

# **SLF Oral History Project**

## **John Shumate -founder**

**Purpose:** To capture the memories, knowledge, and wisdom of board members and others who were involved in establishing the Senior Living Foundation and growing it into the Foundation of today

### **Suggested Questions**

#### **1. How did your idea to establish a foundation come about?**

Shortly after coming aboard at AFSPA in 1987, I asked the employees what their conversations with members consisted of. The answers were predominantly health coverage, but the second most common topic was issues relating generally to the members personally. This was especially true among older and retired people who wanted to discuss issues associated with aging. One of the questions most asked, and for which I had no answer, was where to go when leaving the Foreign Service and retiring. We did not have a single good answer because there were so many answers.

I realized that the life and health insurance products we offered our members, although excellent, were not meeting all of their needs. A subgroup of former Foreign Service colleagues, ex-spouses, and surviving spouses simply did not have the resources for assisted living or nursing care by virtue of their low salaries and even lower annuities. In many instances, solutions were available; and AFSPA could be helpful, although it had no money, time, or *mandate* to do so.

At the time, there were at least 3,500 retirees with annuities of less than \$20,000. Some were even worse off, with annuities of less than \$10,000. Yet, the HHS poverty level then was \$12,000 for one individual and \$16,000 for two. It is still the same today. These Foreign Service retirees depended entirely on their annuity. They had no extra income, meager savings, and no accumulation of wealth. Not only were there people whose annuities fell at or below the poverty line, many of them were deteriorating physically or mentally to the point that they desperately needed a helping hand.

I discovered four distinct categories of individuals most at risk:

### **a.) Widows of Foreign Service Personnel**

Today, as then, following the death of their spouse, widows receive only 55 percent of what the Foreign Service annuitant was getting. The survivor to a \$40,000 per year annuitant would receive only \$22,000. However, their basic expenditures for housing, food, medical care, and utilities would remain essentially the same. Many of these widows accompanied their husbands to overseas posts where there was no opportunity to practice any skills, trade, or profession that they might have had; nor was there any opportunity to acquire skills to be used later on to earn a living. The result is that many of them were working in low-level jobs, the income from which might put bread on the table but certainly couldn't cover assisted living, in-home care, or nursing home expenses.

A fairly typical example of someone benefiting from SLF assistance was an 80-year-old widow<sup>1</sup> of a Foreign Service visa assistant who had lived in Washington since her husband retired from the Foreign Service. She needed dialysis treatments three times a week, and her rent was fairly steep. Although she could have moved to a less expensive area, she was frail and did not wish to leave doctors who had treated her for years. After her husband's death, she discovered that the portion of his pension to which she was entitled covered only basic living expenses. By the time she contacted SLF, her savings were almost depleted. She had no family to turn to, her friends were not in a position to help, and she required the services of a home health aide twice a week. She received help to defray the costs of home health care.

### **b.) Foreign Service Staff Who Are Single**

Career service, almost always abroad, cuts Foreign Service staff off from family and community ties. Their human safety net, which might have sustained them in their old age, is flimsy and, in some cases, nonexistent. A career Foreign Service staff secretary; visa, administrative, or budget assistant; courier; or communicator who retired at the FSS 6 grade level in 1980 would have been earning

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<sup>1</sup> All examples cited here are drawn from actual experience.

approximately \$20,000 a year at the time of retirement. Assuming 10 years of service, the person's annuity would have been \$12,000 annually, although cost-of-living increases over the years would make that pension worth about \$19,000. This amount of money would have been insufficient to pay for a personal assistance facility or a facility that provided practical or skilled nursing care. Nor could the retiree afford in-home assistance on a continuing basis.

A typical example was a 70-year-old Foreign Service secretary who suffered from arthritis and could no longer climb the stairs in her apartment. Realizing that she would not be able to live independently much longer, she looked into various senior living facilities where she was living, all of which required entrance fees. She could only afford the monthly maintenance fees, so the SLF provided assistance for paying the entrance fee at the facility she chose.

#### **c.) Divorced Spouses of Foreign Service Personnel**

At the time, there were 200 divorced spouses who were not eligible under the Foreign Service Act of 1980 to receive a portion of their spouse's annuity or whose share of that annuity was inadequate. They had to pay the total premium for their health insurance, which was almost \$2,000 a year and which ate into any other income they received. Like Foreign Service widows, these divorced individuals accompanied their spouses to posts abroad and were unable to pursue their own careers.

An example is the 65-year-old divorced spouse of a Foreign Service courier, who was married for 25 years and who had spent most of her adult life abroad. She was divorced at age 50 and worked at a department store until retiring at age 65. She was receiving a reduced Social Security pension and a \$4,000 annuity from the Foreign Service. As a divorced spouse, she was required to pay 100 percent of the premium for health insurance, which was approximately \$2,400 per year at that time. She lived in a rural area with a lower cost of living, but her Social Security income and annuity barely covered living expenses. She had no children, and her only living relative was confined in a nursing home. SLF helped this woman purchase long-term health insurance.

#### **d.) Retired Foreign Service Couples**

Often, one spouse would be stricken with a debilitating disease, such as Parkinson's or Alzheimer's, or would have a severe medical condition such as a stroke or heart attack. The healthy spouse would need help caring for his or her companion. If they needed some assistance in daily living, they could apply for admission to a HUD-funded facility. Ordinarily, these facilities have long waiting lists of three to seven years. If there were further deterioration in health that required skilled or custodial nursing care, they could seek Medicaid as a means of entering a nursing home. However, they would have to meet Medicaid's stringent requirements.

An example of a retired Foreign Service couple in need of assistance is a case where the couple owned their own home, but their income just covered basic living expenses and taxes. The husband was deteriorating physically and mentally. Because the wife carried the sole burden of care, her health was also deteriorating. Having exhausted their savings altering the house to become wheelchair-accessible, they had nothing remaining to pay for a visiting nurse two afternoons a week. SLF helped them cover these costs so that they could continue to live independently in their own home.

In each of these cases, we were looking at people who had devoted their entire adult lives to working for the Foreign Service—people who lived honest, productive lives, contributing as best they could to the advancement of U.S. foreign policy objectives, people who did not want to resort to taking charity.

It became clear that a career in the Foreign Service takes a number of turns that makes the individual pursuing such a career quite different from the type of person who might have had a career in a particular domestic environment. The same person—working equally hard, being equally productive and equally successful in any American city or town—would have acquired, over an adult career, a somewhat stronger safety net than is available to those in the Foreign Service.

I realized that AFSPA was in a unique position to strengthen that safety net because we could identify these individuals and help them. Thus, the idea was born for a foundation that could act on behalf of these individuals by raising money for this purpose, a foundation that would embody the principle, "We take care of our own."

**2. Who was part of the Findley Burns group and how did you decide on the participants? How did you approach the Findley Burns group? How did you decide on board members?**

If the SLF was to be successful at raising money, I believed it was imperative to have a distinguished Foreign Service Officer lead the way. I asked Ambassador Burns if he would be willing to take up the challenge. The Findley Burns Group comprised Ambassadors Findley Burns, Dean Brown, Joan Clark, and John Jova. They identified people to be contacted, suggested changes in the mission statement and name of the foundation, and these suggestions were put into effect.

They knew a lot of people who might be able to help us. When Ambassador Jova died, Bob Blake joined the group. Bob Blake came up with several names of possible donors and sent them letters in July 1994. Thus began our fund-raising efforts on behalf of SLF.

The Findley Burns group were the original SLF board members. They were chosen because of their stature in the Foreign Service, because they embraced the idea of "taking care of our own," and because they had access to "deep pockets" for the purpose of raising funds.

**3. In the 1980s, DACOR had a welfare committee as part of their foundation. How did the cooperation/collaboration lead to the current relationship between SLF and DACOR?**

Some members of DACOR thought the DACOR emergency fund met the needs described in my answer to Question 1. However, the DACOR fund covers only one-time or temporary emergencies. It is not equipped to handle the kinds of longer-term assistance that we envisioned and that are now provided by SLF.

Discussions about this issue prompted the two organizations to work more closely together.

**4. You first looked at retirement facilities for the retired Foreign Service?  
Why? And why did you decide to go a different route?**

We first looked at retirement facilities because we thought an SLF-supported facility would be the simplest way to care for our own. I asked Ernst and Whinney to examine whether the need for retirement housing existed within the membership in sufficient geographic concentration to warrant the construction of a retirement facility. If this need did not exist within the present membership, the objective would be to develop recommendations regarding the most appropriate alternatives through which to provide retirement assistance to the membership—i.e., contracting for services in a preferred provider type of arrangement. In 1988, they responded in a paper recommending that we not pursue construction and that, instead, we raise funds to help those in need.

The army had a retirement facility at Fort Belvoir, and it seemed that something along those lines might work for us. I was interested in a continuing care retirement community (CCRC) called Vantage House in Columbia, Maryland, which was available at the time. While not the best location, it had many advantages; but the AFSPA board was not convinced it would work. We also looked at Crab Creek, a new CCRC near Annapolis, as well as a new Sunrise facility in Arlington, Virginia. In the end, there were many obstacles to overcome, none one of which we wanted to confront.

By then, we were hearing from a number of former Foreign Service personnel whose needs were far more complex and varied than could be solved by relocation to a retirement facility. With

regard to a preferred provider arrangement, Marriott seemed interested, and we were about to sign a memorandum of understanding with them in 1990, but Marriott decided not to go that route.

Based on the Ernst and Whinney recommendations, I asked the law firm of Storch and Brenner to draft articles of incorporation for the American Foreign Service Protective Association Foundation, Inc.

The foundation was incorporated in Washington, D.C., November 23, 1988. Paula Jakub, who had worked for Mutual of Omaha and was now my assistant, became the co-leader of the foundation and AFSPA. To satisfy the IRS, the by-laws were changed to include a board of directors that was different from the AFSPA board. The IRS issued a favorable decision granting 501(c) (3) charitable status to the foundation, valid through 1994.

#### **5. How did the Foundation get its first funds for grants?**

We attended a number of meetings of the National Association of Fund Raising Executives (NSFRE) where we learned what professional fund raisers do. We did not have the money to hire a fund raiser, and we very soon learned that we might not need to do that. The universe of potential donors was specific to the Foreign Service and easily identifiable by members of the Findley Burns group. However, our donations were solicited by Bob Blake.

#### **6. When did you first realize that the SLF really made a positive impact on the lives of your colleagues?**

Not too long after we made the initial grants, we started to receive letters thanking us for our assistance. While ensuring the privacy of the individuals receiving SLF assistance, we told their stories to potential donors as a way of garnering support for the Foundation. Word began to spread among the Foreign Service. The most significant impact on the lives of my colleagues was evidenced by the

generous bequest made in 2001 by the late Ambassador Dean Brown in his will: an \$800,000 donation, the largest ever made by a single donor at that time.

**7. Were there any major obstacles you had to overcome?**

The two biggest obstacles were getting the Foreign Service involved and concerned—essentially a sales job—and learning how to raise funds for charitable purposes.

**8. How has the Foundation changed since it began?**

In 1997, the first grant we made was \$500 to an 87 year-old Foreign Service secretary to help with assisted living expenses as she prepared to enter into a skilled nursing. Thanks to the generosity of donors who believe in our mission, SLF continues to receive support from individuals and foundations, to allow us to respond to our colleagues who turn to us. In 2014, as detailed in the newsletter, SLF provided almost \$250,000 in financial grants to our retired colleagues in need.