

# Retiring in Dignity Miami or Moscow?

**Jim Davis**

"If I had known things would be this tough I would have set aside more money. In this country getting old is about the worse thing that can happen to you. If you're smart, try to save as much money now. You'll need it when you get my age," was Willie's advice. Willie retired in 1977 after laboring nearly 50 years in every job imaginable from bellhop to cab driver. He had to cut back so much on what social security gave him that he decided to come out of retirement and work again. He found out that not too many people wanted to hire a 66-year-old man. That's why he ended up taking a minimum-wage job as a messenger for Paine Webber. At least the work wasn't back-breaking.

Willie has been working for the company nearly two years. It is the difference between living in either a cheap rundown tenement in the Lower East Side of New York or a tiny but nice studio in the Bensonhurst section of Brooklyn.

Willie's plight is like that of many older Americans. With the realities of

ment age is lowered to 50-55 for men and 45-50 for women.

Unlike Willie who has to keep on working to make enough money to live, older workers in the Soviet Union receive enough from their pensions to live comfortably. In the U.S. retirement benefits replace on the average only 42% of pre-retirement wages. In the Soviet Union it is anywhere from 50 to 75%. The lower the Soviet workers' wages are the higher are his retirement benefits. Workers with exceptionally low incomes receive benefits equal to 100% of their wages. Minimum benefits are raised on a regular basis. Between 1971 and 1975 retirement pensions for factory and office workers was raised 50%. For collective farmers the increase was 65%.

In the U.S. the soaring prices have driven many older Americans in to poverty. In the Soviet Union there is no real inflation to speak of and prices have remained relatively stable over the years. Between 1968 and 1975, food prices rose an average of 1.2%. The establishment of free medical care (in-



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In the U.S. the soaring prices have driven many older Americans in to poverty. In the Soviet Union there is no real inflation to speak of and prices have remained relatively stable over the years. Between 1968 and 1975, food prices rose an average of 1.2%. The establishment of free medical care (including long periods of hospitalization in the event of severe illness) has relieved many older Soviet workers of a heavy financial burden. In the U.S., older Americans are often victims of rip-off medical care. In many cases they are forced to pay nearly 3½ times more than the average American. The Soviet health care system is extensive with hospitals and district clinics throughout the country. Most large factories and plants have their own clinics and in some cases their own hospitals. In 1975 there were 20 doctors for every 10,000 people in the United States. In that same year, there were some 30 for every 10,000 in the Soviet Union. Health resorts are also available for retired Soviet workers and their families to spend holidays and vacations. In most instances they're fully paid for by the government.

In the area of housing construction, the Soviet government again plays a major role. While people like Willie are left on their own to pay for housing, Soviet housing costs are heavily subsidized by the government. Tenants pay less than one third of the cost of maintenance. From 1940 to 1975 rent

remained fairly stable. A Soviet family spends only 4-5% of its budget on housing costs. Under Soviet law private construction and leasing of housing is illegal.

### The Freedom to Retire

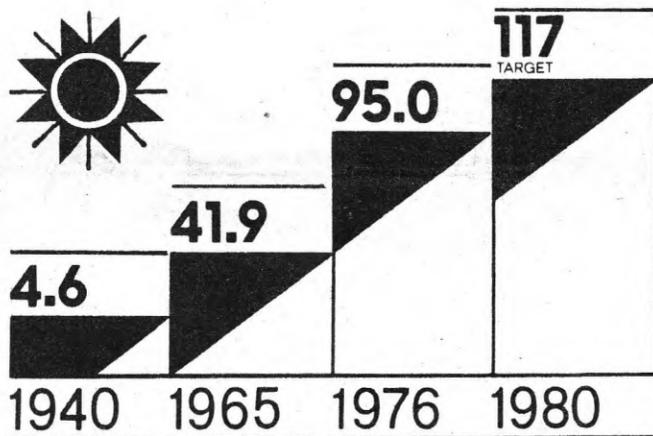
When Willie reached 65 he had a choice to make — either retire and live in poverty or return to work and be able to live just a little better. Under present law, older Americans between 65 and 72 can earn up to \$5500 a year without losing benefits. For every \$2 earned above that amount, \$1 is taken out of their benefits. Under Soviet law, workers past the age of 60 who continue to work receive both their full pensions (which is not taxed) and their wages. As they add more years to their work record they can eventually qualify for a higher pension. They also receive the same benefits as other workers (like paid vacations). One out of every four Soviet workers eligible for retirement chooses to continue working.

In many cases money is not the only incentive for older workers to continue working. Many people in their sixties want to and are still capable of leading active and useful lives. On any pleasant summer day in New York, the city's parks are crowded with older people who sit all day with nothing to do. Many may want to work but are told they are too old. When they are forced into the job market like Willie no one is willing to hire them. It is a waste that can't even be measured.

To take advantage of the wealth of experience and wisdom that older workers have gained over the years, labor veteran councils have been set up in large Soviet factories. Older workers advise and counsel younger workers. In many of the larger cities and towns in the Soviet Union, house committees are set up on every block. One of their responsibilities is to look after the recreational needs of the older people. For example, one committee in the Petrograd District built a library and a small concert hall for its residents.

continued on page 14

SOVIET CONSUMPTION FUNDS (In thousand million roubles)



The steady growth of public consumption fund has led to an improved standard of living for the Soviet people.

double digit inflation, many Americans reaching the age of 65 think twice before retiring and having their incomes cut in half. Food prices, medical and housing costs and just about everything else goes up while the Reagan Administration continues to talk about "cost-saving" cuts in the social security program. Willie was right, growing old is about the worst thing that can happen to you in America.

How would things change for Willie and other older Americans under a socialist America? How would their lives improve? To give a glimpse of what the future socialist society holds for our elderly, look at the achievements already made in the Soviet Union.

### Retirement Should be Something to Look Forward to

Willie and the millions of Americans like him have put in their share of hard work. They've more than earned the opportunity to sit back and enjoy life in their later years. It is a right that has been paid for in blood and sweat. In the Soviet Union, social security and other benefits (like free medical care) are guaranteed under the country's constitution. There are presently 47 million Soviet citizens collecting pensions. Men who have reached the age of 60 and have worked for 25 years are entitled to a full pension. Women are eligible at the age of 55 after working 20 years. For those working in dangerous jobs, like miners, the retire-

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Elderly in the U.S. have no guarantees of meeting even basic needs like housing and good health care.

# ... Social Security

continued from page 10

## Special Needs of Women

In America the plight of older women is an especially desperate one. Many women who have short work periods (or none at all) because of responsibilities in marriage and in raising a family are entitled to only 50% of their husbands social security benefits. For those women who can work they earn only 59 cents for every dollar a man earns. As a result most women will receive less in social security benefits. According to Prof. Morton Bernstein, a consultant to the White House Conference on Aging, one out of every ten widows in their sixties lives below even the government's poverty level.

In the Soviet Union the special needs of women are taken into consideration in the social security program. Women who have worked at least 15 years and have raised five or more children to the age of eight are entitled to a pension at age 50. Daycare is free and available for all working mothers. The government also distributes grants for children of single mothers, mothers of large families and families with low incomes. Through government subsidies, children's clothing and other necessary items are offered at lower prices.

Soviet women are granted maternity leave 56 days before birth and another 56 days afterwards. In the case of a difficult birth or the birth of twins, the leave is extended to 70 days. Throughout the entire leave, women continue to receive their normal wages. Upon return to work, women are entitled to paid breaks to feed their

babies. After the pregnancy, women can get light-duty work and still be paid the same wages as before. In the U.S. there are no laws that guarantee maternity leave and pay.

## Other Kinds of Benefits

The Soviet social security system provides for other types of benefits for those in need. For those workers injured on the job full pensions are automatically granted no matter how long they've worked. Those injured outside the job are also entitled to a pension (calculated based on their work record). In the event of the death of a breadwinner in the family, all surviving relatives who were financially dependent (not only the spouse and children) are eligible for a full pension.

## Planned Socialist Economy Puts People Over Profits

Why is the Soviet social security system vastly superior to ours? The answer to that lies in the fact that the Soviet Union has a planned socialist economy which puts the needs of the people first. With the elimination of private ownership of factories and

other sources of production for the sole aim of profit, the Soviet government has been able to organize and harness the country's vast natural and technological resources for the needs of its citizens. Since the 1917 revolution, large factories, plants and other major sources of production and distribution of industrial and consumer goods have come under public ownership and control.

By 1977 Soviet national income had increased 65 times since the revolution. In the same year, the Soviet Union produced one-fifth of the total world industrial output. Individual income doubles every 15 years in the Soviet Union while prices remain stable.

The steady improvement of the Soviet people's standard of living is done through money accumulated by the government in public consumption funds. The funding for pensions is done entirely from government resources. There is no additional tax for social security.

In the government's tenth Five-year plan (1976-80) the public consumption fund was increased to \$525 billion rubles (more than the total funds allocated in the seventh and eighth Five-year plans). It represented an increase of nearly 76,000 million rubles (roughly 12 billion rubles more than the increase in the previous plan).

It's of course a whole different situation in the U.S. While vital services, among them social security, will be cut, the Reagan Administration, if it gets its way will add three times as much money into the military budget as dur-

ing the height of the Vietnam war. After a stunning 96-0 setback in the Senate, Reagan still plans new assaults on the social security program. Leading the attack is the New York Times. In an editorial dated May 26, it recommended to the Reagan Administration a series of sweeping but "gradual" changes in the program. Among the necessary reforms proposed was the raising of the retirement age to 68 and the elimination of "freeloaders," such as children under 18 of retired workers from the program. Gradual? The angry response to these proposals from the American people will likely be swift.

## A Long and Happy Life Under Socialism

Since 1917, the life expectancy in the Soviet Union has more than doubled. Statistics in 1978 showed that the Soviet Union boasted the lowest death rate in the world. The 1970 census pointed out that nearly 3 million Soviet citizens were past the age of 80. 23,000 more lived passed the one hundred mark. These are part of the fruits of the socialist system in the Soviet Union. □

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