

The Aging Class

di Trevor Jackson

Retirement, like so much of the American economy, is a broken system that benefits private interests and exploits the most vulnerable people.

We know how long a human life span is, but what about the life span of a policy regime? If modern retirement was born in 1935 with the passage of the Social Security Act, it is now entering its ninth decade. Over that time retirement has been diminished and degraded; Social Security in particular has survived several assassination attempts. It is once again in the crosshairs: congressional Republicans have proposed raising the full retirement age to sixty-nine and changing the benefit formula, while Social Security offices and staff have been cut, and like the rest of the federal machinery, the system is being weaponized to enforce the Trump administration's agenda. So are we closer to the end or to the beginning?

For the historian James Chappel, there is reason for hope: the idea of retirement has been different before and can be different again. Taken to an extreme, an ever-evolving idea of retirement could outlive drastic institutional change, perhaps enduring longer than the institutions of American democracy or beyond climate disaster. For the economist Teresa Ghilarducci, retirement is in crisis, and the crisis is only growing more severe. A "Maximalist Plan for Guaranteed Retirement Accounts" is needed to give it new life and to allow Americans to genuinely retire rather than continue working at diminished wages and with little security until they die.

Chappel is a historian at Duke University, where he teaches and researches the intellectual history of religion, gender, and the family in modern Europe and the United States. He is also affiliated with the Duke Aging Center, the longest continuously funded center on aging research in the US. In *Golden Years*, he sets out to tell the story

of how old age emerged as a distinct phase of life and how American ideas about old age evolved across the twentieth century. The book is motivated in part by a puzzle: between the 1920s and 1970s “old age was a perennial issue in national politics. Since then, no major legislation has been passed, beyond some insufficient reforms to the preexisting system.”

The mystery deepens when you add the bleak evidence from Ghilarducci’s *Work, Retire, Repeat*: although older Americans are far more politically active than younger ones, account for an enormous proportion of federal spending, and may constitute one of the most effective voter interest groups in the US (to say nothing of their gerontocratic lock on all national political leadership), they have seen no institutional changes to old-age policy for a half-century. What they’ve seen instead is a continual erosion of their ability to retire and their standards of living once they do.

Chappel begins with two different visions of elder care that arose in the late nineteenth century. The Ex-Slave Mutual Relief, Bounty, and Pension Association recognized that formerly enslaved people tended not to have savings or employer pensions in their old age, since they hadn’t been paid for their work before emancipation and faced an exploitative labor market after. Led by a formerly enslaved washerwoman, the group advocated for pensions to former slaves—an approach “rooted in racial justice and in recognition of the many kinds of meaningful labor,” part reparations and part stimulus for the impoverished rural South. In contrast, the Fraternal Order of Eagles advocated for pensions for industrial wage laborers—for people who had worked in jobs that wore out their bodies and left them physically unable to work. The Eagles had in mind city-dwelling male breadwinners and excluded household and domestic work from their vision of who was among the deserving. The leader of the Ex-Slave Pension Association was later imprisoned on mail fraud charges, and the organization faded away, while the Eagles became one of the pressure groups that eventually led to Social Security. For Chappel, this was the first point when policy turned away from universality and toward a politicized idea of deservedness. Since then the institutions

of American aging have reproduced rather than ameliorated the inequalities and injustices of the wider American economy.

Civil War veterans were the beneficiaries of the first federal pension system, which in 1906 was expanded so that old age alone, not physical disability, was sufficient to warrant a pension—an entitlement that was understood to have been earned through military service. The other moment of lost possibility came in 1933 in response to the Depression: the Townsend movement (launched when Francis Townsend, a California physician, outlined his plan in a letter to the editor of his local newspaper) sought to provide every American over the age of sixty with a generous monthly payment drawn from general tax revenues, with the requirement that it be spent quickly, as a kind of proto-Keynesian demand stimulus. By 1936 some two million Americans belonged to Townsend clubs, and it was among the “most active social movements in the first half of the twentieth century.”

The Townsend movement lobbied hard for universal pensions, but it too failed. The Social Security Act of 1935 was intended not to solve wider problems of economic inequality and poverty but rather to address the specific problems of impoverished older people, especially what policymakers understood as the problem of “dependence.” Still, Chappel views Social Security as one of the great marvels of modern American history. It is famously incomplete, to be sure, but it is also “the greatest poverty-reduction program in American history,” responsible in 2022 for keeping 21.7 million Americans out of poverty. And further, according to Chappel, it is “responsible for the *invention* of old age in this country. Before 1935, there was very little sense that ‘old age’ was a coherent stage of life, with its own institutions and benefits.”

In the postwar decades old-age policy, now reconfigured around “senior citizens,” reached its zenith. Between 1950 and 1975 the White House hosted several National Conferences on Aging, the National Council of Senior Citizens was founded to advocate for Medicare, and the National Institute on Aging was founded to conduct gerontology research, thereby mainstreaming the field of study. The number of Americans with employer-sponsored pensions quintupled to 33 million. The first

retirement community was established in 1954 by a utopian Russian immigrant in Arizona.

“Scientists and policymakers in the 1950s were interested in social solutions to social problems,” Chappel writes, “and aging was a social problem par excellence, occurring as it did at a massive scale and irrespective of people’s individual intentions.” Medicare and Medicaid were the landmark achievements—but these too were not intended to be steps toward universality, poverty reduction, or health care as a human right. Medicare was intended to help older Americans pay for emergency hospital visits, not to deal with disability, long-term care, or prescription drugs. Medicaid was funneled through the state-level welfare system, ensuring that it remained underfunded and stigmatized. Still, as Chappel puts it,

if retirement in the 1950s was posed as a challenge, in the 1960s and 1970s that challenge was met. Retirement became an attractive proposition because the American government, and private industry, too, poured immense amounts of energy and money into it.

Then came the economic crisis of the 1970s and the reactionary onslaught that has barely abated ever since. Despite agitation from radical political groups like the Gray Panthers, old-age support was increasingly privatized and curtailed. Changes to the tax code between 1974 and 1978 created the individual retirement account (IRA) and the 401(k), which precipitated a rapid employer-led switch from defined-benefit to defined-contribution pensions, with the latter outstripping the former by 1985. The entry of women into the labor force produced a crisis of elder care because women had been doing that work at home without pay. There have been essentially no meaningful attempts to regulate the notoriously horrific nursing home industry since 1987, despite the fact that in 2023 the median cost of a private room at a nursing home was \$9,733 per month, nearly one and a half times the median household income. Chappel even finds evidence that the word “retirement” itself has declined in usage. One generation, who spent their prime working years in the 1950s–1970s, experienced the full benefits of Social Security, and as with so many other elements of that limited welfare state

system, it was then dismantled, with the acquiescence or even active collaboration of that same generation.

The rise of the AARP has been emblematic of the shift from old age as a social problem to old age as an individual misfortune. By 1988 the AARP had more members than any other institution in American life except the Catholic Church, and its magazine is the most widely circulated periodical in the country. But it is not a civic association or a mechanism for sociability, let alone a political pressure group. As Chappel puts it, the AARP (which dropped “retirement” from its name in 1999 and just uses the acronym) is a lifestyle organization for people over fifty: it provides “private-sector solutions to the problems of senior living, and it sought to connect older people with for-profit companies to improve their lives.”

On the policy side, Chappel writes,

after the economic crisis of the 1970s, Democrats stopped proposing innovative or expansive policy proposals in this space. Between Jimmy Carter and Joe Biden, Democrats did not have an old-age policy worth the name, and certainly nothing to compare with the Right’s drive for Social Security privatization.

The creation of Medicare Part C in 1997 (to buy supplementary insurance) and Part D in 2003 (to provide for prescription drugs) has only increased older Americans’ reliance on private companies, transforming them from “beneficiaries into empowered but inept consumers.” From 1975 to 2016 the average annual medical costs paid out of pocket by Medicare beneficiaries tripled, even adjusted for inflation.

What is perhaps most striking about *Golden Years* is that this same story can be told about many of the other institutions of American life. The move from a postwar New Deal political consensus about state-led solutions (always incomplete, never aimed at universality) to crisis in the 1970s to privatization, in which risks and expenses fall on individuals and private companies profit immensely, can describe policy changes in childcare, education, housing, and health care as well as elder care. There is now a substantial literature on this transformation. In his book *The Great Risk Shift* (2006), the political scientist Jacob Hacker traced the variety of ways that, between the 1930s and 1970s, Americans treated economic insecurity as though it was beyond the control of those who experienced it and how, from the 1980s onward, the burden of preparing

for economic risk, ranging from unemployment coverage to skills and education to retirement and disability, has fallen on individual households.

The sociologist Melinda Cooper has pushed the point further, analyzing in her book *Family Values* (2017) the ways that radical free market individualism depends on family structures as an alternative to the welfare state. For decades Americans have been trained to believe that economic misfortune is deserved, the fault of people who didn't work hard enough or who lived in the wrong places, did the wrong jobs, learned the wrong skills. Medical misfortune has been pathologized as a set of individual lifestyle choices, and childcare as the responsibility of hardworking parents who are supposed to provide for their families. The distinctive thing about old age is that, in the best-case scenario, it will happen to everyone, but that has not prevented the same risk shift away from social or governmental systems and onto individuals and families.

Golden Years and Work, Retire, Repeat complement each other usefully. Ghilarducci—a labor economist at the New School for Social Research who has published five previous books and dozens of articles, mostly on the economics and policy of retirement—dispenses with history in a single paragraph that runs from Social Security through the powerful union years of the 1950s to the arrival of defined-contribution pensions in the 1980s. Chappel, likewise, has a single paragraph that condenses what he views as the gloomy, panicked clichés about retirement. Each book is an elaboration on (and different interpretation of) the other's paragraph.

Ghilarducci is here to sound an alarm, and not for the first time. Her previous book, *Rescuing Retirement* (2016), was coauthored with Tony James, the former president of Blackstone.

Her point is consistent: older Americans are working more and working longer. They also have inadequate savings, insufficient Social Security payments, and risky defined-contribution pensions. As she summarizes, of Americans aged 62–70, only 10 percent are retired and financially stable. Another 11 percent could retire comfortably but choose not to. A full 51 percent are retired, but their living standards have diminished significantly since they stopped working, and 28 percent are still working and cannot afford to stop. Her book is intended to destroy what she calls the “working-longer consensus” of policy elites and other economists, all of whom believe that the solution

is for those 79 percent of older Americans who cannot retire comfortably to work longer and retire later.

The reason for this consensus, she argues, is blunt class warfare. Working longer exacerbates the inequalities of the labor market, and the allocation of time between work and nonwork is about dominance, not efficiency. Longer working life spans, like longer working days, are not a requirement for improving economic efficiency and increasing national output; they are a result of the coercive power of employers over workers. Retiring sooner is disproportionately beneficial to the most vulnerable people, those with the worst jobs and worst health. As Ghilarducci puts it:

The essential truth about older people having to work longer is that it helps employers. Employers are better off because the increase in labor supply drives down wages, working conditions, and business costs. Working longer reduces retirement time and helps employers maximize their profits.

This point ramifies through all the research that Ghilarducci presents. Older workers have structurally worse bargaining positions than other workers, and the presence of a reserve army of the precarious elderly undercuts the bargaining power of other workers. Men with defined-benefit plans live to enjoy on average 2.7 more years of retirement than men with 401(k)s, and they are less likely to die while working or to spend their short retirements chronically sick. And, of course, underlying the fundamental inequality of working longer is the inequality of life itself: richer people live longer, so having poorer people work longer “solves” the problem of retirement by reducing the amount of time that people live without working. “Rich people have more of everything,” Ghilarducci writes, “including life span.”

In describing her opponents, Ghilarducci refers only to “elites” in general, and she cogently points out that both professors and legislators have comfortable jobs with a lot of autonomy that lead them to believe that working into your eighties is a fun and lucrative thing to do. I don’t doubt that her research field is full of people like Paul Ryan, memorably described by Charles Pierce as “the zombie-eyed granny starver” from Wisconsin who is now a partner in a private equity firm. Those people might be impossible to persuade. But for readers who already think that everyone should have access to a comfortable, dignified retirement as a basic human right, or indeed that

people's life chances should not be tied to the power of their employers, it might feel like *Work, Retire, Repeat* is pushing on an open door.

Of course people should not have to work during retirement—but self-exploitation as a means of demonstrating moral worth and the right to exploit others has become so dominant among the highly educated upper-middle-class professions that the point needs arguing. The existence of a working-longer consensus tells us less about the validity of working longer (which is nil) and more about who gets to constitute a policy consensus. Moreover, the fact that, according to researchers at the Federal Reserve Bank of St. Louis, essentially all net job growth between 2000 and 2017 was among workers over the age of fifty-five is grim for older workers having to work longer, but it's also grim for the under-fifty-five cohort who had two decades without net job growth. A lot of things have been broken in the American economy for a long time.

The same subject approached by a historian and an economist yields a kind of parallax view. Chappel's *Golden Years* is structured around various roads not taken to show that our world is not the inevitable outcome of some inexorable arrangement but the consequence of several moments of political contingency. It pays close attention to vulnerable and marginalized people, especially the women and care workers laboring in the background of any system of elder care. It has a chapter specifically on "Black Power, Black Aging." Chappel leans heavily on cultural depictions of his subject—from popular magazines to the sitcom *The Golden Girls*—to try to understand how the public imagined old age, because he takes this conception to be one of the main drivers of both institutional change and continuity. These are exactly the methods that are most prized by historians working on nearly any subject right now. Chappel is also a lively and often very funny writer. His rhetorical mode here is optimism: in his view, the basic fact that there are more older Americans than ever before, living longer than before, and with fewer of them in poverty than before is not a crisis but an opportunity. Ghilarducci sees crisis, and she is persuasive that life on Social Security income is not nearly so rosy as Chappel thinks. But *Work, Retire, Repeat* also suffers from a malady common to books by policy experts, one we might call "the technocratic delusionary." This is the tendency of policy-oriented scholars and experts to write books that spend almost their entire length carefully and persuasively analyzing some large-scale

problem and dismantling the many facile popular solutions to it. Then in the final chapter they offer their own policy remedies with absolutely no realistic discussion of how to get there. Many of these books are aware that they are analyzing problems of politics and power, not science and technocratic governance: Ghilarducci herself notes that “union contracts, political negotiations, social norms, struggles for retirement, public employment activism, and employer practices...changed according to employers’ own needs,” and that “the distribution of pay and time is not a reflection of what people want; it is what they are compelled to accept.” But she does not have a theory of political change. That is not her fault: we are in a political situation where it may be impossible to change anything without changing everything.

Instead she has eight policy goals, including lowering the Medicare qualifying age and increasing the minimum wage. Those are admirable, but if, as she notes, the world is the way it is because it benefits employers, then that is the problem that needs solving. Hence the reason why books like this never quite satisfy: enacting their policy remedies depends on a set of political conditions that themselves require a powerful, organized, militant working class able to confront and defeat capital, corporations, and employers. But no policy expert is going to call for that, and there aren’t many resources to build such a political force anyway.

This technocratic approach also creates diminished expectations. Ghilarducci’s “Maximalist Plan for Guaranteed Retirement Accounts” would require all workers to contribute 3 percent of their pay across their entire career, which would be pooled in high-return, risk-adjusted investments with guaranteed principal and would pay out in annuities with a tax credit. That sounds far beyond the thinkable possibilities of our current politics, but it still isn’t employee ownership or citizen-owned social wealth funds or a claim to universal entitlement.

Chappel is lighter on policy recommendations, but his first “lesson” from history is that we need social movements—and more inclusive and diverse ones than we have seen before, which is his third lesson. The second lesson is that older people need to once again view themselves as a common social group, which in another context might be called class consciousness. Yes: we need large-scale popular social movements predicated on inclusion, diversity, universality, and class consciousness. But older

Americans are exactly the group of people who vote most overwhelmingly against such things and who, thanks very much to the individualized hegemony that Chappel describes, are among the most atomized, alienated, and dispersed particles in the hollow shell of American civil society.

Both books include some discussion of the Covid-19 pandemic and its truly horrifying consequences for older people. Three quarters of Covid deaths were among people over the age of sixty-five, and, as Chappel reports, “in fourteen states, more than 10 percent of the nursing home population died in the year 2020 alone.”

However, neither book discusses the most rapid and far-reaching transformation of elder-care institutions in recent years—the arrival of private equity. Since the mid-Aughts private equity firms like Blackstone, Bain Capital, and KKR have been investing heavily in nursing homes, assisted living facilities, hospices, retirement communities, and hospitals. Today 22 percent of all for-profit hospitals are owned by private equity firms. The number of nursing homes and retirement communities owned by private equity is unclear because they are usually held as part of a real estate income trust alongside multifamily housing, student dorms, trailer parks, and storage units, but it’s estimated to be between 5 and 13 percent of nursing homes, and over 150,000 senior housing units. The results are unequivocal: in the two to three years after a nursing home is acquired by a private equity firm, staffing levels decline, equipment and supplies get cut, and short-term mortality increases by about 10 percent. Private equity cuts labor costs, extracts available cash, and vulnerable people die as a result. One study estimated that at least 22,000 excess deaths between 2005 and 2016 were attributable to private equity ownership of nursing homes.

Pension funds have also become increasingly involved in private equity. To take only two examples from 2023, CalPERS—the largest public pension fund in the US—invested \$1.5 billion in the Blackstone Real Estate Debt Strategies V; the investment arm of the University of California system (where I work) bought \$4 billion in shares of the Blackstone Real Estate Income Trust. Not all of it was pension money, but the pension fund currently holds a \$9.7 billion investment in private equity. Pension funds pay fees to the asset managers of Blackstone and other companies that guarantee high

rates of return, and they obtain those rates by doing things like cutting staff and raising prices at the nursing homes and hospitals they own.

Here again, the story of old age echoes the wider patterns of American life. Last year the Trump administration issued an executive order allowing retirement plan administrators to invest in “alternative assets” like cryptocurrencies and to allow 401(k) managers to invest in private equity. Needless to say, no practical steps have been taken to rein in private equity in elder care—or in childcare or infrastructure or housing, or anywhere else. Cultural depictions of aging are certainly important, but they are no match for the quarterly profit targets of the Blackstone Real Estate Income Trust.