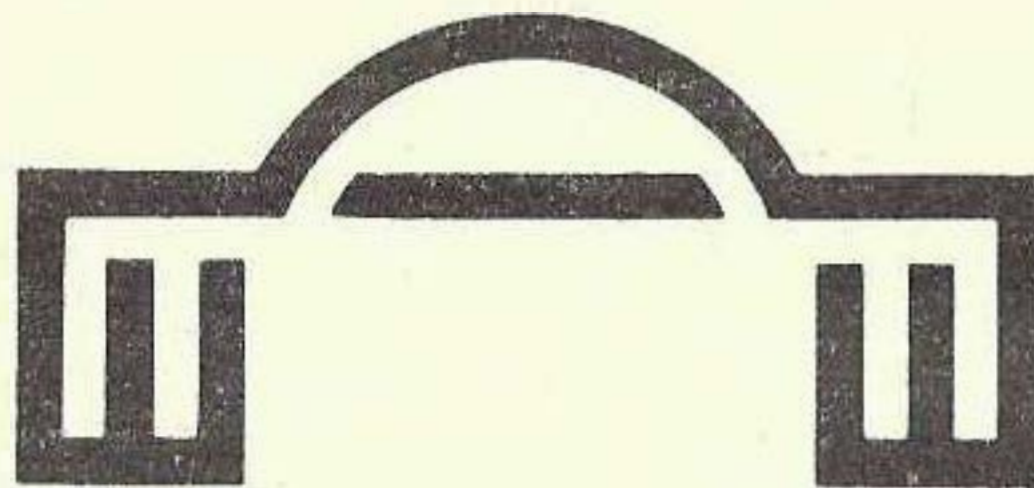




NORTH CAROLINA CENTER FOR
PUBLIC POLICY RESEARCH INC.

NEWS RELEASE

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STATE POLICY AFFECTING ELDERLY AT A CROSSROADS, SAYS N.C. CENTER

They call it the "The Graying of America." Today, one in nine Americans is over 65. In just 45 years, one in five persons will be over 65 -- a whopping 20 percent of the population. As the size of the elderly population has exploded, so have public monies being spent on older persons. And by 2030, there will be three retired persons for every one working person in America.

"For the last 50 years, the government has gradually poured more resources into caring and providing for the elderly population," says Ran Coble, executive director of the N.C. Center for Public Policy Research. "A crossroads is fast approaching when federal and state policymakers may have to make some tough choices in defining the role of government in providing for the elderly."

To provide an overview of the questions at stake, the N.C. Center has produced the first primer on state services to the elderly through a special issue of its quarterly magazine, North Carolina Insight. "We're releasing our report today," says Insight editor Bill Finger, "to coincide with the N.C. Division of Aging's eleventh annual conference in Greensboro." The report is called "Policy and the Aging: Moving Toward a Crossroads."

The issue of Insight culminates six months of research by the Center into such questions as: Who are the elderly? Who makes policy that affects the everyday lives of older persons? What should these policies be? And what kinds of programs and services exist for the aging in North Carolina?

In its analysis of demographics of the elderly, Insight found that those over 65 in North Carolina are generally better off financially than ever before, in line with a general economic improvement for the aged across the country. But the Center also found that single elderly females and elderly blacks in North Carolina still lag far behind other elders in income, living conditions, and health care.

To help close that gap, the state cooperates with federal and local governments to offer and administer a wide range of programs for the elderly. In a 23-page article, the Center details for the first time just what state services exist for older North Carolinians. For example, Insight found that some \$21.1 million in programs for the elderly are administered in North Carolina by the state Division of Aging under provisions of the federal Older Americans Act. But an even larger amount -- \$23.6 million -- is funneled through county departments of social services.

In a group of essays tagged "Conflict or Consensus," Insight examines three major policy questions that will affect older citizens of the state in future years:

* Should federal policy encourage older workers to retire after age 65, or to continue working and making economic contributions? Because of the huge impact of Social Security, federal policy is now heavily weighted towards encouraging the elderly to retire.

* Should the elderly person's right to government services be based solely on age or, in a time of massive federal deficits and dwindling resources, should such benefits be based on need? Medicare and Social Security benefits, for example, go automatically to persons reaching a certain age, whereas Medicaid and Supplemental Security Income (SSI) also require that the recipients have limited incomes.

* Should North Carolina, already one of the most attractive places in the U.S. for out-of-state retirees, attempt to recruit more elderly Americans to North Carolina through tax breaks -- or will the elderly ultimately become a burden on state and local resources? North Carolina now offers four tax breaks designed to benefit the elderly. These tax breaks represent \$41.1 million in foregone revenues annually.

The third major section of the issue deals with the question uppermost in the minds of the elderly and the soon-to-be elderly: What types of health care are available, and what will be available in the future? Insight found that a broad-based continuum of care -- from health care in the home to long-term care in nursing facilities to hospital care -- exists to serve those elders with health problems. But Insight also found that the type of reimbursement system -- not what's best for the patient -- often determines where elderly patients are placed within that continuum. "The question of 'Who pays?' may well be the deciding factor in the location and quality of health care many of our aging persons receive," said Insight editor Bill Finger.

"What makes policy issues affecting the elderly so important now," says Center director Coble, "is that soon, the Baby Boomer generation will itself enter the realm of the elderly. That vast portion of the populace will place strains on programs for the elderly, including retirement programs and health services, that could cause the system to collapse unless we start planning now. As we all age, it's time for us to realize what we are getting into."

Copies of North Carolina Insight are available from the Center on a first-come, first-served basis for \$5. Checks can be sent to P.O. Box 430, Raleigh, N.C. 27602.

The N.C. Center for Public Policy Research is an independent research and educational organization based in Raleigh. It was founded in 1977 to study important public policy questions in North Carolina. The Center receives general operational support from the Mary Reynolds Babcock and Z. Smith Reynolds Foundations, 51 corporate contributors, and 600 individual members. Past research by the Center includes a study of all the boards and commissions in the executive branch of state government, a guide to the legislature, and an examination of insurance regulation by the state.

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