



As America Ages

An Initiative of the A. Alfred Taubman Center for Public Policy and American Institutions at Brown University



Democrats and Republicans: Views and Proposals for an Aging America

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The mission of the As America Ages Initiative is to foster cross-sector collaboration to address the challenges and opportunities created by an aging society. To this end, the Initiative strives to:

- accurately describe how an aging population affects America
- produce analysis and research that informs policymaking towards aging
- inspire the next generation of thought leaders to find creative solutions and opportunities for an aging America



In 2008, the oldest baby boomers are turning 62. Social Security is in a crisis: its payouts are expected to surpass its income by 2017—and Medicare is in even worse shape. Americans' personal saving rate has been steadily declining since the 1980s (Walker 2007: 34). These threatening circumstances are all grave issues for an aging America. Both the Republican and Democratic Parties have released their 2008 Party platforms, which put forth their ideals, ideas, and priorities. From these platforms, much can be ascertained about the Parties' respective views on aging—by the issues they address and proposals they put forth, as well as by those issues omitted and proposals *not* made.

THE PARTIES' POSITIONS ON AGING: PAST AND PRESENT

Republicans

Since the 1980s when President Reagan sat in the Oval Office, Republicans in power have often fought for tax cuts—without lowering benefit spending (Peterson 2004). Like Democrats, today's Republicans are aware of demographic realities and the need to address issues confronting an aging America.

Social Security

- The Republican platform emphasizes the looming demographic shift as a reason why young workers will not be able to rely on Social Security for their retirement plans (RNC 2008: 19).
- The RNC advocates for reforms that privatize Social Security by giving workers control over their own contributions and giving individuals the option to create a personal investment account, as a supplement to traditional Social Security (RNC 2008: 19)

Medicare and Medicaid

- Republicans recognize that Medicare's "projected growth is out of control" and consequently aim to spend less on Medicare (and Medicaid). However, the 2008 Republican Party platform stops short of explaining how it will do this beyond eliminating "waste and inefficiency" for Medicare and spending less on Medicaid by providing recipients with more health care choices. Their emphasis is on how to lower spending, rather than on how to improve these programs (RNC 2008: 41).

Health Care

- Former presidential candidate Senator McCain's health care plan would not mandate health insurance coverage for Americans with pre-existing conditions, which would inevitably disadvantage the elderly (Shear 2008).

Medical Research

- The Republican platform supports federal investments in biomedical research focused on the prevention and treatment of diseases. In their platform, the Republicans mention breast cancer, prostate cancer, and diabetes as examples of diseases of importance (there is no mention of Alzheimer's—a key disease of the elderly).

Pensions

- The Republican platform argues for including the long-term costs of pension and health care plans in government budgets, and proposes that those programs become funded by defined contributions (RNC 2008: 17).

Republicans recognize the funding issues related to Social Security and Medicare, although they say nothing in their 2008 platform about ensuring Social Security in the long-term, and advocate privatizing the system. The Republicans encourage federal medical research spending, but do not make any special mention of diseases afflicting older Americans, and restrict funding based on their ideology. Finally, Republicans also argue for responsible government budgeting by including long-term costs in budgets, which would force the government to face the facts.

Democrats

The Democratic Party has a long history of supporting social programs that support older Americans. Under Democrat Franklin D. Roosevelt, Congress passed the Social Security Act in 1935 as part of the New Deal. Democrats are responsible for many of the Social Security benefit expansions since, and created Medicare in 1965 (Peterson 2004: 114). Despite this emphasis on creating and expanding social benefits, Democrats have long avoided facing long-term funding and sustainability challenges facing these programs. The 2008 Democratic Party platform approaches the topic of aging differently from its Republican counterpart.



Social Security

- Democrats believe Social Security is “indispensable,” and will not privatize it (DNC 2008: 13).
- Democrats also write in their Party platform, “We recognize that Social Security is *not* in crisis and we should do everything we can to strengthen this vital program, including asking those making over \$250,000 to pay a bit more. The real long-run fiscal challenge is rooted in the rising spending on health care...” (emphasis added, DNC 2008: 27).
- The Democratic President-Elect Barack Obama believes that it is not fair or necessary to raise the retirement age. Rather, Obama and Biden will “ask those making over \$250,000 to contribute a bit more to Social Security to keep [Social Security] sound” (barackobama.com 11/03/08).
- The 2008 Democratic platform lists heart disease, Alzheimer’s disease, Parkinson’s disease, multiple sclerosis, breast cancer, diabetes, and autism as diseases and disorders that need increased research investments—significant because unlike the Republican Party platform, they include/mention Alzheimer’s disease (DNC 2008: 12).

Medicare

- To support Medicare, Democrats aim to eliminate the ban preventing the federal government from negotiating prescription drug prices and to end the practice by drug companies of interfering with generic competition by paying generic producers not to create certain generics (DNC 2008: 50). These reforms will lower Medicare drug prices.
- The Democrats propose enrolling all workers in automatic workplace pension plans (a defined contribution program) that travel with an employee from job to job. Pensions could be supplemented by a willing employer’s matched contributions and/or government matching for low-income workers.
- The Democrats also propose eliminating the income tax for seniors with incomes lower than \$50,000 each year, which would provide relief to over 7 million older Americans (DNC 2008: 13; barackobama.com 11/03/08).

Health Care

- The Democrats embrace President-Elect Obama’s health care goal of making quality and affordable care accessible to every American (without requiring coverage).
- While both parties support developing ways for Americans to have the opportunity to remain in their own homes in old age, only the Democrats expand on that in their platform (RNC 2008: 40; DNC 2008).
- The Democratic platform discusses the importance of making available more quality nurses and health care workers for long-term care.

Research

- The Democratic platform supports medical research “based on science, not ideology” focused on prevention, quality, and efficiency and plans to increase funding to the National Institutes of Health, the National Science Foundation, and the National Cancer Institutes (DNC 2008: 12, 27).

Retirement Savings and Pensions

- Democrats commit to protecting and preserving existing pension plans (both public and private) by changing bankruptcy laws and requiring that employers provide annual financial disclosures on pension funds to employees (DNC 2008: 13).
- The Democrats propose enrolling all workers in automatic workplace pension plans (a defined contribution program) that travel with an employee from job to job. Pensions could be supplemented by a willing employer’s matched contributions and/or government matching for low-income workers.
- The Democrats also propose eliminating the income tax for seniors with incomes lower than \$50,000 each year, which would provide relief to over 7 million older Americans (DNC 2008: 13; barackobama.com 11/03/08).

Changing Attitudes

- Only the Democrats mention transforming attitudes about the elderly in their 2008 platform: “We will ensure a safe and dignified retirement. We will work to end abuse of the elderly. We will safeguard from discrimination those who choose to work past the age of 65” (DNC 2008: 50).

The Democrats do not acknowledge or appreciate the huge sustainability problem presented by Social Security—evidenced by their statement that the system is not in crisis and that the real long-term crisis lies solely in rising health care spending. Similarly, the 2008 Democratic Party platform fails to outline a plan for cutting costs for Medicare and Medicaid, though they do put forth plans for reforming Medicare. Furthermore, the future Democratic President’s write-off of the importance of raising the official retirement age dismisses an approach that would significantly lower Social Security spending. Despite these shortcomings, the Democrats emphasize the importance of increasing federal funding of medical research, including Al-



zheimer's disease (not mentioned in the Republicans' 2008 platform). The Democrats also seek to address pension issues and alleviate seniors' income tax burdens. Finally, only the Democrats acknowledge abuse of the elderly and essentially the need to transform attitudes and fight age discrimination.

WHERE WE'RE HEADED

Democrats included more frequent and more thorough mention of aging-related issues overall in their 2008 Party platform than Republicans did. Alarming, neither the Democrats nor the Republicans addressed the aging crisis in their platforms in much depth or with much urgency. Having Barack Obama as the United States' President-Elect, combined with a Democratic-majority House and Senate, increases the likelihood that some or many of the Democratic Party's proposals on aging will become law in the next four (or perhaps eight) years. While the Democrats touch briefly on several important issues related to aging in their 2008 Party platform—demonstrating their awareness and prioritization of those issues—they have a long way to go. Obama's proposals (largely the same as the Democratic Party's proposals in their 2008 platform) do not demonstrate that he is fully cognizant of the severe financial crisis we face in the near future. Traditionally, Democrats have increased benefits without adequately planning for long-term funding. Obama will assume the presidency on January 20, 2009 without the option of continuing down that path. Obama has indicated he recognizes there will have to be spending cuts—but by his aging-related proposals it seems clear that he does not yet appreciate the magnitude of the spending crisis he will inherit.

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