what mattered was that they could be. The Social Security Board then cited its finding to underscore the necessity of recent legislation. Assuming that old people posed a serious social problem in the present and probably would continue to do so in the future, the board cautioned against relying solely on public assistance and asserted that the insurance program created under Title II offered a “reasonable solution” to the problem of offering economic support to the elderly.

The social security system immediately evolved an internal dynamics independent of the society that had created it. Although federal administrators did not presume that their perception of the aged’s plight was the only way to define the situation, it was the Social Security Board that presented evidence for the first time in American history purportedly demonstrating that a majority of people over sixty-five years old in the United States were dependent. Government officials did not claim that Title I, operating in conjunction with Title II, provided the only or even the most important way to tackle the economic problems of old age. Nevertheless, the board’s recommendations made the social security system more than a passive agent reflecting the federal government’s priorities. The system itself was beginning to affect attitudes toward the elderly, and the basis for their economic security.

And yet, as Americans clearly recognized, the Social Security Act embodied a response to only one aspect of a multifaceted situation. Having enough money to live was a necessary but not a sufficient precondition for well-being in old age. “The time has come,” writers observed, “when for social security we must think about the problems of the aged in terms of what they really need.” A better understanding of the elderly’s needs and desires, it was hoped, would lead to more satisfactory solutions to their plight.

Private foundations sponsored the first large-scale projects investigating noneconomic aspects of growing old. Research in the medical and biological sciences was among the earliest to benefit from this new institutional support. The Josiah Macy, Jr., Foundation published the first collaborative progress report, entitled Problems of Aging, in 1933. In 1937, the Macy
Foundation, along with the Union of American Biological Sciences and the National Research Council, sponsored the first conference on aging in the United States. These groups underwrote special work-study sessions in subsequent years. Around the same time, private hospitals in Boston, New York, and Brooklyn opened clinics to offer coordinated medical and social services for the elderly and to foster the study of geriatrics.

The federal government soon joined efforts to promote and coordinate research into the biological and social aspects of aging. In 1940, Surgeon General Thomas Parran appointed a National Advisory Committee on Gerontology. In the same year, with the encouragement of the Macy Foundation, the National Institute of Health (which then was a division of the Public Health Service) organized a unit whose chief aim was to serve as a clearing house for studies on the aged. The new governmental agency immediately conducted a survey of current and contemplated research in order to “emphasize the urgent need for greatly augmented support for systematic studies of these vitally important problems of senescence.” The federal government’s decision to assume a primary role in directing and funding systematic, interdisciplinary analyses underscores its belief that the social and biological no less than the economic aspects of old age had to be recognized as a national problem requiring immediate if undetermined solutions.

The passage of the Social Security Act marks a crucial watershed: it opened a new chapter in the history of old age in the United States by establishing the first nationwide institutional structure to assist older Americans. Large-scale organizations henceforth played an independent and significant role in transforming popular attitudes about the elderly’s status and in generating new ideas about the physical, mental, psychological, and behavioral aspects of senescence. They also provided or led to the establishment of unprecedented options for those who were old as well as for those preparing for their old age, and thereby affected the aged’s actual status in society. The creation and subsequent expansion of governmental bureaucracies, private agencies, and professional bodies to deal with the elderly’s problems at the national level, in fact, have been instrumental in shaping many of the distinctive features of growing old in America today.