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The Equitability of Full-Price Policies for Senior Citizens: A Reprise

John L. Crompton

EXECUTIVE SUMMARY: The purposes of this article are to (i) review the current data relative to the economic status of seniors, (ii) analyze the appropriateness of the alternative age definitions of a senior used by park and recreation departments, (iii) identify reasons for resilience of senior discounts, and (iv) offer strategies for eroding them.The compelling reason for revisiting this issue is the growing emergence of seniors from being a relatively small fringe target market for leisure agencies to evolving as a central focus for their services. This shift reflects their increase in numbers, longer period of retirement, increased financial resources, and political influence. Their emergence makes the removal of senior discounts an increasingly important element in optimizing an agency's revenue potential. Senior incomes come from four main sources: Social Security, earnings, private pensions, and interest from assets. All of these four sources have grown in recent decades. As a result, federal measures of poverty consistently show that those over 65 years of age on average are less likely to be officially classified as poor than those in any other age group Traditionally, 65 was the age at which people were defined as senior citizens. Examination of per capita median incomes and net assets among age cohorts suggests the rational age for senior discounts should be 75. However, rather than raise the eligibility age, many agencies have succumbed to political pressures and lowered it to 62, 60, 55, or 50. Despite these favorable changes in the financial status of seniors, it is still common for agencies to offer them substantial discounts. Three factors account for this: empathy, political influence, and emotional arguments. It is suggested that the most effective strategy for eroding or removing these discounts is to reframe the context in which they are viewed. Three primary ways in which this can be done are discussed: providing detailed financial information, comparing an agency's discounts with those offered by other leisure service providers, and shifting seniors' participation to off-peak times.

KEYWORDS: *Senior discounts, senior financial status, pricing, leisure agencies*

AUTHOR: John Crompton is with the Department of Recreation, Park and Tourism Sciences at Texas A & M University, jcrompton@tamu.edu

Three decades ago, an article with the same title as the above appeared in this journal (Crompton 1984a). The article concluded:

> The transformation of senior citizens has been one of the great national achievements of this country over the past two decades. Recreation and park departments, however, have failed to change their pricing policies to reflect this transformation. It is the author's contention that most senior citizens should be required to pay full price, and that the discounted or free use of services should be offered only to the small minority who are unable to pay in the same way they are offered to those who are unable to pay in other age groups. (p. 4)

The article attracted the attention of the popular media, was distributed by the Associated Press, and received widespread national visibility. For example, it was headlined on the front page of the *Houston Chronicle* (Bragg, 1984), which at that time had a circulation of approximately one million readers. As a consequence of this publicity, the author received a flood of passionate (and in some cases abusive) letters from senior citizens, some of which were anonymous, contesting the article's recommendations and chastising him for proposing the removal of senior discounts.

The purposes of this reprise article are (i) to review the current data relating to the economic status of seniors, (ii) analyze the appropriateness of the alternative age definitions of a senior that are used by park and recreation agencies, (iii) identify reasons for the resilience of senior discounts, and (iv) offer strategies for eroding them.

Table 1

Life Expectancy at Age 65 and Age at Exit from the Labor Force (Medians)

	Age at Exit from the Labor Force		Life Expectancy at 65	
	Males	**Females**	**Males**	**Females**
Early 1950s	66.9	67.6	77.8	80.1
2013	61.6	60.5	82.9	85.5
	5.3	7.1	5.1	5.4

The compelling reason for revisiting this issue is the rapidly growing emergence of seniors as a primary, rather than a peripheral, segment of residents for parks and recreation agencies to serve. In 2015, there were 47.8 million U.S. citizens aged 65 or older. They accounted for 14.9% of the U.S. population. The number is projected to increase dramatically to 56 million by 2020 and to 82 million by 2040, at which time they will comprise almost 22% of the population (U.S. Census Bureau, 2015a). Table 1 shows that over a 60-year period, the median average duration of retirement essentially doubled from 10.9 to 21.3 years for men, and from 12.5 to 25 years for women (Leonesio, Bridges, Gesiemaria, & Del Bene, 2012). The lengthening retirement period means increasingly large time blocks are available for leisure pursuits.

There is increasing recognition that seniors are likely to be central to the future viability of leisure agencies, not only because of their political strength and changes in their time availability and financial status, but also because of the concomitant changes in their levels of leisure literacy. A substantial leisure literature has empirically verified the aphorism: You are what you were yesterday. That is, the leisure behaviors in which adults engage were learned in their youth and they endure throughout the life span. For the most part, people's leisure interests and skills are established by the time they leave high school or college (Scott & Willis, 1998). Older seniors who reached adolescence before the 1960s generally have limited skills and interests, because there were relatively few opportunities for them to be acquired in their youth. The level of leisure literacy among baby boomers is much higher, since they were exposed to many more leisure opportunities in their formative years. This means that among those now attaining senior status, the expectation of there

being a wide range and more active recreation opportunities is much higher than that of seniors a decade ago.

The Economic Status of Seniors

Many leisure agencies traditionally have offered discounts to seniors. The implied assumption is that seniors have different price elasticities that merit discounts because their age cohorts are relatively economically disadvantaged. The image of a frail elderly person struggling to survive on a fixed pension perhaps supplemented by a meager interest income from modest savings is disturbing but, for the most part, it is dated. Indeed, the original article pointed out it was misleading to claim that such an image reflected reality for a large proportion of the elderly 40 years ago (Crompton, 1984a), and it is more unrepresentative today.

The term "economically disadvantaged" is nebulous and question-begging. Irrespective of their income level, most people could claim to be economically disadvantaged because there is always something they cannot afford. Long ago, it was observed:

> The poor man who says he can't afford better shoes for his children means that he and his wife would rather buy more food for them. The middle-income man who says he can't afford a holiday means he would rather keep up his smoking or motoring. The rich man who says he can't afford a boat is saying he prefers a Rolls. No one can have enough of everything. We all "cannot afford" something (Seldon, 2004, p 234).

Most leisure agencies have resolved this conundrum by adopting the federal government's definition of poverty threshold as their criterion for ascertaining who is economically disadvantaged. Hence, in order to be fully informed, leisure managers need an understanding of how those thresholds are defined.

They were first calculated and published by the Census Bureau in 1959 and are updated each year. At the time they were developed, the official poverty thresholds represented the cost of a minimum diet defined by the Department of Agriculture, multiplied by three to allow for expenditures on other goods and services. This relatively crude and arbitrary methodology has remained unchanged. The threshold amounts are intended to reflect the minimum income families require for their basic needs. In 2015, the poverty level for a family of two adults and two children was $24,250.

This traditional poverty measure has the important virtue of being calculated in the same way for over half a century, which enables year-to-year comparisons to be made and trends to be identified. However, it has been increasingly criticized as being too arbitrary and not reflective of contemporary social and economic realities and government policy (Short, 2015).

Accordingly, in 2010, the Census Bureau established the Supplementary Poverty Measure (SPM). It is published annually and complements (not replaces) the traditional poverty measure. It uses an alternate methodology both to calculate poverty thresholds, and to measure households' resources to assess whether they meet the thresholds. It also uses a more expansive definition of what constitutes a family than the traditional measure by including not only individuals residing at the same address who are related, but also any co-resident unrelated children who are cared for by the family (such as foster children), and any cohabiters and their children.

Instead of being based only on food, the SPM poverty thresholds are derived from the cost of a set of goods that includes food, clothing, shelter, and utilities (FCSU) and a small additional amount to allow for other needs such as household supplies, personal care, and non-work related transportation.

Table 2 reports trends from 1959 in the traditional poverty measure. It shows the proportion of Americans living in poverty has stayed within a narrow band between 11.3% and 15.1% since 1970. In comparison, the SPM definition of poverty indicates in Table 2 that 15.3% of Americans were poor in 2014. It shows lower poverty rates for children; higher rates in the 18-to-64-age cohort; and a substantially higher proportion of those 65 and older in poverty (Short, 2015).

Table 2

Percent of U.S. Citizens below the Traditional and SPM Federal Poverty Levels by Age

	Traditional Measure			
Year	**All Ages**	**Children under 18**	**18-64**	**65 and older**
2014	14.9%	21.5%	13.5%	10.0%
2010	15.1%	22.0%	13.8%	8.9%
2005	12.6%	17.6%	11.1%	10.1%
2000	11.3%	16.2%	9.6%	9.9%
1995	13.8%	20.8%	11.4%	10.8%
1990	13.5%	20.6%	10.7%	12.2%
1985	14.0%	20.7%	11.3%	12.6%
1980	13.0%	18.3%	10.1%	15.7%
1975	12.3%	17.1%	9.2%	15.3%
1970	12.6%	15.1%	9.0%	24.6%
1965	17.3%	21.0%	N/A	N/A
1959	22.4%	27.3%	17.0%	35.2%
	Supplementary Poverty Measure			
2010	15.9%	17.9%	N/A	15.8%
2011	16.1%	18.1%	15.5%	15.1%
2012	16.0%	18.0%	15.5%	14.8%
2013	15.5%	16.4%	15.4%	14.6%
2014	15.3%	16.7%	15.0%	14.4%

The increasing time blocks reported in Table 1 have been accompanied by a remarkable change in seniors' financial status. In 1959, when the federal government first published the traditional measure, 35.2% of seniors were below it. By 1985, the proportion of seniors living below the poverty level for the first time (12.6%) was lower than that for the population as a whole (14%), and it has remained that way. This historic reversal was attributable mainly to Social Security, Medicare, and the emergence of private pensions (Olen, 2014).

Poverty is an ongoing problem in the United States today but, as the measures shown in Table 2 report, those over 65 years of age are on average less likely to be poor than those in any other age group. Their financial transformation has been one of this country's great national achievements in the past half century

Sources of Seniors' Income

Seniors' income comes from four main sources: Social Security (35%), earnings (34%), private pensions (17%), and income from assets such as interest, dividends, and rents (11%) (Administration on Aging, 2015). All of these four sources have grown in recent decades.

The major contributor is *Social Security*. It contributes 90% or more of the income of 36% of seniors. The average monthly Social Security payment to retired workers in 2015 was $1,328 while their spouses received on average $664. If Social Security payments were not available, then the 2014 percentage of those over 65 below the SPM poverty level would have increased from 14.4% to 51% (Short, 2015).

The Cost of Living Index, to which Social Security payments are linked, has risen faster than average wages primarily because of the relatively heavy weighting it gives to housing. Because many seniors own homes (Table 3) and do not take out new mortgages, their cost of living is unaffected by rises in housing costs (U.S. Census Bureau 2013). Even without the exaggerated cost of living benefits created by this indexing, seniors receive considerable bonus benefits from Social Security and Medicare. When the expected present value (using a 2% discount rate) of lifetime benefits and taxes paid into these trust funds are compared, the benefits payments invariably exceed the tax amounts people paid into them (Steuerle & Quakenbush, 2012). In effect, this represents a substantial subsidy to retirees from the working population.

Increasing proportions of seniors are remaining in the workforce and benefitting from the resultant *earned income* (Kromer & Howard, 2013). In 2014, 25.7% of males over 65 were in the labor force compared to 17.6 and 18.4% in 1990 and 2000, respectively. Among females the comparable percentages were 8.4, 9.7, and 18.4 in 1990, 2000, and 2014, respectively (Bureau of Labor Statistics, 2015). This trend is likely to escalate given the abolition of mandatory retirement ages, the rising age for full Social Security benefits (now 66, rising to 67 in 2027), the need to finance more years of retirement (Table 1), and the improved health of the elderly. In addition, for many the desire to continue working is motivated not by financial security concerns, but because they: (i) feel "at the top of their game" and enjoy tackling the intrinsic challenges their work provides, (ii) enjoy their workplace friendships and social connections, or (iii) want to give back to their community of worthwhile causes (Merrill Lynch, 2014).

Pension coverage beyond Social Security is virtually universal among government employees, while 43% of private sector full-time workers aged 25-64 reported having pension coverage in their current job (Munnell & Bleckman, 2014). However, pensions are correlated with earnings, so while 67% of those in the top income quintile have private pensions, in the bottom quintile, the proportion slips to 11% ((Munnell, Fraenkel, & Hurwitz, 2012).

These sources of seniors' income are substantially augmented by in-kind health care subsidization from the federal Medicare and Medicaid programs. Over 55 million seniors over 65 are covered by Medicare. Since Medicare does not cover the cost of long-term care, seniors who lack the resources to pay for this need turn to Medicaid to meet those costs (Centers for Medicare and Medicaid Services, 2015).

Table 3

Median Net Worth of Households, and Homeownership and Equity in Different Age Groups

Head of Household Age	Median Net Worth ($)	Home-ownership (%)	Equity in Own Home ($)
All	68,828	66.9	80,000
Under 35	6,676	39.1	20,000
35-44	35,000	65.0	40,000
45-54	84,542	73.5	70,000
55-64	143,964	79.0	97,000
Over 65	170,516	80.5	130,000
65-69	194,226	81.6	125,000
70-74	181,078	82.4	130,000
Over 75	155,714	78.9	130,000

Column 2 in Table 3 shows the median *net assets* (total assets minus total debts) of seniors are 2½ times the median for the nation, and that they have accumulated substantially greater assets than any other age cohort. Table 3 shows the major component of their assets is equity investment in their homes which are the highest of any age cohort. It accounts for 76% of the net worth of those over 65 (U.S. Census Bureau, 2013). Assets decline in the 70-74 and over-75 cohorts, probably because they are used to finance living expenses in retirement. Clearly, assets can add to the resources that are used to meet basic needs. However, they are not included in the SPM poverty index because "assets can only ameliorate poverty temporarily" (Short, 2015, p 3).

Table 4

Median Income of Households 1980-2013 in 2013 Adjusted Dollars

Age of Head of Household	1980	1990	2000	2013	% Change 1980-2013	Mean Size of Household in 2013	Per Capita Income in 2013
15-24	34,213	31,103	37,669	34,311	0 %	2.82	12,167
25-34	52,047	52,454	60,079	52,702	1 %	2.85	18,492
35-44	63,594	66,625	72,724	64,973	2 %	3.35	19,395
45-54	67,615	72,432	77,973	67,141	-1 %	2.81	23,894
55-64	52,612	55,920	60,673	57,538	9 %	2.18	26,393
65 and over	23,635	29,122	31,225	35,611	51 %	-	-
65-74	N/A	35,060	38,080	44,426		1.91	23,259
75 and over	N/A	22,720	25,450	27,322		1.60	17,076
National average	**47,668**	**51,735**	**56,800**	**51,939**		**2.55**	**20,368**

Table 4 reports income growth over the past three decades in 2013 adjusted dollars (U.S. Census Bureau, 2015b). It shows that in real money terms there was a general trend in all age groups of consistent increase in incomes between 1980 and 2000. However, since 2000, that trend reversed in every age group under 65, but it continued to increase in the cohorts over 65. The percentage change over the three decade period was insignificant for those in the 15-54 age range; but the median real income for those aged 55-64 increased by 9% and among those aged 65 and over, it went up by 51%.

Despite these dramatic improvements, advocates for the elderly frequently note that their household income remains relatively low. For example, in 2013, their median household income of $35,611 was only 68% of the $51,939 median of all U.S. households. This was lower than all other cohorts except those aged 15-24 (Table 4). However, many argue this is deceptive because, on average, elderly households are much smaller than typical American households. The last column of Table 4 shows that when viewed on a *per capita* basis, the median income of those in the 65-74 cohort exceeds the national average by 14%, while among the over-75 age group, it is 84% of the national average. Although the per capita data give a more accurate picture of comparative financial status than total household income, it should be noted that each additional member in a household does not proportionally add to its costs because of "economies of scale." Thus, the comparisons of per capita income figures for the elderly with those of other age cohorts probably are overly favorable to seniors.

Seniors' costs of living are likely to be lower than those of non-seniors, which reinforces their income and net asset gains. It seems probable that a large majority will have neither child-rearing expenses nor work-related expenses such as commuting costs. Table 3 shows over 80% are homeowners, and 60% of them have paid off their mortgages by age 65, so their accommodation expenses are limited to taxes and maintenance. However, this does mean 40% are still making mortgage payments, whereas in 1992 this proportion was 18% (Fernald, 2014).

Another factor that has enhanced the economic status of seniors is the increasing number of state and local jurisdictions that have enacted legislation that reduces the property taxes paid by seniors when they reach age 65. These statutes take various forms, but most commonly they provide for larger homestead exemptions, a freezing of the assessed value of property, or a freezing of taxes (Babe, 2014). In these communities, when the inevitable future year increases in tax rates and appraised values (at a minimum to cover higher costs of services caused by inflation) result in higher property taxes, seniors pay less of this increase that all other property owners. There is no economic justification for such legislation; rather it reflects seniors' disproportionate political influence and effectiveness in enhancing their self-interest.

What the Averages Obscure

There are five caveats that qualify and modify the encouraging statistical trends relating to the economic well-being and longevity of seniors that have been presented to this point. The first two caveats derive from the criteria/assumptions on which the indices are based. The latter three point out that average measures obscure the reality that the elderly are not a homogeneous group and among them are some cohorts that have not shared in the general enhanced well-being of seniors.

First, while the traditional poverty measure reports 10% of seniors were below the poverty level in 2014, the SPM was less positive showing that 14.4% were below that threshold (Table 2). This suggests that 6.9 million, rather than 4.8 million seniors live below the poverty threshold. The substantially higher proportion reported by the SPM is caused by the inclusion of out-of-pocket medical expenses in that index. These are much higher for seniors than non-seniors. In contrast, many of the in-kind benefits included in the SPM measure are not targeted at seniors and do relatively little to improve their status. Most benefits to seniors are in cash, and are captured by the traditional measure as well as the SPM.

Private pensions have been a central contributor to the improvements in seniors' economic status. The second caveat to the generally favorable statistical trend is that some believe this positive trend is changing and will be reversed in the future. While 43% of private sector full-time workers aged 25-64 reported having pension coverage in their current job in 2011 (through either defined benefit or defined contribution programs), this was a decrease from the 50% who had coverage in 1979 (Krugman, 2013; Munnell & Bleckman, 2014). Currently, 55% of all current workers do not have any employment-based savings at all, while others end up with grossly inadequate 401(k) balances (Olen, 2014).

Many current seniors had defined-benefit retirement plans which guaranteed workers a consistent income after retirement. Among new and future retirees only 10% can expect income from defined-benefit programs (Olen, 2014). In the past two decades, most employers have switched to defined-contribution plans. In doing so, some employers reduced the funds they allocated for employees to invest for their pensions. An additional concern is that many, especially the lower-educated, will fail to manage their 401(k) funds wisely. These changes suggest that increasing proportions of future retirees will face a decline in private pension income at the end of their working lives (Krugman, 2013).

A third caveat pertains to the data in Table 1 reporting that on average people are living much longer. These data are weighted by large increases in longevity among relatively affluent and well-educated Americans. Those with lower incomes and less education have, at best, seen hardly any rise in life expectancy at age 65; indeed, those with less education have seen their life expectancy decline. Even within races and ethnic groups, the impact of education (and its correlates income and wealth) are pervasive. Among white, black, and Hispanic males the differences in longevity between those with a college degree and those whose education did not extend beyond high school were 12.9, 9.7 and 5.5 years, respectively. The authors of these analyses concluded:

> Differences in longevity between subgroups of the U.S. population are so pernicious and systemic that it is now reasonable to conclude that at least two Americas have formed, with notably different longevity prospects. The two are demarcated by level of education and its socioeconomic status correlates, and related to race or ethnicity. (Olshansky et al., 2012, 1806)

A fourth exception to the generally strong financial status of seniors is shown by the data in Table 4, which indicate there is a marked difference between the "young-old" 65-74 households and those in the "old-old," 75 and older cohort. The needs and expenditure patterns of these two groups are quite different. The "old-old" are likely, for example, to have higher expenditures for health and housing as a result of chronic illness and institutionalization. Clearly, the economic status of that cohort is substantially inferior to that of seniors under 75 and continues to lag behind the national average.

Table 5

Percent of U.S. Citizens below the Federal Poverty Level by Age and Race

	Children under 18			18-64			65 and older		
	White	**Black**	**Hispanic**	**White**	**Black**	**Hispanic**	**White**	**Black**	**Hispanic**
2014	12.3 %	37.1 %	31.3 %	10.0 %	22.6%	19.8 %	7.8 %	19.2 %	18.1 %
2002	9.4 %	32.3 %	28.6 %	7.5 %	19.9 %	18.1 %	8.3 %	23.8 %	21.4 %

Finally, the data in Table 5 show the poverty rates among black and Hispanic seniors (and the other age cohorts) are almost three times higher than those among whites (DeNavas-Walt & Proctor 2015). These data were reported by the traditional poverty measure, but they were mirrored in the SPM.

What Age Defines a Senior?

Traditionally, 65 was the age at which people were defined as senior citizens, because it was the age at which full Social Security payments could be obtained. For well over half a century, it has been used by the Census Bureau to define seniors. This suggests that when the Social Security age for full payment was raised to 66 in 2009 and when it is raised to 67 in 2027, then leisure agencies' definition of seniors would also be raised, but no such linkage has occurred.

The data in Table 4 show the per capita median income of those in the 65-74 age cohort is 14% above the national average, while among those 75 and over, it falls to 84% and is lower than all other age groups except the 15-24 cohort. This suggests if senior discounts are to be retained, then the eligibility age should be 75.

While these data suggest the rational decision would be to raise the eligibility age for defining a senior from 65 to 75 few, if any, leisure agencies have done this. Rather, the inequity has been exacerbated by many agencies reducing the eligibility age. In some instances, 62 has been adopted, since this is the earliest age at which people can elect to initiate their Social Security payments if they are prepared to accept 80% of what they could claim at 66. Other common definition ages are 60, which reflects when withdrawals can be made from 401(k) retirement plans without penalty; 55 which is a common age at which retirees from the military, police, fire, and those with union negotiated contracts can retire with full pension and health benefits; and 50, which is the definition for membership in the American Association of Retired People (AARP).

Why are Senior Discounts so Resilient?

It may appear to disinterested, objective observers that the data provide convincing support evidence for those agencies which seek to erode or remove senior discounts to be able to do so. However, in the opening paragraph it was noted that the demise of a

rationale for supporting senior discounts in this field was articulated 30 years ago. The resilience of these discounts in continuing to be an issue three decades later is testimony to the magnitude of the challenge involved in removing them. There are often three factors that coalesce to thwart such actions and that contribute to explaining seniors' improved financial status: Empathy, political influence, and emotional arguments (Brandon, 2012).

Empathy

The support of non-seniors for retaining large discounts may reflect their desire to act on behalf of family members who are currently or potentially in need of financial assistance. The increased longevity reported in Table 1 suggests there is a concomitant increase in the number of adults who have living parents. Their natural inclination is to support programs that provide income and discounts for their parents. A corollary of this is that if income is insufficient to maintain their standard of living, then adult children may feel obligated to provide supplementary resources from their own households' resources. Non-seniors may also view support for enhanced senior benefits as an investment in their own futures. Unlike some other special interests, seniors make up a group that all adults expect, or at least aspire, to join eventually.

Political Influence

Gray power is a political reality. The prognosis is that it will continue to gain in strength with the substantial increase in seniors' numbers and their growing proportion of the total population (U.S. Census Bureau, 2015a). Their growing power will stem not only from their numbers, but also from their high level of engagement in the political process. At the federal and state levels, seniors fund well-resourced lobbyists through their membership in the American Association of Retired People (AARP). Further, they have the time to invest in personally lobbying elected officials. In many jurisdictions a preponderance of elected officials are in the senior age cohort. This suggests that seniors are likely to have relatively strong personal networks with these people, and that these officials are likely to empathize with their concerns.

Table 6

Percent of Citizens in Each Age Cohort Reporting they Voted in Congressional Elections

	Presidential election years			**Congressional election years**			
	2004	**2008**	**2012**	**2002**	**2006**	**2010**	**2014**
Total	**58.3**	**58.2**	**56.5**	**42.3**	**43.6**	**41.8**	**41.9**
18-24	46.7	48.5	41.2	19.3	22.1	21.3	17.1
25-44	60.1	60.0	57.3	38.9	36.9	37.1	32.5
45-64	70.4	69.2	67.9	58.1	57.6	54.4	49.6
65 and over	71.0	70.3	72.0	62.7	62.5	60.8	59.4

Table 6 shows the percentage of seniors who report voting in Congressional Elections is greater than that of any other age group (U.S. Census Bureau, 2012). In the high profile Presidential election years, those in the 18-24 cohort typically voted at approximately two-thirds the level of seniors. In non-presidential election years, the difference is especially prominent. Whereas only 17.1% of the 18-24 cohort reported voting in the 2014 election, proportions in the two oldest age groups were 49.6% and 59.4%—approximately treble those of the youngest group. This latter scenario is reflective of the situation in local elections, where the lack of high profile campaigns results in disinterest among many younger voters while seniors vote in disproportionately high numbers. A monitoring organization reported: "In many cities, mayors for example, are elected with a single digit turnout. In recent elections in Dallas, Charlotte, and Austin they were elected by a turnout

of 5%, 6%, and 7%, respectively" (Center for Voting Democracy, 2012). Such low turnouts make it easier for seniors to dominate local elections.

Emotional Arguments

Advocates of retaining senior discounts frequently revert to three emotional arguments to support their case. First, it is often suggested there are many seniors whose income is marginally above the poverty level who should also be considered economically disadvantaged. However, there are an equal number of non-seniors who are similarly classified. Further, irrespective of the level at which the threshold is set, there will always be some folks marginally above that level (Seldon, 2004).

Second, it is argued that most seniors are "on a fixed income." However, it was noted earlier that all four primary sources of seniors' income have grown in recent years. Indeed, their primary source of income, Social Security, is adjusted upwards annually to reflect increases in the cost of living, and it was pointed out that the formula used to make these annual adjustments is overly generous to seniors.

Third, it is sometimes stated: "Because people have been paying full prices and taxes all their life, they should be given a break when they get older"(Crompton, 1984, p. 70). It must be presumed, however, that they were recipients of the services that were provided with revenues from those prices and taxes. This case could only be legitimate if there was evidence of some inequity, that is, if for some reason they had not received benefits commensurate with the price and tax payments made.

Strategies for Reducing Senior Discounts

The economic case against senior discounts is clear and unequivocal. Even when elected officials and leisure managers are familiar with it, having the political and administrative will and skill to remove the discounts is another matter. Senior discounts became part of the marketing lexicon in the 1950s. They made both commercial sense in the private sector and equity sense in the public sector, because at that time over one-third of all seniors were below the federal poverty level (Table 2). Further, most recreation opportunities prior to the mid-1970s were widely viewed as providing communitywide benefits (rather than spillover or user benefits) for which no charge should be made. This long tradition has created a strong reference point. As a result, there is an expectation among seniors that they will receive a discount; that such discounts are "fair"; and, hence, that removing them is unfair and an attack on their "rights." In the case of new services, the obvious strategy is to avoid the problem by not offering senior discounts in the beginning so no reference point or expectation is created.

When seniors experience a radical change in price, the initial protest may be vigorous, but it will likely be transient. Typically, when a substantive discount is removed, there will be a participant adjustment period (Crompton, 2010). This is characterized by a negative reaction that is likely to be motivated as much by outrage or pique at its "unfairness," as by perceived inability to pay the new price. Over time, however, the perceived unfairness of the increase typically evaporates as the new price slowly evolves into a new norm. In users' minds, it gradually replaces the old price and becomes the established reference point as the price they expect to pay.

It is often observed that "timing is everything in politics." The disproportionate influence of seniors at the polls makes their support critical at bond referendums for leisure projects. Thus, in the short term, there is a danger that eroding senior discounts may result in relatively small gains when compared to their loss of support for the relatively large dollars at stake in a referendum. The optimum "window of opportunity" for addressing the issue may be soon after a referendum, so the angst felt by seniors has time to morph into the norm over the five or seven years before the next referendum takes place.

There are two options for phasing out discounts (Crompton, 1988). First, the discount could be removed at a single point in time. This is likely to precipitate most opposition and the longest customer adjustment period, because it most aggressively violates users' existing reference price. However, it confines the angst to a relatively short time period,

after which the issue is resolved. The alternative is to have an incremental phase out over time. It recognizes people are likely to accept price changes that do not vary widely from the reference point, so the increases remain within their latitude of price acceptance. This is the range of prices around a reference price within which users have reduced price sensitivity (Crompton, 2010a). Thus, if a 50% discount is reduced by (say) 5% to 10% a year, then user resistance is likely to be low, because the annual incremental increase in cost is relatively small and within an acceptable range. The downside of this approach is that it may take 5 to 10 years to remove the discount, and it assumes the political will to pursue this strategy will be maintained throughout this period.

The most effective strategy for changing seniors' contention that removing their discounts is "unfair" is to reframe the context in which they are viewed (Crompton, 2011a). There are three primary ways in which this can be done: providing detailed financial information, comparing an agency's discounts with those offered by other leisure service providers, and shifting seniors' participation to off-peak times.

A well-developed information campaign could pose some variation of the following question: On average, each time seniors use the service they pay $5, whereas all other adult users on average pay $12. This means that taxpayers, most of whom on average have less income than seniors, are heavily subsidizing their use. Is this fair?

Along with the question, four pieces of *financial information* could be provided: The income status of age cohorts described in Table 3 and 4, costs of providing the service, amount of subsidy seniors and non-seniors receive, and data showing the agency's need for increased revenues. Users of a leisure service are likely to have little knowledge of either an agency's delivery costs, or the proportion of costs of a given program that revenue from pricing recovers. Indeed, most users probably do not recognize that a subsidy is involved, because it is unlikely to be an issue to which they have given conscious thought. When awareness of this is aroused, it is likely to change the context within which they perceive the magnitude of a price increase (Crompton, 2011a)

An empirical example of the effectiveness of this strategy of appealing to their sense of fairness occurred when approximately 80% of seniors who visited Texas state parks reported a willingness to replace their free admission with a half-price admission when they were provided with this type of financial information (Kim & Crompton, 2001). This result caused it to be enacted by the agency. This was still a discount, but it successfully addressed the "particularly prominent challenge if the price goes from zero to some monetary value for the first time" (Crompton, 2010, p 136).

Comparing a program's discounts with others involves doing a going-rate survey of leisure providers in the community and/or a survey of other public agencies in the area (Crompton, 2011b).The intent is to change the context by creating external reference points that can be used to reframe the issue by asking: Since others offered either no senior discount or only 10%, isn't it equitable for the agency to set its discount at a similar level (or abolish it)?

The *time periods* available for leisure activities among those in the work force typically are relatively tightly circumscribed: Before 7:30 a.m. and after 6 p.m. on weekdays, and at weekends. Hence, these tend to be the peak use times for many agency services. However, Approximately 75% of people over 65 are not in the labor force (Bureau of Labor Statistics, 2015), which suggests they have more flexibility in deciding when to engage in leisure pursuits.

Thus, discounts sometimes are offered to seniors as incentives to persuade them to utilize spare capacity at off-peak times, because their more flexible lifestyle enables this. For example, it is conventional wisdom that restauranteurs frequently offer a price discount to seniors willing to dine between late afternoon and early evening as a vehicle for increasing use at times when the facility would be relatively empty. These types of incentive discounts are not stimulated by altruistic concern relating to those who have a lower income, rather they are a sales promotion strategy to optimize revenue. This strategy of shifting their use to off-peak times removes the need-based discount and effectively changes it to a sales promotion designed to fill off-peak spare capacity.

If seniors elect to participate at peak times, then they may reduce the opportunities available to non-elderly. Thus, for example, one agency that offered senior discounts for golf and didn't restrict the time they could be used reported: "Over 100 golfers per week during the playing season are turned away from playing courses on weekends because of crowded conditions." In such cases, seniors should pay the full price otherwise the non-elderly are being unfairly discriminated against.

Concluding Comments

Most leisure agencies traditionally have served seniors, but in many communities the numbers involved have been small when compared to those participating in such activities as youth sports, adult sports and aquatics. However, the future viability of agencies is likely to be influenced by their ability to change this situation, by moving seniors from being a relatively small fringe target market to being a central focus of their services (Crompton, 2013).

Their large number, growing longevity, time availability, enhanced economic status, and higher levels of leisure literacy make seniors potentially the largest and fastest growing target market for many leisure agencies (Crompton, 2013). The emergence of seniors as a central, rather than a peripheral, target market adds a sense of urgency to removing the pricing inequity. While alienating seniors may have short-term negative consequences, continuing with large discounts makes it likely there will be more severe adverse impacts on agencies' viability in the future, and the burden on all other residents will be greater.

Seniors are susceptible to being more price sensitive than other service users, because their greater amount of leisure time enables them to invest more effort in comparing prices. Nevertheless, airlines, cable television companies, resorts, movie theatres, and other private sector providers of leisure services that used to give senior discounts have recognized these new realities and no longer do so. Those that are still available tend to be relatively small, typically 10%. For example, the U.S. Forest Service commissioned a market and financial analysis of private sector discount policies. Based on that analysis, the agency concluded, "Some low level of discounting remains widespread across the hospitality industries. Discount levels vary but a generally accepted standard appears to be approximately 10%, rather than 50% as under current Forest Service policy" (U.S. Forest Service, 2009, p 62740). These small discounts meet seniors' expectations of there being a discount, but only at a minimum level. Further, many businesses (e.g. hotels) do not advertise such discounts and give them only if they are requested. General acceptance by seniors of the private leisure sector's actions suggests that, like the Forest Service, it is time for public agencies to similarly change their policies towards senior discounts.

The task may be aided by erosion of the widespread public empathy seniors have enjoyed in the past. In the 1990s, the concept of generational accounting was introduced (Kotlikoff, 1992). Its use spread quickly and it became a staple of public discussions about government budgets. Its results suggest to many that seniors receive too many government resources at the expense of the young, and it popularized the notion of "intergenerational conflict." For example, while 41% of the federal budget is allocated to seniors, only 9.9% of it is allocated to children (Isaacs, Edelstein, Hahn, Steuerle, & Toucan, 2013). As a result, typical questions raised in the media include: Are young people, especially children, being short-changed by excessive public spending on older people? Are the age groups now in conflict? Will conflict intensify in the future? Such discussions suggest that empathy from non-seniors may gradually be replaced by resentment of their growing share of public resources.

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