IF ONLY I HAD A MILLION BUCKS......

Toward an Appropriate Response to the Challenge of Spending Money

Submitted in Partial Fulfillment
of the Requirements of F.T.A.

by Eli K. Montague
Executive Director
Congregation Temple Israel
St. Louis, MO

August, 1990
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Toward an Appropriate Response to the Challenge of Spending Money

The NATHAN KAHN - ERNESTINE KAHN - CHARLES KAHN FOUNDATION
ESTABLISHED BY LINA KAHN

Many congregations would like to have our problem. The late Lina Kahn has bequeathed an estimated $2.2 million to The Endowment Fund of Temple Israel, to be maintained and held as a separate fund known as the "NATHAN KAHN - ERNESTINE KAHN - CHARLES KAHN FOUNDATION ESTABLISHED BY LINA KAHN". As set forth in item seven, page three of her will dated August 25, 1989, the foundation's funds are to be used for the exclusive purpose of "providing income for the aid, assistance and relief of the elderly, including specific grants, if appropriate, to other institutions giving assistance to elderly persons".

It is my purpose to examine several topics which will help in formulating an approach to the administration of the proceeds from this bequest. It is not my intention to say what should be done with the funds, but rather, what might be done will them and why. In what follows, we will look at:

I. The intent of the bequest;
II. The characteristics and needs of the intended beneficiaries of the funds;
III. Questions to ask ourselves before developing a policy of fund dispersal;
IV. One Possible Classification of Programs, including brief program suggestions which fit the classifications; and
V. A framework for proceeding.

It is hoped that, by examining the areas and issues presented in what follows, a rational, practical approach to administering the Kahn Foundation funds will be an easier, less formidable task.

I. Intent of the Kahn Foundation Bequest

The words appearing on the previous page are the written guidelines provided in Lina Kahn's bequest, now estimated to be $2.2 million. There follows a requirement that the funds are also to be used for a Flower Fund for the Kahn family graves and to erect a suitable memorial plaque in the temple for the Kahn family. With a current Endowment Fund balance of $3.1 million, the Kahn Foundation will become the single largest fund within the Endowment Fund of Temple Israel.

It won't attempt a discussion of the legal or fiduciary duties incumbent upon the recipient of this bequest. We have ample, knowledgeable sources of legal expertise from which to obtain such information. I would, however, like to make the following observations:

The bequest does not specifically state whether the corpus of the gift may be expended or only the interest derived therefrom. Granted, the Endowment Fund to which the bequest is given "to be maintained and held as a separate fund" is, by constitution, restricted as to principal. As my recent research on the Temple's funds will bear out, however, several of our separate "Endowed" funds allow the expenditure of the principal as well as the interest derived from their investment.

In stating that the funds have the "exclusive purpose of providing income for...the elderly" (emphasis added), it is not clear to me whether by "income", the donor meant that only the interest, not the principal of the fund was to be expended. I leave the resolution of this important issue to the powers that be. For the purpose of this paper, I will assume that the corpus, as well as any future donations or unspent interest earnings will be held without expenditure, and thus restricted. I will also assume that the sums needed for maintaining the family floral fund will be negligible. We can, therefore, expect to earn about $175,000 per year in interest from investments at a modest 8%.

It appears clear that the expenditures made in the name of the Kahn Foundation are to provide aid, assistance and relief of the elderly. Grants may be made to other institutions assisting the elderly. Several people have mentioned to me that these funds are also for the "needy", without respect to elderly. I don't see such latitude within the wording of the will.
At this juncture, I will also set aside the issue of who is elderly. I promise to pick this back up in the context of part IV.

II. The Characteristics and Needs of the Elderly

To tackle such a formidable task as this, it must be broken down into several separate issues. First, we will examine demographics at the national, local and Jewish levels. I will follow this with a look at some trends. Then, we will look at what the experts and the elderly themselves say are their needs. We will also examine the needs by viewing the elderly as market segments.

A. The National Scene

In 1900, 4% of the population was over 65 years of age. By the year 2000, this group will represent 13% of the population. The group of persons 85 years of age and over is the fastest growing segment of the elderly. It will double during the next 15 years. At the same time, there will be a rapid growth in the younger elderly (aged 65-80). Not only will the baby boomers age, but, life expectancy will continue to lengthen. Within the next decade, 50% of the population may expect to reach or surpass age 80 during their lifetime.¹

B. The Local Scene

As shown in Table 1, the number and percent of persons 55 years of age and over in St. Louis County is growing and will continue to grow significantly. While the total county population is expected to grow 10.6% between the 1980 census and 2010, those aged 55 and up will only grow 62.3% during the same period. Even more striking is the fact that those age 80 year of age and over, while they will only make up 4.8 % of county population by the year 2010, will have grown 156.1% by then.²

C. Jewish Population Demographics

According to Charles Levine, Chairman of Urban Studies at Washington University, "Whatever trends occur in the general populations always occur more rapidly and more dramatically in the Jewish population".³ Due to their lower fertility rates, Jews may expect a higher percentage of elderly than the general population.⁴ Jews over 65 will comprise 15% of all Jews by 1991 -- a 40% increase from 1971.⁵

We are already well beyond this percentage in St. Louis. According to the 1982 Demographic Study of the Jewish Federation of St. Louis, 22 percent of the St. Louis Jewish population is aged 60 years or more.⁶ Comparing the figures from the 1982 Demographic Study with population estimates from the University of Missouri - St. Louis, Urban Information Center, Table 2 shows that, whereas, Jews in St. Louis aged 60 and over made up more than one-fifth of the total St. Louis Jewish community (22%), county residents aged 60 and over

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¹ Long Range Planning Committee for the Elderly: Report on Strategic Assumptions, by Harris J. Frank, Chairman (St. Louis, Mo., Jewish Federation of St. Louis, April 1986) p. 2, Background Paper #1, p. 3.

² Taken from "Experimental County Estimates by Age, Sex, Race and Year: 1980-1985" and From "St. Louis County Projections of Population by Age and Sex: 1980-2010", (University of Missouri - St. Louis, Urban Information Center, 1990)

³ LRPCE, Strategic Assumptions, Background Paper #1, p. 3.

⁴ ibid., p. 2.


TABLE 1

ST. LOUIS COUNTY POPULATION PROJECTIONS BY AGE GROUPINGS
(SELECTED YEARS (1))

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>1980</th>
<th></th>
<th>1990</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO.</td>
<td>% of Total 20 &amp; Up</td>
<td>NO.</td>
<td>% of Total 20 &amp; Up</td>
<td>NO.</td>
<td>% of Total 20 &amp; Up</td>
</tr>
<tr>
<td>Under 20</td>
<td>300665</td>
<td>30.8%</td>
<td></td>
<td>272825</td>
<td>26.7%</td>
<td></td>
</tr>
<tr>
<td>20-54</td>
<td>474239</td>
<td>48.7%</td>
<td>70.3%</td>
<td>522090</td>
<td>51.0%</td>
<td>69.5%</td>
</tr>
<tr>
<td>55 &amp; Up</td>
<td>199885</td>
<td>20.5%</td>
<td>29.7%</td>
<td>228692</td>
<td>22.3%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Total</td>
<td>974789</td>
<td>100.0%</td>
<td></td>
<td>1023607</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>80 &amp; Up</td>
<td>20407</td>
<td>2.1%</td>
<td>3.0%</td>
<td>29924</td>
<td>2.9%</td>
<td>4.0%</td>
</tr>
<tr>
<td>20 &amp; Up</td>
<td>674124</td>
<td>69.2%</td>
<td>100.0%</td>
<td>750782</td>
<td>75.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

NOTE 1: From University of Missouri-St. Louis, Urban Information Center, 1980 data from U.S. Population Census, projections use zero migration assumptions, i.e. moderate growth rate
<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>St. Louis County 1982 Estimate (1)</th>
<th>St. Louis Jewish Population 1982 (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO. % OF TOTAL</td>
<td>NO. % OF TOTAL</td>
</tr>
<tr>
<td>60-69</td>
<td>80753 8.2%</td>
<td>5885 11.0%</td>
</tr>
<tr>
<td>70-79</td>
<td>49709 5.1%</td>
<td>4440 8.3%</td>
</tr>
<tr>
<td>80 &amp; Up</td>
<td>22234 2.3%</td>
<td>1710 3.2%</td>
</tr>
<tr>
<td>60 &amp; Up</td>
<td>152696 15.6%</td>
<td>12035 22.5%</td>
</tr>
<tr>
<td>TOTAL POP.</td>
<td>981102 100.0%</td>
<td>53500 100.0%</td>
</tr>
</tbody>
</table>

NOTE 1: Data from University of Missouri-St. Louis, Urban Information Center

NOTE 2: Data from 1982 Demographic Study, Jewish Federation, St. Louis
made up just over one-seventh of the total county population as a whole (15.6%). In total, St. Louis Jewish residents aged 60 and up made up almost 8% of the county population while, in total, Jews made up only 5.5% of the total St. Louis County population.

Table 3 shows where Jews live in St. Louis, by Zip Code, and what percentage they represent of the total population in these Zip Codes.7 The Jewish Federation study notes that 60 percent of the elderly live east of Lindbergh Boulevard, while 34 percent live west of Lindbergh. The remaining 6 percent live in other zip codes.8

Table 4 shows the distribution of Temple Israel's members by zip code compared to Temple Israel's elderly members by zip code and St. Louis Jewish residents by zip code.9 Several cautions are in order here. While the Federation's distribution includes all Jews, including children, the Temple Israel breakdown includes only men and women members. Secondly, our database includes some members who do not live in the St. Louis area at all, while the Federation's does not. An analysis of our elderly members by zip code reveals that only 50% live east of Lindbergh. This compares well with our membership as a whole, of which, 47% percent live east of Lindbergh.10 The 1982 Demographic Study of the Federation found that Jews were fairly evenly distributed east and west of Lindbergh Boulevard.

Let's take a more detailed look at Temple Israel members' demographics. Table 5 shows that 60% of Temple Israel's membership is 55 years of age or older. When the Jews under 21 years of age are deleted from the 1982 Demographic Study of the Federation and compared to the distribution of Temple Israel's members, it is clear that we have a smaller percentage of members age 21-30 (4.8%) than the Jewish community as a whole (18.7%) and that we have a higher percentage of persons over 60 years of age (41.7%) than the Jewish community as a whole (29.4%). The lower representation among younger Jews is partly explained by the fact that young Jews tend to have lower affiliation rates.11 Dr. Tobin would also expect, however, that there would be lower affiliation rates among the elderly.12 Such is not the case with our membership.

D. Population Trends and Characteristics

There is much data on the trends and characteristics of the elderly. I will share some of the more pertinent ones. What follows is far from complete.

According to the 1982 Demographic Study by the Federation, 68% of those aged 65 and over have attended or finished High School, while 26% have had some college or finished college, and 6% have advanced degrees. Of the next group of elderly, namely, those now aged 51-65 years of age, 47% have attended college and 14% have advanced degrees.13 In its 1986 study, the Long Range Planning Committee for the Elderly estimated the number of St. Louis Jewish elderly with college degrees will increase by at least two and one-half

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7 Taken from: "1989 Population and Housing Unit Estimates for Zips in St. Louis County", (University of Missouri - St. Louis, Urban Information Center), and from: Federation Glimpse, p. 2.

8 Federation, Glimpse, p. 10.

9 Taken from Temple Israel's data base as of 8/17/90.

10 ibid.


12 ibid.

13 Federation, Glimpse, p. 3.
<table>
<thead>
<tr>
<th>Residence</th>
<th>% of St. Louis Jews Who Live In: (1)</th>
<th>% of All Residents (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creve Coeur/Town &amp; Country/Frontenac</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>Olivette</td>
<td>13</td>
<td>45</td>
</tr>
<tr>
<td>University City</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Clayton/Richmond Heights</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Ladue</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>Ballwin</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Maryland Heights</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td>City of St. Louis</td>
<td>3</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

**NOTE 1:** Data taken from 1982 Demographic Study - Jewish Federation, St. Louis

**NOTE 2:** Data taken from 1980 U.S. Population Census
TABLE 4

COMPARISON OF ST. LOUIS JEWISH RESIDENTS WITH TEMPLE ISRAEL ADULT MEMBERS AND ELDERLY MEMBERS

<table>
<thead>
<tr>
<th>RESIDENCE</th>
<th>% OF ST. LOUIS' JEWS WHO LIVE IN: 1</th>
<th>ALL T.I. MEMBERS (2)</th>
<th>ELDERLY T.I. MEMBERS (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREVE COEUR/TOWN &amp; COUNTRY/FRONTEC</td>
<td>34</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td>OLIVETTE</td>
<td>13</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>UNIVERSITY CITY</td>
<td>12</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>CLAYTON/RICHMOND HEIGHTS</td>
<td>10</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>CHESTERFIELD</td>
<td>9</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>LAUDE</td>
<td>9</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>BALLWIN</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>MARYLAND HEIGHTS</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>OTHERS</td>
<td>4</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>CITY OF ST. LOUIS</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>

NOTE 1: Data taken from 1982 Demographic Study - Jewish Federation, St. Louis

NOTE 2: Data for all adult men and women members as of 8/17/90, including those with residences outside St. Louis, Mo.

NOTE 3: Data for all adult men and women members aged 65 and up as of 8/17/90, including those with residences outside St. Louis, Mo.

KAHN
08/23/90
<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>NO. REPORTED</th>
<th>% OF THOSE</th>
<th>% OF ST. LOUIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>114</td>
<td>4.8%</td>
<td>18.7%</td>
</tr>
<tr>
<td>31-40</td>
<td>385</td>
<td>16.1%</td>
<td>18.6%</td>
</tr>
<tr>
<td>41-50</td>
<td>433</td>
<td>18.1%</td>
<td>16.0%</td>
</tr>
<tr>
<td>51-60</td>
<td>463</td>
<td>19.3%</td>
<td>17.3%</td>
</tr>
<tr>
<td>61-70</td>
<td>506</td>
<td>21.1%</td>
<td>14.7%</td>
</tr>
<tr>
<td>71-80</td>
<td>339</td>
<td>14.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>81 &amp; UP</td>
<td>156</td>
<td>6.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2396</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

55 & UP 1425 59.5% N/A
65 & UP 887 37.0% N/A
75 & UP 436 18.2% N/A
85 & UP 184 7.7% N/A

NOT REPORTED(3) 180

NOTE 1: Data for all adult men and women members as of 8/17/90, including those with residences outside St. Louis, Mo.

NOTE 2: Percentages exclude St. Louis Jewish residents under 21.

NOTE 3: Age data is not available for 7% of adult members.
times over the next decade and that twice as many will have professional degrees. Further, nearly half of the 50-64 year olds in this study reported incomes over $50,000 per year.\textsuperscript{14}

We note the fact that intermarriage rates now exceed 25%. Thus, the future elderly will come from mixed-religious households with very different needs from the Jewish community than the Jewish elderly of today.

A survey of retirees dispels some myths about this group of the elderly. 94\% receive no physical or financial help from relatives. 67\% report their health as either good or excellent. 78\% pursued a new interest or resumed old interests during retirement. 62\% did not move out of their home during retirement. 71\% said they were not interested in working at all. Even though the retirement age for social security is rising gradually to age 70, 28\% of baby boomers plan to retire before age 55 and 46\% are targeting their retirement before the age of 60.\textsuperscript{15}

While some of the data on the characteristics and trends of the elderly are conflicting, we can be fairly certain about several points. The elderly will represent a greater proportion of the total population. The Jewish community's aged will expand at a greater pace. There will likely be more healthy, better educated, financially well-off elderly. At the same time, there will also be more infirm, frail, very elderly persons. In short, older persons will become less of a homogeneous group than they currently are. Programs to address needs of the elderly will need to be geared to particular market segments. I will discuss those segments later.

E. Needs of the Elderly

As difficult as it is to define the elderly, it is still more difficult to clearly discern their needs. Many of the sources I examine appeared to contradict one another. Thus, I have chosen the comments which follow in an attempt to provide a sensible view. On a general level,

"Concerns of the aged are not too different from those of the rest of the population. Old people are interested in meeting basic human needs, such as having adequate housing and food, finding meaningful endeavors to fill up their time, and in loving and being loved."\textsuperscript{16}

When asked of their concerns, most retirees stressed the importance of financial planning prior to retirement and the importance of developing new interests. Their greatest concerns about the future were their health -- mentioned by 54\%, and money -- mentioned by 15.9\%.\textsuperscript{17} On a local level, the Federation states that,

"Transportation and convenience to services are the major concerns of the elderly. This includes accessibility to shopping, synagogue and community services."\textsuperscript{18}

They found that the greatest needs are to be found among those persons older than 70 years of age, living east of Lindbergh, who live alone or with only one other person. Further, they found 26\% had no children in St. Louis and 11\% had no family members in St. Louis.\textsuperscript{19} This is important because old people will still turn for help first to family members.

\textsuperscript{14} LRPCE, \textit{Strategic Assumptions}, p. 2.

\textsuperscript{15} Henry M. Wallfesh, "Happy Retirement", \textit{Inside Reform Judaism} (Winter 1989) p. 22.


\textsuperscript{17} Wallfesh, "Happy Retirement" p. 22.

\textsuperscript{18} Federation, \textit{Glimpse}, p. 11.

\textsuperscript{19} ibid., p. 11.
Further, the changing economy which has absorbed more women into the work force makes traditional family dependence even more problematic in the foreseeable future. We will see more four-generation households and a large number of elderly who themselves have elderly parents for which they must care. In-home services such as home-maker, health care and personal care are also high on the list of needs for those living east of Lindbergh who are over the age of 70. In its 1982 Demographic Study, the Federation found housing, transportation, day care and nursing homes would be the most frequently needed services during the next five years. In the short term, they recommended that any program expansion be targeted for in-home services and transportation to help the over 70 population living east of Lindbergh. For the future, they saw the needs for adult day care and nursing homes for those living west of Lindbergh.

There appear to be at least two different sets of needs: those for the younger elderly who are better financially, better educated and who have generally good health and mobility versus those for the older, frail elderly, who suffer from poor health, have less financial and family support and have greater difficulty getting around. According to the Long Range Planning Committee for the Elderly, 25% of the latter group will require assisted living, one in five will suffer from a form of dementia and, there will be a greater incidence of stroke, arthritis, and hip fractures, especially among those over 85 years of age.

On the other hand, more elderly will enjoy their old age and for a longer time than ever before. They will be better able to take advantage of advancements in health cures because of their wealth. They will not view themselves as dependents, but as consumers. Surely a good sign is the prediction that there will be a significant increase in the number of elderly who identify themselves as Reform as opposed to Conservative or Orthodox.

The Long Range Planning Committee describes a continuum of services from physical independence to dependence. These services range from:

- Pre-retirement planning,
- Community packaged insurance for long term illness,
- Wellness/fitness activities,
- Centralized assessment, information and referral,
- Home health care,
- Expanded facilities to support family care, including day care facilities and respite care facilities.

Any discussion of services for the elderly will also have to include a discussion of the needs of their caregivers. As stated above, the elderly will turn first to family. This means we will see more of the sandwich generation (homes where a couple's parents and children are both living with them), more four generation households, more two-worker families trying to care for elderly parents, and more elderly persons caring for very their elderly parents. In a recent study, half of 7,000 federal workers surveyed reported having to provide for elderly parents. Of these, 75% had missed some work to do so. Missed work ranged from less than one day a year (24%) to more than two weeks (7%).

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20 LRPCE, Strategic Assumptions, p. 3.
21 Federation, Glimpse, p. 11.
22 LRPCE, Strategic Assumptions, p. 4.
23 ibid., p. 3-4.
24 ibid., p. 4.
25 ibid., p. 5-6.
Lower birth rates mean fewer children to care for the growing numbers of their parents needing financial and other types of assistance. The elderly and their families already pay for more than half of nursing home costs. Medicaid pays for most of the rest, but only after nearly all personal financial resources have been exhausted. Current costs range from $25,000 to $34,000 per year with average stays lasting 18 months.27

Stride Rite, which opened one of the first corporate-sponsored adult/child day care centers, found by 1988, that 25% of its workers had some responsibility for an aging parent and another 13% expected to face the issue in the next five years.28 From their inception in the 70's, it is estimated that 2,100 adult day care centers now exist in the U.S.29 Like its toddler counterpart, adult day care exists, in large measure, to allow workers to remain on their jobs -- in this case the children of the elderly.

The Federation's LRPCE foresees many opportunities for new emphases on programs for the next generation of elderly. These include: expanded educational opportunities such as Jewish Elder Hostels; creative volunteer use of the elderly; as resources for Jewish educational programs; new employment opportunities - in both part-time and alternative employment settings; activities designed for recreational experiences; pre-retirement programs; and experimental programs to attract the more affluent elderly.30

Many of these ideas were echoed in a recent article which stressed the positive side to programming for the elderly at the synagogue. These included: inter-generational teaching; day and overnight retreats for grandparents and their grandchildren; and celebrating special moments such as retirement, recovery from serious illness and reconsecration of wedding vows.31 Gary Tobin notes that, "development of new services, new programs, and increased attention to programs for people over the age of 45 are necessary."

F. The Elderly as Market Segments

After examining the varied needs of the elderly, it is clear that future programming must be geared to market segments, rather than to the elderly as a whole. The Long Range Planning Committee for the Elderly suggests the following segmentation:

By age: 55-65/65-80/80 plus;

By financial level: poor/middle class/affluent;

By "Jewishness": Jewishly identifying/Jewishly unconcerned;

By health: physically vigorous/impaired; and

By resources: with family supports/without family supports.33

I have also mentioned others:

30 LRPCE, Strategic Assumptions, p. 6-9.
33 LRPCE, Strategic Assumptions, p. 7.
By location: west of Lindbergh/east of Lindbergh;

By affiliation: our members/other Jewish elderly;

By relatedness: the elderly themselves/their care-givers/their family; and

By time-frame: today's elderly/the emerging elderly/tomorrow's elderly.

I think it makes sense to think about these "market segments" as we endeavor to plan, execute and evaluate services for the elderly.

III. Questions, Questions, Questions

I will list here only some questions we should consider before expending any funds from the Kahn Foundation moneys. This is not an exhaustive list of questions, but I believe all are important. I have purposely saved this section until we had described the elderly and some of their needs. They are not presented in order of importance. This is the briefest section because it is the job of the Foundation's committee to answer them.

1. Can we spend interest and principal or only the interest from the fund?
2. Who do we want to serve?
3. What needs do we want to meet?
4. How will we balance the needs of today's elderly against tomorrow's elderly?
5. What is the best way to administer our program(s)?
6. What will our criteria for success be?
7. How can we best advertise what we are doing?
8. Do we make this a Temple Israel activity?
9. Do we spend everything we possibly can or let the fund grow?

IV. Toward a Classification of Programs

In what follows, I will outline a framework from which to consider the infinite variety of programs which could be funded from the Kahn Foundation. It would be easiest to use the "market segments" as a jumping off point, but I would rather evaluate each program in terms of what market segments would be served rather than build programs around them.

I propose that we start not from the point of who would be served, but rather, how would we be serving the Temple and its members? Perhaps this is selfish. My belief is: if Lina Kahn wanted to benefit a certain segment of the elderly, she could have said so. If she had wanted to give her estate to a particular agency currently serving the elderly, she could have done so. But, she willed her estate to Temple Israel and, therefore, I will assume that Temple Israel should somehow be the focal point of our efforts to expend her bequest. Let me suggest, therefore, the following classification of programs. Note that these groupings are not meant to be mutually exclusive. By repackaging a program in small ways, it could easily fall under a different classification. I have used this classification purposefully to encourage further brainstorming about program possibilities. There are many other arrangements which would be valid.
A. Direct Assistance to the Elderly

In this category fall all programs which directly and only assist the elderly. They would include the following sub-types:

1. Outright Grants in Aid

These "traditional" types of programs would include paying (in whole or part) for medical costs, transportation costs (see the Gershman Fund), in-home services, living expenses, non-covered nursing home costs, or burials.

Comments: These programs have the advantage of directly effecting needy older persons. They are usually geared to serve the poor and/or sick elderly. They are "soft-touch" because they directly touch the lives of identifiable persons and they do so in the name of the Temple. This is great publicity. They are the easiest expenditures to evaluate because benefits are direct. They have the disadvantage of taking time. That is, time to figure out who to serve as well as who doesn't get help. Further, if the cause being met is large enough, the funds available will be only a "drop in the bucket".

2. Grants to Agencies which Assist the Elderly

These can take many forms: operating grants, capital gifts, challenge grants, competitive bids, new programs, to name a few.

Comment: I have already tipped my hand regarding this approach. It is not "soft touch" - it is hard to tell who benefits. The publicity is short-lived: you get your name on a wing of a nursing home or the back of a brochure. These are easy expenditures to administer. The evaluation is more difficult.

3. Programming for the Elderly

These are broader programs geared to the needs of the elderly and soon to be elderly. They would include retirement planning seminars, educational institutes, religious outreach. One type of religious outreach would be "tele-conferencing" bible study. In this program, the phone company arranges a special type of conference call at a pre-set time each week or month. At the appointed time, the home-bound answer their phone and the Rabbi proceeds to discuss the portion of the week. I believe arrangements can be made for one-way or two-way conversation depending on the size of the group.

Comment: These programs are the cheapest types of programs. A great deal can be done with a few dollars. They tend to reach broader segments of the community. Retirement planning for the near elderly and future elderly, those 40-65, stretches our concept about using funds to assist the elderly (We will stretch it further, yet). These programs are harder to evaluate. They are good for public relations. (Note how our Retirees group has achieved community recognition for its programming.) If we were to offer several different programs, it would make sense to hire at least a part-time social worker or Jewish communal professional who could supervise the whole mecca.

4. Referral Resources

These are central information banks linking persons with needs to programs which meet them.

Comment: These programs are not very sexy. They can serve many people, but they require a great deal of advertising and training.
5. Visitation Programs

These are generally volunteer-run programs which reach out to older people by showing them someone out there cares. They can be performed by clergy, social workers, medical para-professionals.

Comment: Volunteers can run these programs inexpensively. They provide the maximum person-to-person contact. Many of the project ideas from the UAH Caring Community Task Force fit into this category—such as, grief visitations, nursing home and hospital visits. They depend on advertisement and a great deal of word-of-mouth. The Sisterhood has begun one type of program for our members in nursing homes.

6. Volunteer Pools

In this innovative program, healthy, younger persons "bank" hours by volunteering their time to assist the elderly with daily living tasks. They sign up to go shopping for them, take them to the store or to doctor's appointments, fix things around their house, help with correspondence, clean up, etc. The volunteers' hours are banked and, when they become elderly or infirm, they make withdrawals by having the next generation of volunteers assist them as needed.

Comment: A part-time staff person or volunteer is all that is needed to keep track of the hours, take orders from persons needing help and matching the requests to active volunteers. An ongoing commitment is needed to ensure banked hours can be withdrawn later.

6. Personal Care Programs

While this might fit under grants-in-aid, I wanted to single out such concepts as adult day care and respite care. These programs also benefit care-givers and family who are "relieved" from the burden of caring for and serving their elderly parents. More and more in the future, the "children" needing these services will be elderly themselves who need to care for their elderly, frail parents. Persons using these services today, sometimes also have children of their own to care for while managing careers.

Comment: These programs can be very costly. See renewable funding for a variation.

B. Benefits to Other Temple Programs

Whereas programs under the first category might benefit the Temple indirectly through positive publicity, etc., this category of funding options also benefit other aspects and constituencies of the Temple.

1. Retreat Center Elder Hostel

Certainly, if we were to go to the expense and effort to construct an appropriate facility at the ERC at which to hold elder hostel seminars, it would also be used for other Temple retreat programs, such as, the Religious School, youth group, and families. One cost estimate is $600,000.

Comment: The issue I will be raising in this and other programs is: how far can we stretch the intent of the Kahn Foundation bequest? Before answering that question, let me pose another: Given the expected rise in the elderly Jewish population, how much does Temple Israel want to speed up this process by offering programs designed to attract a large influx of elderly members? I will return to these issues later.

2. A Toddler/Adult Day Care Center

See my earlier comments concerning Stride Rite Corporation. Costs to start-up would be $500,000 to $1,000,000.

Comment: A very unique program benefiting our younger members who might need relief from the burdens of caring for elderly parents or need to work while young ones are in the home. Perhaps we could offer the program only to those members needing both services. This would be a grandparent-grandchild day care
3. An Elevator in the Religious School

The Adult Institute is increasingly in need of ground floor space because of older students who cannot climb our stairs. An elevator would also solve the problem of disabled Religious School or Hebrew School students who need access to the third or first floors.

Comment: A one-time cost under $100,000.

4. Expanded Religious Services

This could take many forms. Perhaps an endowed chair for the Rabbi for the Elderly would cover the salary of our associate Rabbi. His salary could then be used to pay for a cantor. There are many other variations on this theme.

Comment: This is one way to expand Rabbinic services without taxing the General Fund.

5. Open Seminars, Services and Programming

This is a variation of other programs wherein the general congregation or the community would be allowed to participate. Religious services broadcast on the radio or television would fall in this category.

C. Renewable Funding

The concept of this category is that moneys expended would be recouped over time to allow future program expansion. This category is best for large and expensive concepts, but can apply to smaller projects as well.

1. Cost-Recovery Programs

In light of the fact that many future elderly consumers will have adequate resources to purchase what they want, we could offer programs which are partially or fully paid for by the users themselves. This might apply to adult day care, educational programs or supportive services.

Comment: As with all renewable funding projects, the obvious advantage is to be able to offer more programs or services in the future.

2. Nursing Homes

This scenario would entail borrowing enough money from a bank to build a nursing home, using the corpus of the foundation as collateral. The interest from investment of the foundation's assets are used to make the loan payments. We would then retain a nursing home operator to manage the facility, who would make lease payments which would re-pay the interest. A variant is to establish a separate corporation, for profit or not-for-profit (the latter would probably have a Board interlocking with our own), hire a management firm to operate the facility and use the retained earnings of the separate corporation to pay back off the loan.

The beauty of this approach is that once the loan is repaid, we go back to the bank and start again. Eventually, Temple Israel members become Temple Israel residents.

Comment: Obviously, this is a very detailed project entailing a degree of risk. This is business - pure and simple. Not all nursing homes make it. Missouri, however, has been one of the best states in which to operate nursing homes due to its liberal funding policies and a rather loose regulatory climate. On the other hand, not-for-profit doesn't mean you can't make a profit -- only that the Board of Directors cannot directly benefit therefrom.
3. Older Persons' Apartments

This is done following the same process as above. Maybe a combination of independent living center, supervised apartments, adult day care center and nursing home facility should be wrapped into one. Older persons, who have been coming to the adult day care center, move into the supervised living apartments when they can no longer live independently. Younger elderly living in the independent living units could visit their frail, elderly parents living in the on-site nursing home without going out of doors. Then, as they age, they move to the supervised apartment section. With so many Temple members at one location, we will have to construct an on-site sanctuary at which our endowed-Rabbi for the elderly will hold services. Eventually, this becomes Temple Israel's second congregation.

Comment: Enough said.

4. Medical Services

This could be anything from fee-for-service in-home medical care to building hospitals. The concept is the same as those above.

5. Equity Buy Outs

Their home is the largest asset of many of the elderly. It is becoming more popular for them to use this asset during their lifetime in exchange for leaving it to whoever "buys" the equity. Usually, the "borrower" is a child. Why not a Temple?

6. Loans

It is possible some things the elderly need will require a temporary helping hand. I am not sure what this would be, but I threw it in for good measure.

D. Programs Which Directly Benefit the Temple

The concept here is that funds used on behalf of the elderly benefit the Temple. This is not to be sneaky -- real needs are met by each of these programs.

1. Perpetual Memorials

Let us say that members who belong to Temple for 10 years or more and who die while members are given a perpetual memorial. One concern of the elderly and his family is taken care of - a lasting memory. We transfer $400 per name to the building fund - ensuring our physical health. Disaffiliation decreases among older members - why resign when there is something coming to you upon your death? The Temple offers a product which no other Temple can give their members.

This idea came to me after a prospective member asked me, "What benefit is it to me to join your Temple over another one?" I couldn't come up with much. What if I could have said, "After you have been with T.I., we read your name in perpetual memorial? No other Temple will do this for you."

Comment: The issue here is how do we spend money on the needs of the elderly and attract younger members at the same time? The answer is by spending it before they are elderly, but for their old age needs. I am answering the question I posed earlier. Simply put, I believe the worst thing that could happen as a result of the Lina Kahn bequest is to attract 300 more elderly families - all asking for special dues rates. It would turn the bequest into the $2 million that made us go broke.

The cost of this type of project, and the ones which follow, makes it necessary that such programs be restricted to new members or phased in over time. It would take $103,400 each year for 10 years to pay for perpetual memorials for our current members with more than 10 years of membership. The annual costs would
be negligible after that. In the meantime, we would have put more than $1 million into the Building Fund from Kahn Foundation interest earnings.

2. Pre-need Burial or Funeral Plots

What if we pay for member’s burial or funeral plots or a portion of these costs after they are members for a certain number of years. The concept is a variation on above.

Comment: This is the same concept as above with a more tangible benefit to the recipients. At $1,600 for a two-plot grave site at Mt. Sinai paid out over 10 years at 8% (what the cemetery currently charges), the annual cost would be $232.92 per household.

3. Dues Abatement Annuities

We put an amount each year into a special, interest-bearing savings account which pays the member’s dues when he reaches age 65 by using the proceeds of an annuity purchased by the Temple on their behalf after a pre-set number of years of membership. Maybe we would put in matching shares like the Passport to Israel program. With this approach, the members benefit only if they retain their membership and contribute to the annuity by paying a "dues premium" during their younger years. How many other Temples pay your dues for you to belong when you get old?

Comment: Costs can be controlled depending on contribution levels, the length of time they are made and the actuarial assumptions used.
4. Long Term Care Annuities

Every year during your membership, a set amount is put toward a long-term care annuity or insurance instrument. The Federation has published several guides on the subject. The Long Range Planning Committee for the Elderly recommended the community attempt to pool resources to offer such care. Blue Cross and Blue Shield of Missouri intends to expand their long-term care insurance product.

Comment: The financial drain which out-of-pocket expenses for long-term care creates coupled with the fact that 50% of these costs are borne by the user or their family, make this an attractive alternative for the future elderly.

Steps to be taken

Before any programs are funded, I suggest several steps be taken. First, the Committee structure should be set. The initial committee should develop the guidelines for appointment of future members, their responsibilities, term of service and overall goals and authorities.

Next, it would be a good idea to obtain some "expert" advise. This should come in the form of information about who is to be served and how to approach our funding design. For the former, I would suggest contacting Dr. Martha Storandt, Director of the Department of Aging, Washington University who assisted the Federation's Long Range Planning Committee for the Elderly. Dr. Robert Calsyn, Director of the Gerontology Program at the University of Missouri-St. Louis has indicated his willingness to assist such an endeavor, as well. He noted that a needs assessment, even a simple one which would involve asking clergy and other Jewish communal professionals what needs they are faced with in dealing with elderly congregants, would be of great help in the early stages of formulating policy goals.

To find help in designing the foundation's operating guidelines, I would suggest contacting the Metropolitan Association of Philanthropy or the United Way of Greater St. Louis's Executive Assistance Program.

Then comes the arduous task of goal setting. This is where all of the questions mentioned in section III, as well as others, are answered. How much of the interest will be spent each year and how much will go toward building the principal for the future? What problems do we want to tackle and which do we want to shy away from? Who will be eligible? Many more come to mind. An expert facilitator might help at this stage.

After this process, it is time to gather the human resources necessary to run the foundation - volunteers and, if necessary, staff. It is then time to solicit program ideas, select the best alternatives given the criteria decided in the step above and implement. Ongoing evaluation or periodic evaluation should be used to keep the committee and projects "on track".

Lastly, but most important comes marketing. We want to market what we are doing, why we are doing it, how much we are doing, who is benefiting, and what is happening as a result. This should be an ongoing effort. It should be targeted to our board and our members, to those who are and will be effected by what we are doing and to the community at large. Each may require a different approach.

34 "Information on long-term health care available", St. Louis Jewish Light, (August 9, 1990) p. 3.

35 LRPCE, Strategic Assumptions, p. 5.

36 Wiethop, "Blues", p. 17.
Conclusion

I offered the preceding classification and program suggestions in the hope that we think not only of meeting the needs of today's elderly, who have valid and pressing needs, but so that we will also consider the needs of tomorrow's elderly who will be much greater in number and will live much longer. In the words of the Long Range Planning Committee for the Elderly, "most importantly, with the absolute numbers of elderly rising rapidly, they will become us." I have also presented the program suggestions in a way which I hope promotes much thought to the Temple's role in spending the Foundation's resources.

I stated sarcastically at the outset that other congregations would like to have our problem -- to be faced with administering a $22 million gift. But, deciding how to proceed will not be easy. We will have to decide between spending our funds now and building them up for later; between who should benefit and who will not; and between acting boldly or responding to the squeaky wheel. I hope that a mix of approaches is ultimately taken. I hope that we strive for innovation and for recognition. I hope we are responsive and yet, stay flexible as the circumstances change. My bias is that we look more favorably on those programs with renewable funding or which will ultimately attract Temple membership - specifically, younger Temple members. The facts tell us that our membership will age rapidly even if we do nothing.

There are many responses which we can make. With so many needs to address, we will make both appropriate and Jewish ones. This we have an obligation to do. Ultimately, I believe those funding responses which make us feel good, which excite us and which will be attractive to offer will be the ones we will make. They may not be the right ones, but they will be good ones. I hope this paper will make it easier to make to chart the course we will take in the struggle to meet the challenge which Lina Kahn has given us.

Once the emperor Hadrian was walking along the road near Tiberias in Galilee, and he saw an old man working the soil to plant some fig trees.

"If you had worked in your early years, old man," he said, "you would not have to work now so late in your life."

"I have worked both early and late," the man answered, "and what pleased the Lord He has done with me."

"How old are you?" asked Hadrian.

"A hundred years old," the man answered.

"A hundred years old, and you still stand there breaking up the soil to plant trees!" said Hadrian. "Do you expect to eat the fruit of those trees?"

"If I am Worthy, I will eat," said the old man. "But if not, as my father worked for me, I work for my children."

-Leviticus Rabbah, chapter 25, section 5
Additional Readings

Although not cited within the report, the following may be of interest:

_Projections of the Population of Missouri Counties by Age and Sex: 1985 to 2010,_ State of Missouri, Office of Administration, Division of Budget and Planning, (May 1988)

_Program Profiles: Elderly,_ United Way of Greater St. Louis, (February 1987)

_An Assessment of the Needs of Elderly Residents of the City of St. Louis,_ prepared for the St. Louis Area Agency on Aging by the Gerontological Research Consortium, University of Missouri-St. Louis, (December 1988)

_Developments in Aging: 1989,_ 2 vol., Special Committee on Aging, United States Senate, (March 1990)