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E. Head-of-Household Tax Reform (Rep. Kennelly)

--Revises the Federal Income Tax Rate to allow single heads-of-households to a zero bracket amount equal to that allowed on joint returns

- see following fact sheet

FACTS ON HEAD-OF-HOUSEHOLD TAX REFORM--SECTION 3 OF TITLE I OF THE ECONOMIC EQUITY ACT

Over two-thirds of heads-of-households are women who must face alone the financial obligations of supporting dependents and maintaining a home. The Internal Revenue Code discriminates against women who are single heads-of-households.

Prior to 1975, heads-of-households could use the standard deduction (now zero bracket amount) used by married couples. The Tax Reduction Act of 1975, however, decreased the zero bracket amount heads-of-households are allowed. Thus, married couples are allowed a larger zero bracket amount, even though they have the same kinds of expenses and responsibilities.

Under current law, heads-of-households are entitled to a \$2,300 zero bracket amount. Married couples filing jointly are entitled to a \$3,400 zero bracket amount.

By definition, a head of household unit has only one earner. More than 50 percent of married couples have two incomes. Typically, the single heads of households have lower earnings than married couples. In 1978, the average income for a head of household was \$10,308; for married couples it was \$20,544. This provision of our legislation would end the penalty in the tax.

The Economic Equity Act amends the Internal Revenue Code to provide that the zero bracket amount for heads of households be equal to that of married couples filing jointly: \$3,400.

End Fact Sheet

## TITLE II: DEPENDENT CARE

### A. Sliding Scale For Tax Credits (Rep. Barber Conable)

--The 1981 Tax Act established a sliding scale for tax credits for dependent care expenses from 20 to 30 percent of work-related expenses. This section would expand that scale by raising the allowable credit percentage to a scale beginning at 50% for those earning \$10,000 or less, and decreasing to 20% for those earning \$40,000

### B. Tax-exempt Status for Dependent Care Facilities (Rep. Conable)

--Enables non-profit organizations providing work-related dependent care to be eligible for tax-exempt status

### C. Refundability (Rep. Barbara Mikulski)

--Allows the dependent care tax credit to be refundable. People who owe no income tax would receive as a refund the amount of credit to which they would be entitled

### D. Information and Referral (Rep. Mikulski)

--Establishes a federal grant program to provide "seed money" to community based clearinghouses for child care information and referral

- see following fact sheet

## FACT SHEET ON DEPENDENT CARE -- TITLE II OF THE ECONOMIC EQUITY ACT

Dependent care is a vital support service for all working persons, especially in these hard economic times. Workers need to know that their dependents are receiving adequate care, nutrition, and supervision. Dependent care is particularly important to women working outside of the home because they are the individuals most likely to be faced with the responsibility of caring for family members, first for their children and then for their elderly parents, in-laws or other relatives, including, perhaps, their spouses and grandchildren. Access to affordable dependent care is a crucial factor in ensuring that women have the same ability as men to enter and continue in the job market.

More women are entering the labor force. Statistics illustrate the economic significance of dependent care services to families' economic survival:

\*\*Over the past twenty years, the number of women in the non-home work force has increased from 23 million in 1960 to 43 million in 1980. By 1990 that figure will rise to more than 60 million women.

\*\*35 percent of two-income families would have to survive on \$15,000 if the women were not employed.

**\*\*The trend toward lower birth rates has been more than counterbalanced by the trend towards increased participation in the labor force by mothers. The result has been a steadily increasing number of children in need of dependent care. Between 1980 and 1985, the number of preschool children with mothers working or wanting to work will double -- from around 6 million to 12 million.**

**\*\*Dependent care is not a matter of choice for most families. The amount paid for dependent care by working families shows no relation to income until family income exceeds \$50,000.**

**\*\*For families below the poverty line, lack of access to affordable child care is a significant deterrent to work force reentry (or conversely, an incentive to remain on public assistance). In a recent survey of poverty level families, 56% expressed the opinion that "it did not pay to work if they have to pay someone to take care of their children."**

**\*\*The age group over 80 is the fastest growing segment of the U.S. population.**

Last Congress, the Economic Equity Act included dependent care provisions which made a major step toward meeting dependent care needs. Portions of these provisions have been enacted into law. These provisions:

**\*\*Replaced the previous flat rate credit for dependent care with a sliding scale that focused the maximum benefit of the credit on those least able to pay. This credit is available to taxpayers who incur work-related expenses for care of a child under the age of 15, a disabled spouse, or any other dependent who is physically or mentally incapable of caring for himself or herself. (The credit was raised to 30% of work-related dependent care expenditures for taxpayers with incomes of \$10,000 or less, with the credit reduced by one percentage point for each \$2,000 of income between \$10,000 and \$28,000.)**

**\*\*Provided that care provided by an employer may not be taxed as income to the employee if it meets specified conditions.**

End Fact Sheet

**DEPENDENT CARE TAX CREDIT  
AND TAX-EXEMPT STATUS  
FOR DEPENDENT CARE CEN-  
TERS**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 20 minutes.

• Mr. CONABLE. Mr. Speaker, I am introducing today legislation to continue the steady progress which has been made over the past several years to bring Internal Revenue Code provisions up to date in terms of their impact on work-related dependent care.

Joining me in introducing this bill are Representatives MIKULSKI, KENNELLY, SHANNON, DOWNEY of New York, and JOHNSON.

The bill has two provisions. The first is intended to weigh the Federal dependent care income tax credit more heavily in the direction of families at the lower end of the economic scale, the families for whom the cost of work-related dependent care is proportionately the greatest. In the last Congress, legislation was introduced to change the flat 20-percent dependent care credit to a sliding scale based on income. Under this scheme, families with incomes under \$10,000 were to get a credit equal to 50 percent of their allowable dependent care expenses. This credit was to be phased down at a rate of 1 percent for every full \$1,000 by which a family's income exceeded \$10,000, but not below 20 percent, so that a family with \$40,000 or more would get only the 20-percent credit. This sliding scale credit ranging from 50 to 20 percent is being reintroduced as the first provision of the bill.

The Economic Recovery Tax Act took a substantial step by enacting a sliding scale to apply to the dependent care credit. However, the "slide" which was adopted was minimal—ranging from 30 percent for families under \$10,000 to 20 percent for families above \$28,000. Families will, for the first time as they file their tax returns this spring, be able to use this sliding scale credit.

I continue to believe that the 50-percent beginning point for the sliding scale more accurately reflects the type of recognition of work-related dependent care costs which ought to be reflected in the Tax Code. For working single parents, dependent care is an obvious necessity and in today's economy the same is true for most two-parent families as well. Dependent care is, and ought to be, a heavily labor-intensive service. If care providers are paid even minimally adequate wages, the costs of dependent care can easily exceed what many working parents can afford to pay. Increasing the dependent care credit sliding scale to 50 percent is intended to help families with low to moderate incomes cope with the economic impact of purchasing these dependent care services.

The second provision of the bill is intended to make it easier for nonprofit dependent care centers to qualify for tax-exempt status. Most nonprofit dependent care organizations readily qualify for tax-exempt status because they can satisfy the test that they be organized and operated exclusively for educational purposes. However, in the case of infant care and before- and after-school care for school age children, this education requirement is difficult to satisfy since the IRS tends to view both these activities as "custodial" rather than "educational."

The bill provides that the term "educational purposes" in the sections of the code dealing with tax-exempt status will be defined as including non-residential care of individuals if substantially all of the dependent care provided by the organization is for the purpose of enabling individuals to be gainfully employed and if the services provided by the organization are available to the general public.●

Congressional Record  
March 9, 1983, H-1090

**BILL TO IMPROVE ACCESS TO  
CHILD AND DEPENDENT CARE**

**HON. BARBARA B. KENNELLY**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

Mrs. KENNELLY. Mr. Speaker, I am pleased to join with my colleagues, Representatives BARBER CONABLE and BARBARA MIKULSKI, in introducing legislation that will improve access to child and dependent care.

There are few job issues more important than dependent care to single working parents and to families where both husband and wife work. Parents who once allowed their children to go home to an empty house after school, now are increasingly reluctant to leave their children unsupervised. The kindly neighbor who used to keep an eye out for the kids is more than likely working outside the home herself. In March 1982, two-thirds of the mothers of school-age children were in the labor force or looking for jobs. Rather than returning to an empty house, children are returning to an empty neighborhood.

At the same time, mothers in increasing numbers are returning to their jobs before their children enter school, sometimes out of choice, often out of necessity. Over the last decade, there has been the segment of the population that has had the greatest increase in labor force participation. Ten more significantly, between 1975 and 1982 there was a 68 percent increase in the number of women working with children under the age of 3 years old. This has meant a corresponding increase in demand for infant care, usually more expensive and harder to find than other child care facilities.

The private sector has gradually come to recognize the importance of dependent care, and many companies have made sincere efforts to fill this need of their employees. In Hartford, Conn., for instance, five of our largest insurance companies and banks have formed a consortium in order to provide information and referral services and seminars on child care.

The 1981 tax bill facilitated access to dependent care in several ways: primarily by replacing the flat rate tax credit for dependent care with a sliding scale favoring those with the lowest income, thus increasing the limit on eligible expenditures to \$2,400 for one dependent and \$4,800 for two or more. Despite this progress, there is still a need to provide better tax treatment both for dependent care expenses of providers and for employers' contributions to help establish and operate facilities.

The measures I am cosponsoring today, which later will be incorporated into the Women's Economic Equity Act, will do three things. One will reset the credit sliding scale to 50 percent of expenses for those earning

\$10,000 or less, helping providers with the lowest incomes who face average annual preschool child care bills of \$2,900 and average infant care costs of \$3,900 in Connecticut.

This bill will also clarify the definition of child care facilities in the Tax Code in order that nonprofit after-school and infant care centers will qualify for tax exempt 501(c)(3) status. It is intended that this will give added incentives for corporations to assist a variety of dependent care centers throughout the community. In my district, where commuters come to the central business hub from over 30 different surrounding towns, having a lot of options is an absolute necessity. Finally, I am cosponsoring legislation that will provide seed money for public and nonprofit information and referral services. Not only will these centers help all who care for dependents find the facility that fits their needs, they should also help the Federal Government identify the needs that typically are unmet. ●

Congressional Record  
March 10, 1983, E-957

**CHILD CARE INFORMATION AND  
REFERRAL SERVICES ACT**

**HON. BARBARA A. MIKULSKI**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 22, 1983*

● Ms. MIKULSKI. Mr. Speaker, I am pleased today to be joined by my colleagues, Ms. FERRARO, Mrs. SCHROEDER, Mrs. KENNELLY, Ms. OAKAR, Mr. CONABLE, Mrs. BOGGS, Mrs. COLLINS, Mr. PERKINS, and Mr. GEORGE MILLER, in introducing the Child Care Information and Referral Services Act. This legislation is part of the Women's Economic Act and is sponsored in the Senate by Mr. GARY HART.

Finding child care can be extremely difficult. Changes in family structures and in employment schedules make that job even harder. There are more single parents who work and more two-parent families where both parents work. Quality child care is becoming scarcer and scarcer. When families have nontraditional needs for child care—like care for infants, or care during night shifts—finding child care is a real struggle.

Information and referral clearinghouses will be one-stop shops where parents can find out about child care services in their communities.

This legislation sets up an \$8 million Federal grant program to fund new or improve existing information and referral clearinghouses. These clearinghouses will work with parents and with providers to help families find affordable, convenient, and appropriate care for their children, and to help providers operate at full capacity. The result is a match of families' needs which providers supply.

In addition to making efficient use of scarce resources, the information and referral clearinghouses will have other benefits. The most important of these is the information about child care supply and demand the clearinghouses will generate. Because there are presently few facts about the availability of child care services in specific communities, this data base will lay important groundwork for future advocacy efforts.

The clearinghouses may also become centers for other child care-related activity. Potential services include offering technical assistance and training to providers to increase services or upgrade existing services; providing feedback from users to providers regarding quality of services; coordinating activities of advocacy groups, agencies dealing with child and family issues, child care providers and families; and working with the business community to set up employer-assisted dependent care programs.

The use of computers to collect data on child care will integrate the new

technology with the social services, with machines working to serve human needs.

The Child Care Information and Referral Services Act is a future-oriented initiative designed to facilitate resource efficiency in the present and to encourage resource upgrading and expansion in the future. I urge my colleagues to support this legislation.●

Congressional Record  
March 22, 1983, E-1224

TITLE III: NON-DISCRIMINATION IN INSURANCE

(Rep. John Dingell)

Prohibits discrimination on the basis of race, color, religion, sex, or national origin in insurance and annuities



## THE NONDISCRIMINATION IN INSURANCE ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, I invite all Members of the House to cosponsor the bill—H.R. 100, the Nondiscrimination in Insurance Act—which I have introduced on this first day of the 98th Congress. It is similar to the bills—H.R. 100 and S. 2204—sponsored in the previous 97th Congress by well over 100 Members of the House and by almost one-fourth of the Senators, and reported favorably by the Senate Commerce Committee just before the 97th Congress ended.

This bill has one single, simple, narrow, objective—to eliminate discrimination, on the basis of race, color, religion, sex, or national origin, in insurance and annuities. It prohibits such discrimination in all phases of insurance and annuities—in access and availability of coverage and underwriting; in the terms, conditions, rates, benefits, and requirements of the insurance and annuity contracts; and in the methods for determining them. It would not do anything else. It would not in any other way interfere with any State's power to regulate the insurance industry. It would not affect any other type of action by any insurance company.

This bill is patterned after three major laws which are now in the United States Code, namely:

Title VII of the Civil Rights Act of 1964, which prohibits such discrimination in employment;

Title VIII of the Civil Rights Act of 1968, which prohibits such discrimination in housing; and

The Equal Credit Opportunity Act, which prohibits such discrimination in consumer credit and finance.

Like the employment and housing antidiscrimination laws, this bill will place primary jurisdiction in the States to deal with such discrimination in insurance and annuities. Thus, the bill specifically provides that any complaint that an insurer has committed an unlawful discriminatory act—that is, based on race, color, religion, sex, or national origin—must first be filed with the appropriate State agency, if the State has a law prohibiting such discrimination and an agency to administer and enforce that State law. Only if the State has no such law or agency, or fails to resolve it to the complainant's satisfaction, will this bill allow the complainant to seek the next remedy; namely, to file a judicial action in a State or Federal court. The availability of that judicial remedy of course, will encourage the enactment of State laws prohibiting such discrimination. It will also help make the administration of the State law more effective, because the State can then proceed to eliminate discrimination based on race, color, religion, sex, or national origin, without any fear that such action may result in insurance companies or their contracts moving

to another State which allows such discrimination.

### REASONS FOR ENACTING THIS BILL

The principle of prohibiting discrimination based on race, color, religion, sex, or national origin is now part of our fundamental law and doctrine. We have made great strides toward making that principle into living reality—in employment, public accommodations, housing, credit, government regulation and government benefits, transportation, recreation, voting, education, athletics, and many other areas of life.

But one of the greatest remaining gaps is in insurance and annuities. Blacks are heavily discriminated against in property, accident, casualty, and health insurance, and more subtly in other forms of insurance. Sex discrimination is blatant and widespread. These discriminations have widespread impact on millions of people. Our national policy of ending discrimination on the basis of race, color, religion, sex, or national origin demands that such discrimination in insurance and annuities also be ended.

This bill will not harm the insurance industry. It will help to protect consumers, business, poor people, widows, widowers, orphans, elderly people and retirees, and others. It will not intrude on the ability or powers of any State, which complies with the nondiscrimination principle, to regulate the insurance industry. Most defined-benefit pension and annuity plans, and much of the group forms of insurance, already operate without such discrimination. Several Federal courts, including the Supreme Court of the United States, have already ruled that sex discrimination in pension plans violates title VII of the Civil Rights Act of 1964. But many insurance companies still engage in such discrimination in their annuity plans. This bill will eliminate that disparity between the requirements of title VII as now applied by the courts in employment-related plans, and the industry's discriminatory practices, and will thus prevent possible frustration of title VII's nondiscrimination mandate. It is a bill whose enactment is long overdue.

This legislation is supported by a wide-ranging multitude of representative groups, organizations and individuals of the American public. For example, the report issued by the Senate Commerce Committee last month listed the following organizations as having specifically endorsed the bill:

A.F.L.-C.I.O., American Association of Retired Persons, American Association of University Professors, American Association of University Women, American Civil Liberties Union, American Home Economics Association, American Nurses Association, American Veterans Committee, Inc., Anti-Defamation League of B'nai B'rith, Center for National Policy Review, Coal Employment Project, Displaced Homemakers Network, Inc., Jewish War Veterans of the U.S.A., Leadership Conference on Civil Rights.

Mexican-American Legal Defense Fund, N.A.A.C.P., National Association of Farmers Organizations, National Association of Social Workers, National Catholic Conference for Interracial Justice, National Community Action Agency Directors Association, National Conference of Black Mayors,

Inc., National Consumers League, National Council of Jewish Women, National Council of Negro Women, National Council of Senior Citizens, National Federation of Business and Professional Womens Clubs, National Ladies Auxiliary of the Jewish War Veterans of the U.S.A., National Insurance Consumer Organization, National Organization for Women (N.O.W.).

National Urban League, National Women's Party, National Women's Health Network, National Women's Political Caucus, Office of Legislative Affairs, Women's Div., General Board of Global Ministries, United Methodist Church, Older Women's League, Organization of Chinese Americans, Rural American Women, United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.), U.S. Commission on Civil Rights, Washington Office, Episcopal Church, Women's Equity Action League (W.E.A.L.), Women's Law Project, Women's Legal Defense Fund, Women, U.S.A.

Several of the trade associations representing much of the insurance industry have opposed this legislation because it would ban the industry's widespread practices of sex discrimination in insurance and annuities. Yet the representatives of these trade associations acknowledge that discrimination based on race, color, religion, or national origin is improper and unjust and should not be countenanced. Furthermore, their arguments for the continuation of sex discrimination do not reflect a uniform view. Indeed, the vast majority—over 95 percent—of employees, both in government and in private industry, are covered in connection with their employment, by defined-benefit annuity pension plans which provide periodic benefits in single life annuities and/or by group life insurance plans which provide equal insurance benefits, without sex differentiation either as to the benefits or as to the employees' contributions to the plans. Also, the National Association of Insurance Commissioners has urged the adoption of legislation and regulations to eliminate some forms of sex discrimination in insurance. Some States are attacking sex discrimination in an entire category of insurance. Thus, Hawaii, Massachusetts, Michigan, and North Carolina have adopted State laws forbidding sex discrimination in auto insurance, and in four other States—Florida, Louisiana, New Jersey, and Pennsylvania—the State insurance departments adopted regulations or orders to do the same, but were frustrated by the filing of court suits challenging their power to adopt such regulations unless specifically authorized by the State legislature. In addition, there have been many court decisions in suits brought by employee beneficiaries holding that sex discrimination in insurance and annuities, as to benefits as well as to employee contributions, violates title VII of the 1964 Civil Rights Act and/or the Constitution.

The insurance industry's present widespread discrimination practices adversely affect millions of people in our country. I believe that as more and more Members of Congress and the public study the issues and the facts of those practices, there will be increased recognition that there is a urgent need to enact this legislation.

This bill simply applies to insurance and annuities the same national anti-discrimination policy that the Congress has applied to virtually every other area of life. It leaves enforcement of that policy primarily to the States and only secondarily to the State and Federal courts, and it does not set up a Federal agency to administer the law. Its enactment will make unnecessary the extensive litigation which, under other statutes such as title VII and the Equal Pay Act, is now facing the insurance industry.

In short, H.R. 100 is a bill whose enactment will benefit millions of people; will not harm the insurance industry, and should be enacted.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that the bill be reprinted to list all cosponsors.

Congressional Record  
January 3, 1983, H-33

## Bills Would Outlaw Sex Bias:

# Women's Organizations Hit Insurance Industry Practices

Should a woman receive smaller monthly pension benefits than a man simply because women as a group live longer than men?

Should a young man who is a safe driver pay higher auto insurance rates than a young woman because young men as a group are involved in more car accidents?

Insurers say those practices are fair, based on sound statistics. They say sex is a significant factor that should continue to be used in actuarial tables and rating systems, even if the result is lower pension payments for women and higher auto insurance premiums for young men.

But women's groups, civil rights organizations and other associations maintain that there is no such thing as "fair" discrimination.

The women's advocates are backing bills (HR 100, S 372) that would bar insurers from discriminating on the basis of sex with respect to premiums, benefits, availability of coverage and conditions. Types of insurance coming under the bill included life, auto, disability, health and pensions.

The measures are part of a larger package known as the Economic Equity Act, which is being pushed by women's groups that are focusing on economic issues. Supporters say the bills are important to ensuring women's self-sufficiency in old-age and protecting their families against their death or illness. (Story, p. 781)

## Industry Opposition, Response

Despite intense opposition from insurers, the measures are expected to be approved at least by House and Senate committees this year because of strong support on the panels.

One of the industry objections is based on cost. The bills would require companies to increase the benefits of current retirees and others who already have begun paying premiums, if their contracts provided for lower benefits because of sex-based tables.

The American Academy of Actuaries estimated that equalizing pension programs alone would cost under

\$2.5 billion a year, while the Labor Department pegged it at \$1.7 billion.

"What's good about insurance if no company is around to pay the benefit?" Barbara J. Lautzenheiser, senior vice president of the Phoenix Mutual Life Insurance Co., said.

Insurers also argue that while women might benefit from pension changes, they would face hikes in rates they pay for auto and life insurance.

Women's groups disagree with the industry about the financial impact on it. They noted that a Labor Department study showed that the assets of the nation's 460,000 pension plans amount to about \$560 billion. They also doubted the industry's estimate of the costs of providing equal pension benefits.

The National Organization for Women (NOW) estimated that discrimination in insurance costs a woman \$15,700 more than a man over a lifetime. That reflected costs under selected policies for pension, life, medical, disability and auto coverage.

And, even if some women may have to pay more for some types of insurance such as auto coverage, the issue to many supporters of the bills is civil rights.

"We oppose discrimination against men as well as against women," said Mary Gray, national president of the Women's Equity Action League and professor of mathematics, statistics and computer science at American University.

Senate Commerce Committee Chairman Bob Packwood, R-Ore., a key supporter, said, "The day of judging people in this country as a class rather than as individuals is, I hope, at an end."

Rep. James J. Florio, D-N.J., chairman of the House Energy and Commerce Committee's Commerce, Transportation and Tourism Subcommittee, said that besides eliminating discrimination, HR 100 would help the industry be more efficient by forcing it to use more relevant factors to price its products.

President Reagan has not taken a stand on the bills, although he has pledged to submit legislation to rem-

edy inequities due to sex discrimination in pension systems. (Weekly Report p. 187)

Two court cases could have a major impact on the insurance issue.

The administration has filed a brief in the Supreme Court on behalf of a woman in a pension case. The administration argued that her employer violated the 1964 Civil Rights Act (PL 88-352) by its use of sex-based actuarial tables. (Weekly Report p. 571; 1964 Almanac p. 338)

The other case involves an employer contract with an insurer to provide benefits for an employee-deferred compensation retirement program. One benefit alternative is an annuity based on sex-segregated tables.

## Legislation

Florio's panel April 20 approved HR 100, and the full committee is expected to consider it in May. The Senate Commerce Committee began hearings April 12 on S 372. A similar bill (S 2204 — S Rept 97-671) was reported by the Senate panel in 1982.

The bills would bar insurers from discriminating on the basis of sex and from using sex as a factor in statistical tables.

On existing contracts, insurers could not charge premiums or collect contributions that become due after the bill's effective date, or make any payment under an insurance, annuity or pension contract if the charge, contribution or payment is based on sex. An annuity is a payment of a fixed sum at regular intervals.

The insurer may modify premium and contribution rates and increase payments under existing contracts to comply with the law. But benefits may not be decreased.

The bills would require the industry to "top up," or increase benefits for the disfavored sex, insurers said.

The Labor Department gave an example for a pension program that puts men at a disadvantage. A man would receive \$800, while a woman would receive \$900, using sex-based tables. Under topping up, both would receive \$900. Using sex-neutral tables, each would get \$825.

## Classifying Individuals

Insurers classify people by various factors that are supposed to have a bearing on the risk for which they are insured. Gender is one classification that insurance companies use. Those factors allow a company to charge a price appropriate to a person's risk,

—By Judy Sarasohn

industry officials say.

"We did not develop the practice in order to discriminate against either men or women, and we do not believe that the practice is adverse to policyholders of either sex," Denis F. Mullane, president of the Connecticut Mutual Life Insurance Co., told Florio's panel Feb. 24. He testified on behalf of the American Council of Life Insurance, which represents 572 life insurance firms.

But the bills' supporters say there are factors unrelated to sex that are more relevant, such as lifestyles for life insurance and pensions, or mileage for auto coverage.

**Pensions, Life Insurance.** Insurers contend that women receive lower annuities because they are expected to live longer and receive payments longer.

Industry officials say men also may be at a disadvantage because of their gender. For example, men are charged more for life insurance because of their higher mortality rates.

However, NOW says a woman pays about \$5,860 more than a man from ages 35-54 for life insurance and pensions.

Supporters of the legislation discount the industry argument that the majority of women actually live longer than men.

The 1982 Senate committee report noted a pension fund's figures on the survival experience of 100,000 men and 100,000 women retiring at 65. Those figures showed that 86 percent of the women had the same death age as 86 percent of the men.

Furthermore, there are other factors more relevant to life expectancy than gender, they say. Gray of the Women's Equity Action League said a man can increase his life expectancy by quitting smoking and losing weight. But changing those factors would not reduce his pension payments, although it would increase his total pension income, she said.

A woman could reduce her life expectancy by doing the reverse, but her benefits would not increase.

"I am doomed to retire at 15 percent less per month than the [male] colleague who now earns what I do," Gray said.

**Auto Insurance.** Single men under 25 years are considered by insurers to be worse risks than women under 25, and are charged more for auto coverage.

"Everything else being equal, being a female makes that person a bet-

ter risk, which our companies have historically believed entitles such person to lower insurance rates," Andre Maisonpierre, senior vice president of the Alliance of American Insurers, said. The alliance represents more than 150 firms that write auto, property and casualty insurance.

Maisonpierre said under the bills, young women as a group would have to pay \$700 million more per year.

The bills' supporters say the accident rate of men at all ages is higher than that of women, but gender is not considered important by insurers in

*"We did not develop the practice in order to discriminate against either men or women, and we do not believe that the practice is adverse to policyholders of either sex."*

—Denis F. Mullane,  
Connecticut Mutual  
Life Insurance Co.

fits to similarly situated men and women. Sex-neutral tables would be used, rather than topping up benefits.

The elimination of sex-based tables would affect only future benefits attributable to premiums or contributions paid after that specified date.

There is opposition to the board's proposal from all sides.

Many ACLI members believe the board gave up too soon on educating Congress to the necessity of sex-based tables. A membership meeting is ten-



*"I am doomed to retire at 15 percent less per month than the [male] colleague who now earns what I do."*

—Mary Gray,  
Women's Equity  
Action League

later years. Women "thus subsidize men for most of their driving lifetime," NOW President Judy Goldsmith said.

Maisonpierre said other factors become more significant, such as how many family members drive.

### Possible Compromise

The board of the American Council of Life Insurance (ACLI) offered a compromise that would require all employer-sponsored pension, annuity and life insurance programs after a specified date to provide equal bene-

fits to similarly situated men and women. Sex-neutral tables would be used, rather than topping up benefits.

Also, Florio and Packwood contend that elimination of factors based on sex should apply to current pension and insurance programs because gender as a factor is unfair now.

"You're going to doom people currently in the work force" if it is not retroactive, Florio said.

Packwood said there may be room to compromise by alleviating what the industry considers to be the financial burden of complying with the legislation. One alternative might be tax relief for companies, he suggested. ■

# JUDY MANN

## EQUAL BENEFIT

The American Council of Life Insurance, the principal trade association of the life insurance industry, has decided to withdraw its opposition to legislation that bans sex discrimination in insurance rates and benefits, provided that the overhaul of the industry's rating structure is not retroactive.

The shift in the industry's opposition to such legislation came to light Monday at a news conference highlighting the reintroduction of the Economic Equity Act. This is an omnibus bill that contains numerous provisions that would improve the treatment of women in pensions, tax policy and insurance, government regulations, child support and alimony enforcement.

Its provisions banning the use of sex-based actuarial tables for determining insurance premiums and benefits triggered strong opposition from the industry, which has justified paying women less in monthly pension benefits, for example, on the grounds that women as a group live longer than men. The ACLI estimated that if Congress required complete retroactivity in equalizing pension benefits, it would cost the industry \$2 billion. According to a Labor Department estimate, the industry had assets and reserves in 1981 totalling \$560 billion.

The ACLI intends to propose a less costly implementation plan that would involve merging the actuarial rate and benefit tables of men and women and applying the new rates only to premiums and benefits paid after the law goes into effect.

This would mean that women who are currently retired, for example, would see no increase in their pension checks as a result of the EEA, nor would working people whose pensions are determined by premiums paid before the law went into effect.

Backers of the legislation view improvement of pension benefits for women who are now retired or about to retire as an important way of relieving part of the poverty problem among older women. The industry's opposition to retroactivity is likely to prove a sticking point. Nonetheless, the industry's shift on the important principle of sex-based

The Washington Post

Wednesday, March 16, 1983

improvement of pension benefits for women who are now retired or about to retire as an important way of relieving part of the poverty problem among older women. The industry's opposition to retroactivity is likely to prove a sticking point. Nonetheless, the industry's shift on the important principle of sex-based tables, which are used in determining all types of insurance, ranging from auto to disability to pensions, is a major victory for the coalition that is backing the act.

The EEA is the brainchild of Sen. David Durenberger (R-Minn.), who began working on an omnibus economic package for women in 1980. Oregon Republican Sens. Robert Packwood and Mark Hatfield have joined as chief cosponsors of EEA. Democratic presidential candidate Sen. Gary Hart was also at Monday's news conference, stressing the bipartisan support that the act has in Congress. A companion bill has been introduced in the House where it is being backed by the Congressional Caucus on Women's Issues. The Reagan administration has taken no position on it.

The EEA has the support of major women's organizations and the Leadership Conference on Civil Rights, which represents 165 national organizations of blacks, Asian-Americans, Hispanics, labor, women, disabled citizens, senior citizens and religious organizations. Ralph Neas, its executive director, previously worked for Durenberger and helped draft the EEA. Minor portions of the act were passed in the last session when it was not a legislative priority. Several developments have occurred since then.

In January, the leadership conference voted to make EEA's passage a priority this session. It plans to use the same lobbying strategy that it used on the Voting Rights Act, during which this coalition of traditional civil rights groups and women's organizations first surfaced.

And this lobbying effort will come at a time when politicians are keenly aware of the women's vote that showed up in the last elections. "People are very anxious because of the political realities to get out in front on this particular kind of legislation," said Neas.

Those political realities clearly played a role in the ACLI decision. The industry's key players haven't folded their cards, but they are ready to go to the bargaining table. "We see something coming down the pike and we have very little choice," said spokesman Walter Bussewitz yesterday. "We have some thoughts as to how to make this thing livable."

The industry's action is a good sign that an enormously complicated issue will be addressed with legislation that is financially sound as well as socially equitable. And it is a positive sign that the Economic Equity Act will become a major legislative trophy for the women's vote.



# Justices Consider Bias Case

## Insurance, Pension Benefits Based on Sex

By Fred Barhash

Washington Post Staff Writer

Nathalie Norris learned in 1975 that it was not entirely a blessing that women tend to live longer than men.

Norris signed up that year for a private annuity plan sponsored by her employer, the state of Arizona, only to discover that upon retirement she would receive lower benefits per month than her male counterparts.

The state would deduct \$199 a month from both men's and women's paychecks, according to the plan, but would pay \$34 per month less to the women when they retired. Over 20 years, the difference would be about \$8,100.

The reason for the discrepancy is the widespread and time-honored insurance industry practice of calculating insurance costs by sex. Norris' monthly benefits were being stretched out to last longer because she was a woman and, it was assumed, would live longer.

Yesterday, Norris' lawyer, Amy Jo Gittler, asked the Supreme Court to declare the practice illegal under federal civil rights law. It violates the law, Gittler told the justices during an hour of oral argument, for an employer to dispense fringe benefits according to race, national origin or, as in this case, gender.

Norris' case challenges the use of such benefit schedules by employers. Congress is considering legislation that would go further and make sex-based actuarial tables illegal for the entire insurance industry, a step that insurance officials say would revolutionize their business and cost millions of dollars.

Not since the controversy during the '60s and '70s over no-fault insurance has the industry been so aroused by an issue. Its concern is shared by employers, like the state of Arizona, who say they believe that employer-funded retirement and insurance programs might be bankrupted by a negative ruling, particularly by a retroactive decision, forcing them to equalize benefits for millions of women already covered.

The court challenges are based on Title VII of the Civil Rights Act of 1964, which makes it illegal for employers to discriminate on the basis of race, sex or national origin.

The annuity plan, said Gittler, "cannot be based on statistics. We must look to individuals. We must treat individuals as individuals, not as group statistics."

Nathalie Norris, she said, "is receiving less from month to month" than a man would in her situation. Arizona is "providing a discriminatory fringe benefit to its employees," she said, in what she said is clear violation of Title VII.

Arizona's annuity plan is one of several options offered to state employees under a deferred compensation program. The others include retirement plans that pay a lump sum to everyone without distinguishing between men and women. While offered through the state, the program is handled by an insurance company hired by the state.

John L. Endicott, arguing for Arizona yesterday, said that the private insurance company is responsible for the sex-based retirement plan; not the state. The state had little choice, he said, since most companies base their calculations on the same mortality tables.

"The employers are not responsible for the fact that the insurance market treats women differently than men," he told the justices. The women "are using Title VII to punish employers for what the insurance industry has done."

Endicott's argument is crucial to the case, since there is no law under which the women could sue the insurance companies.

Endicott also said he thought the issue was "a social and political problem, for the legislatures and the Congress." A court ruling, he said, "may bankrupt and render insolvent a lot of employer-funded plans."

Gittler argued that the practice was found to be illegal in a 1978 Supreme Court case, *City of Los Angeles Department of Water & Power vs. Manhart*. In that case justices held that a city pension plan was illegal because women had to make higher payments into it than men.

The court said civil rights law "precludes treatment of individuals as simply components of a racial, religious, sexual or national class." The Los Angeles case did not involve an outside insurance company, however. The case nevertheless was cited by the 9th U.S. Circuit Court of Appeals when it ruled in Norris' favor in yesterday's case, *Arizona Governing Committee for Tax Deferred Annuity and Deferred Compensation Plans et al vs. Nathalie Norris*. Two other recent appeals court rulings also have sided with women on the issue, while another has favored insurers.

Justice John Paul Stevens asked yesterday whether the state could solve the discrimination problem by eliminating the offending annuity plan.

"That is always a possibility," Gittler responded. "Employers can always evade their responsibility by eliminating all their employees."

Chief Justice Warren E. Burger asked whether it is also illegal for women to be charged lower premiums for life insurance because of their longer life spans.

"Yes," Gittler said, "if it is in the context of an employer-sponsored plan."

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# COMMENTARY

J. DANIEL BRAY

## Unisex insurance: an assault on women

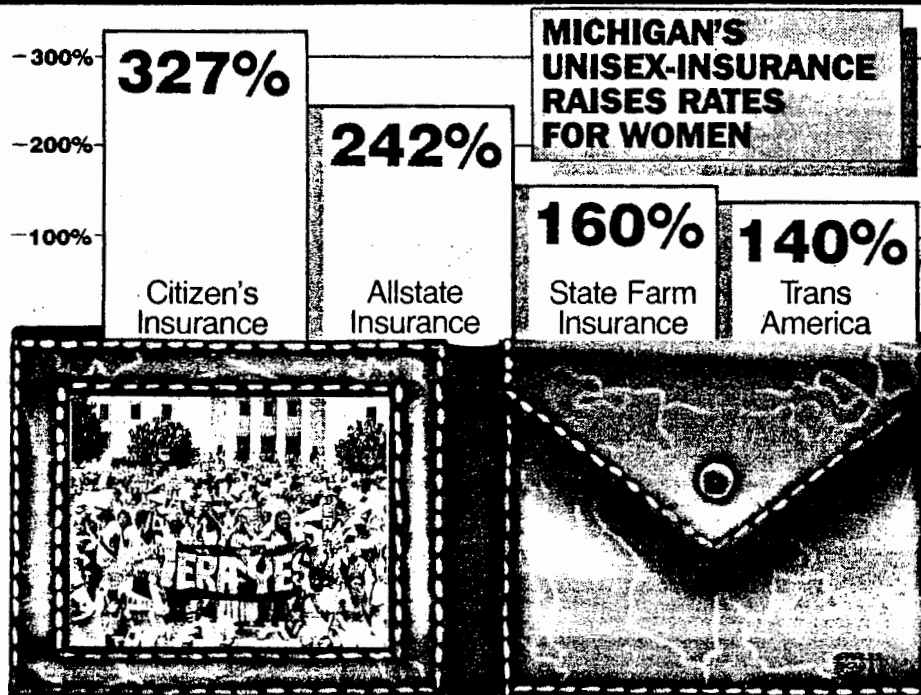
If Sen. Robert Packwood, Rep. John Dingell and the radical feminists have their way, women soon will pay much more for their auto and life insurance. Packwood and Dingell have both sponsored legislation (S. 372 and H.R. 100) which would prohibit insurance companies from offering women lower rates because of their longer life expectancy and better driving records. In the interest of furthering their narrow ideological obsessions the National Organization of Women and other feminist groups are actively supporting these bills.

Both bills would prevent insurance companies from using actuarial tables which consider the differences between men and women for rate setting purposes. The result will be devastating to single women, working women and poor women.

In 1980, Michigan enacted legislation similar to the bills Congress now is considering. The effect was shocking. Citizens' Insurance raised its rates by as much as 372 percent, State Farm's 160 percent, Trans America's rate increase was 140 percent in some instances. The practical result of this so-called "women's rights" legislation was a state-mandated transfer of wealth from women to men.

Barbara Lautzenheiser, senior vice president of the Phoenix Mutual Life

J. Daniel Bray is research director at the American Legislative Exchange Council.



Insurance Company, testified before Congress that legislation such as that sponsored by Packwood and Dingell would immediately raise the cost of, for instance, a one-year term, \$50,000 policy for a 25-year-old non-smoking female by \$150. A 45-year-old female could expect her bill for the same insurance to rise by \$1,750 per year.

Why do the radical feminists support this legislation? Ostensibly it is because of an injustice done to women in pension plans. Two percent of working women are not covered under defined benefit pension plans and therefore receive lesser monthly benefit payments than their male counterparts. This is because women's benefits must, on average, be paid out longer.

Feminists argue that some men

live longer than some women, not everyone fits the statistical average, and so it is not fair to base pension benefits on the greater life expectancy of women.

This feminist contention that, for rate-setting purposes, individuals should be treated as individuals and not groups, attacks the very basis of the insurance industry. Grouping individuals with similar significant characteristics absolutely is essential if insurance is to be marketable. As George Bernstein, a representative for several insurance companies says, "Insurance would never have developed if every driver had to be evaluated on the basis of his or her own experience or if the price of annuities or life insurance could only be set after individual experience had developed

through the death of the insured."

There is very little logic in the feminists' argument. This was made clear by Dr. Mary Gray of the Women's Equity Action League — "What we object to is the use of these stereotypic classifications, even though they might be true." The truth is that Packwood, Dingell and the radical women simply object to any recognition that men and women are different. They are willing to force American women to pay a very heavy price to satisfy this obsession.

Both Packwood's bill and Dingell's bill would impose retroactive pension costs on state and local governments and private businesses. According to Alair Townsend, budget director for New York City, the cost to the city to comply with the retroactive provisions of sex-neutral leg-

islation would be \$862 million. The FY '84 cost would be \$82 million, an amount which could be used to hire 3,000 police officers or firefighters. Businesses, faced with the increased costs imposed by this legislation will, at best, curtail hiring. A more likely prospect is that many workers will be laid off, some of them women.

The recklessness of this kind of legislation is highlighted by Packwood's response when asked whether he had "explored the impact that your bill would have not only on the City of New York but all other cities around the country and state governments and everybody else." The senator's reply was, "Interestingly, in fairness, we have not." Obviously he was not motivated by the discovery of an economic injustice. He doesn't know what the financial effect of his bill would be.

All women purchasers of life and auto insurance benefit from the lower rates that are the result of the insurance industry's practice of recognizing the differences between men and women. Women save from 18 percent to 66 percent on auto insurance and 15 percent to 25 percent on their life insurance over the amounts men pay. Two percent of women will receive greater pension payments if unisex insurance becomes law. However, even these women are likely to suffer since the greater payments for auto and life insurance probably will outweigh the larger pension payments.

The Packwood-Dingell legislation is cloaked in the name of women's rights. It will impose enormous costs on women for the sake of achieving an ideological goal. Some professional feminists may consider the official denial of the differences between men and women the most important issue of their lives. The real women of America are more concerned with issues such as how to feed the children and how to get to work. These women will be irreparably harmed if they do not put a stop to the Packwood-Dingell nonsense.



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### EAGLE FORUM SAYS UNISEX INSURANCE BILL

#### MANDATES UNFAIRNESS TO WOMEN

WASHINGTON D.C. -- Eagle Forum, the national pro-family organization headed by Phyllis Schlafly, opposes H. R. 100 and S. 372, companion bills to sex-neutralize all kinds of insurance, because in the words of a spokeswoman, "Unisex insurance would mandate unfairness to women by forcing them to pay higher auto and life insurance rates than they otherwise would."

Mrs. Elaine Donnelly, National Media Chairman for Eagle Forum, said in a prepared statement that "It is unfair and inequitable to mandate higher auto insurance rates for young women drivers, who are known to have fewer accidents, while charging less for those drivers who can be expected to have more accidents."

"This is the very essence of unfairness. True equity in insurance means charging equal rates for equal risks, but the unisex bill would cost unsuspecting young women hundreds of dollars in unjustified rate increases - an estimated \$700 million dollars per year nationally." (Source: Insurance Services Office, Washington D. C. 202/466-2800)



Mrs. Donnelly cited newly-discovered figures from an official state report on the effects of a similar unisex insurance law that took effect in Michigan in 1981. The report shows that that state's unisex law, which banned sex and marital status as factors in the setting of auto insurance rates, caused increases for young single women ranging between 13% and 127%, and for young married women of between 103% and 327%.

"These are actual figures - not just speculation, on how unisex insurance costs young women hundreds of dollars, or forces them to drop comprehensive coverage because the cost is too high".

Mrs. Donnelly quoted from a letter addressed to House Commerce Committee Chairman John Dingell (D-Michigan) from a young married woman, Kimberly Dove of Detroit, who learned that her auto insurance rates would be raised from \$156 per year to \$365 per year - an increase of over 125%, because of Michigan's unisex insurance law. Mrs. Dove wrote:

"Mr. Dingell, we are on a very tight budget, and I realized that I would simply not be able to afford comprehensive coverage anymore. I have had to settle for minimum coverage with a high-risk company, and I feel I am dangerously under-insured. I don't feel free to use my own car, even for necessary trips... (This is) demoralizing and disheartening...and yet the women's liberationists are saying that I should be happy because of my new "equal rights" to pay high insurance premiums...To me, this system is unfair, and I hope you won't impose this problem on young women in all 50 states."

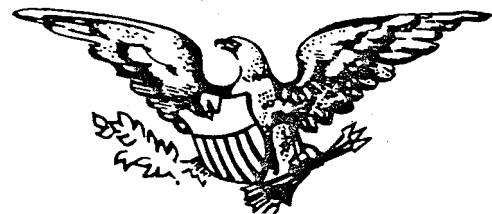
Mrs. Donnelly added that the federal unisex insurance bill would be even worse than Michigan's law because it would also deny women the 15% to 25% lower life insurance rates they now have because of greater longevity.

"Please remember that life and auto policies are usually purchased by individuals, without the benefit of the group rates and blended actuarial tables that are used for most pensions and medical policies. 95% of the 39% of working women with pensions already have unisex pension plans and benefits, so H. R. 100 would advantage only 5% of 39%, or 2% of working women. Wives not in the work force would not benefit at all, and there would be no "trade-off" to offset the higher costs for individually-purchased auto insurance and life policies.

"If the insurance companies were sponsoring this bill - instead of the so-called "women's rights" groups - the whole idea would be greeted with howls of outrage from one end of the country to the other. Members of Congress would be wise to think about the shocked reaction of millions of women back home if the "unisex penalty" costs them hundreds of dollars per year. Passage of H. R. 100 would be one of the most costly blunders Congress has ever made."

The House Committee on Energy and Commerce is due to begin the "markup" process on H. R. 100, called the "Non-Discrimination in Insurance Act" by sponsor John Dingell of Michigan, during the week of May 10.

\* \* \*



# The Phyllis Schlafly Report

VOL. 16, NO. 10, SECTION 2

BOX 618, ALTON, ILLINOIS 62002

MAY, 1983

## The Unfairness of Unisex Insurance Laws

*Testimony of Elaine Donnelly  
representing Eagle Forum  
to the Senate Committee on Commerce, Science, and Transportation  
regarding S. 372, The "Fair Insurance Practices Act"  
April 12, 1983*

I am here to speak to you on behalf of the *majority* of women for whom groups like the National Organization for Women do not speak; and for the *majority* of women who will pay an enormous price in real economic losses if the misnamed Fair Insurance Practices Act ever becomes law.

Most importantly, I am here to tell you about some newly-discovered information about the effects of a similar law passed in Michigan in 1979 — a law which forbids insurance companies to take sex and marital status into consideration in the setting of auto insurance rates.

Equity in insurance requires providing equal costs for equal risks, but equity for women has been denied by the Michigan Essential Insurance Act of 1979. Hundreds of dollars in rate hikes are being robbed right out of the pockets of young women who are least likely to have expensive accidents, thus forcing them to subsidize the high accident experience of young male drivers. Insurance companies have raised rates by as much as 327% in some categories, and rates for some groups of young men have gone up as well.

The State Insurance Bureau has proclaimed the new law to be "positive" for consumers, while downplaying or disguising the facts that would prove otherwise. A table of figures that would have shown the *highest* rate increases for young women was curiously *missing* from their official report on the new Essential Insurance Act.

What possible "social good" or "civil rights" purpose is being served when arbitrary unjustified economic penalties are inflicted on whole classes of unsuspecting, innocent people? The fact that this has been done in Michigan in the name of "women's rights" only adds insult to economic injury. If the insurance companies were sponsoring this bill — instead of the so-called "women's rights advocates" — the whole idea would be greeted with howls of outrage from one end of the country to the other.

This is why I am here as an informed private citizen — not connected with the insurance industry — to warn you that passage of a federal bill to sex-neutralize *all* kinds of insurance would be one of the most costly blunders Congress has ever made. The result would be a new form of arbitrary, unfair discrimination against women, the impact of which would fall hardest on the majority for whom individually-purchased life and auto insurance policies are a necessity, not a luxury. Please consider the following facts.

### Unisex Insurance in Michigan

The Michigan Essential Insurance Act, which took effect January 1, 1981, was passed after a debate that focused primarily on the bill's prohibitions against insurance "redlining" in certain urban areas. There was virtually no public notice or debate on the implications of the few words inserted into the bill to eliminate "sex" and "marital status" as factors in the setting of home and auto insurance rates. Before young women drivers in Michigan knew what had happened, many of them began getting letters from their insurance companies announcing rate increases of hundreds of dollars.

Early reports were that auto insurance rates for some classes of young women were raised by as much as 195% — a triple increase. (Auto Club, rate for a married female principal operator, under age 19) I have just learned that the "award" for the highest rate increase in a single risk category should go not to the Auto Club, but to Citizens Insurance, which raised its rates by as much as 327% — more than four times as much as the policyholder would have paid before the law went into effect. (Married female, principal operator, under age 18)

The State Insurance Bureau's standard advice to shocked insurance buyers has been to "shop around" for the best rate, but even the most careful comparison shopper has little to choose when confronted with these kinds of whopping increases. For example, other well-known companies raised their rates for the same group of women as follows: State Farm, 106%; Auto Owners, 103%; Trans-America, 140%; and Allstate, 242%.

The Michigan Insurance Bureau has done nothing to correct or even expose the enormity of the situation. In the meantime, Michigan is being "pointed to with pride" as one of the four states that have set the example for S. 372 now being promoted in Congress as a "women's rights" or a "civil rights" bill.

You should know that I would not have discovered all of this without asking a lot of persistent questions of the Michigan Insurance Bureau. Their new official report, *A Year of Change — the Essential Insurance Act in 1981*, does discuss a few beneficial changes made by the comprehensive law; but the few tables and pages that discuss the elimination of sex and marital status in the setting of rates tend to obscure the truth by disguising it in a puzzle of unfamiliar insurance terms and numbers.

For example, the first challenge was to interpret Exhibit V of the Essential Insurance Report which displays the rate changes only in terms of "relativity," an insurance term which compares the risk of classification of young drivers to that of adult drivers.

According to an official at the Insurance Bureau, basic classes of adult drivers are assigned a relativity of 1.00. A group of young drivers with a relativity factor of 2.00 are considered to be twice as likely to have accidents, based on statistical probabilities. If the relativity factor of a group of single females was increased by a particular company from 2.00 to 2.95 under the new sex-neutral law, that translates into a percentage increase of 47%. I used a calculator to figure and write in the other percentage changes, as shown on the enclosed copy of Exhibit V.

## Concealment of Effects

But the most interesting thing about the Insurance Bureau's Report is an item that is *missing*. Exhibit V displays only three tables — instead of four. The table of rate increases for young *married* females isn't there! When I inquired as to why the table was missing, I was told that there was "no room", and that none had been prepared. How strange it is that the missing table was the one that would have shown the steepest increases caused by the sex-neutralization law!

I decided to use my calculator and "clues" from the Insurance Bureau to prepare my own table, and the results are truly shocking. (See separate table enclosed.) As you can see, an entire class of women has been arbitrarily denied the lower insurance rates that would otherwise be theirs.

Instead of being treated as individuals in a low-risk group, these young women have been thrown into a much larger "unisex" category which forces them to subsidize the claims of high-risk drivers. *This new system constitutes a new form of arbitrary sex discrimination, which does not allow the insurance companies to treat women as female individuals. How can this possibly be considered "fair" or "equitable"?*

Of course, the insurance companies don't want to draw attention to their soaring rates, and they are well aware that prior approval of rates by the Commissioner of Insurance is no longer required. On the other hand, the Insurance Bureau seems to have an ax to grind of its own. A June 4, 1982 letter from Deputy Commissioner of Insurance Jean K. Carlson comes to the amazing conclusion that the first year of the Essential Insurance Act "indicate(s) a more positive atmosphere for consumers, and a distinct lack of the negative impact predicted by several representatives of the insurance industry."

Between the insurance companies who are looking out for their balance sheets, and the State Bureau's false pride in the new law — not to mention the feminists who sponsored the law and have betrayed the best interests of women time and time again, who is there to speak for the interests of the women who must pay the price for this foolish experiment?

The few words in Michigan's law that have caused the problem can be repealed, but that would be impossible if S. 372 passes in Congress. (Passage of a federal Equal Rights Amendment, which would also sex-neutralize all state and federal insurance laws, would have the same effect — only worse.)

## Federal Unisex Insurance Costs

Proponents of S. 372 claim that the law would *not* take away the right of states to regulate insurance. However, the bill also says that state regulations must be "consistent" with the new federal law. What possible argument can be made for transferring regulation authority over insurance matters to the federal level?

The bill would create a new area of responsibility within the Department of Justice, and a new area of jurisdiction for the already over-burdened U.S. District Courts. Alice M.

Rivlin, Director of the Congressional Budget Office, has predicted that costs for additional staff, overhead, and other administrative expenses at the Department of Justice would be a minimum of approximately \$200,000 in fiscal year 1983, and \$400,000 in each fiscal year thereafter. (Senate Report No. 97-671, pp. 19-20) Must we pay such a high price for this dubious law?

Speaking of excessive federal regulation, S. 372 would take away the lower life insurance rates to which women are entitled by virtue of the fact that women live longer. The impact would be felt in every state of the union. Feminist sponsors of the bill seem unconcerned about this.

Much of the misguided support for S. 372 comes from the false hope that higher costs for women in the area of life and auto insurance would be offset by lower health insurance costs and improved pension benefits. But the President's Commission on Pension Policy says that only 39% of all women in the work force are covered by pension plans, and 95% of those already have unisex pension plans and benefits. (Most employer-funded pension plans can use the advantage of a group rate to blend the actuarial differences between males and females.) *Therefore, a Congressional mandate for unisex pensions would advantage only 5% of 39%, or 2% of working women, and wives not in the labor force would not benefit at all.*

It would be a colossal mistake for Congress to pass a massive piece of legislation that would benefit only 2% of the women, while imposing higher life and auto insurance rates on the other 98% of the women. How high is high?

## Higher Insurance Costs

According to a survey done by the Insurance Services Office in Washington, D.C., unisex auto insurance tables would raise rates for a 23-year-old single woman in Hartford, Connecticut by as much as \$600; in Newark, New Jersey, by about \$700 more per year; and in Philadelphia by \$800 more per year. (Copy of complete survey results provided on request.)

When life insurance is priced separately for men and women, rates for women are 15% to 25% less than for men because actuarial tables clearly show that women tend to live 3 to 8 years longer than men do. According to Barbara J. Lautzenheiser, Senior Vice President of Phoenix Mutual Life Insurance Company of Hartford, a 25-year-old non-smoking woman would have to pay \$150 more for a one-year \$50,000 term policy than she now would pay. A 35-year-old would pay \$350 more. Rate increases in higher age brackets would be even steeper. (See Testimony before House Subcommittee on Commerce, Transportation and Tourism, February 24, 1983.)

Please remember that, unlike most pensions and health insurance plans, auto and life insurance policies are usually purchased by individuals without the advantage of company group rates. Therefore, there would be no "trade-off" that could justify the staggering costs in auto and life insurance that would be imposed on women in the name of "women's rights."

There are other ways to deal with reported problems that some women have had with pensions. For example, constructive pension reforms could include the recognition of public and private pensions as a legitimate property right of ex-spouses and surviving spouses. Bills to lower the pension accrual eligibility age to 21, rather than age 25, and to increase pension coverage for maternity leave might be a good idea, provided that they do not cause excessive costs or government interference in free enterprise.

The point is that it is not necessary to endorse the unisex pension concept, and extend that to call for the total sex-neutralization of all forms of insurance. Edwin L. Harper, Assistant to the President for Policy Development, has advised me that, contrary to some reports, the President and the administration "has not proposed sex neutralization of insurance laws generally."

## Other Consequences of Unisex Insurance

The next logical, inevitable step in this ill-advised process would be to forbid insurance companies from taking other legitimate characteristics — such as age, condition of health, or marital status — into consideration in the setting of insurance rates. Indeed, opponents of a risk classification system that is based on objective, reliable statistics have already targeted age and marital status as the next factors to be eliminated.

Once the determination is made that insurance rates need have no relation to factual statistics, then it would be only a matter of time before all kinds of policyholders are forced to subsidize the high risks of others, and the true concept of equity in insurance would be totally destroyed.

In order to maintain true equity between different classes of policyholders, each insured person should contribute according to the risk which he or she transfers to the common fund. If one group is allowed to pay less than a fair share based on risk, it necessitates an overcharge against other groups in order to keep the common fund solvent and enable it to meet all claims. This is exactly what has happened in Michigan.

The argument has been made that it is a violation of an individual's "civil rights" to be treated as part of a group in the setting of insurance rates. But if a person makes auto insurance payments all of his or her life, but never has an accident, does that mean that the person's "civil rights" — as an accident-free individual — have been violated? Is he entitled to a refund? Of course not!

It is possible to violate someone's civil rights in the setting of insurance rates, particularly if an individual is thrown into a category that is so large it does not reflect one's own personal characteristics that most accurately determine predictable risk. Again, that is exactly what has happened to young women in Michigan who are being forced to pay higher rates than they rightfully should pay.

I hope that you will take the time to consider this information about Michigan's experience with this kind of law, and vote *no* on S. 372, which would compound Michigan's mistake and impose it on all the states.

Please remember: the so-called "women's rights" advocates do *not* speak for the majority of women on this issue and many others.

***The Fair Insurance Practices Act, S. 372, and the Non-Discrimination in Insurance Act, H.R. 100, are expected to be voted on in the current Congress. Send your views to your own U.S. Senators and Congressmen.***

Elaine Donnelly is Eagle Forum's National Media Chairman and the author of "A Primer on Access to the Media." For further information she can be contacted at: 17525 Fairway, Livonia, MI 48152, Phone 313-464-0899.

*The charts in the right-hand column on this page were prepared by Insurance Services Office, 910 17th St., N.W., Suite 517, Washington, D.C. 20006.*

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## Dollar Costs to Women Drivers Of Unisexing Auto Insurance

### HARTFORD, CT

19 year old occasional operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$ 394	\$ 537	+ \$ 143
Company B	679	844	+ \$ 165
Company C	1087	1344	+ \$ 257

23 year old principal operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$ 451	\$ 689	+ \$ 238
Company B	669	822	+ \$ 153
Company C	982	1560	+ \$ 578

### NEWARK, N.J.

19 year old occasional operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$1184	\$1593	+ \$ 409
Company B	1502	1793	+ \$ 291
Company C	1526	1855	+ \$ 329

23 year old principal operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$1355	\$1716	+ \$ 361
Company B	1249	1756	+ \$ 507
Company C	1273	1947	+ \$ 674

### PHILADELPHIA, PA

19 year old occasional operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$1209	\$1528	+ \$ 319
Company B	962	1208	+ \$ 246
Company C	1608	2012	+ \$ 404

23 year old principal operator

	Premium as of 1/1/83	Unisex	Difference
Company A	\$1399	\$1854	+ \$ 455
Company B	952	1123	+ \$ 171
Company C	1298	2126	+ \$ 828

#### Examples:

1. Single Female - 19 years old with no discounts or surcharges

Car - 1980 Chevy Malibu

Coverage - Bodily Injury/Property Damage - \$50/100/25	
Medical Payments (PIP)	- \$2000 (Basic)
Uninsured Motorists	- Basic Limit
Comprehensive	- \$50 deductible
Collision	- \$200 deductible

# INITIAL IMPACTS OF ELIMINATION OF SEX & MARITAL STATUS Pre & Post Essential Insurance Young Driver Factors Applied to Base Rates

	Age 16			Age 18			Age 20			Age 23-24		
	1980	1/1/81	% Change	1980	1/1/81	% Change	1980	1/1/81	% Change	1980	1/1/81	% Change
<b>Principal Operators</b>												
Auto Club	2.00	2.95	+47%	<i>Single Females</i>			2.00	2.55	+27%	1.70	1.65	-1%
State Farm	1.55	2.60	+67%	2.00	2.95	+47%	1.55	2.60	+68%	1.35	1.70	+26%
Auto Owners	1.35	2.03	+50%	1.55	2.60	+67%	1.35	1.95	+44%	1.00	1.20	+2%
Citizens	1.88	4.27	+127%	1.35	2.03	+50%	1.79	3.85	+115%	1.00	1.00	
TransAmerica	2.12	2.40	+13%	1.88	4.27	+127%	1.82	1.65	-1%	1.00	1.25	+25%
Allstate	1.85	3.42	+84%	2.12	2.05	-3%	1.85	2.52	+36%	1.58	1.92	+21%
<b>Occasional Operators</b>												
Auto Club	1.60	2.00	+25%	1.60	2.00	+25%	1.60	1.80	+12%	1.30	1.45	+11%
State Farm	1.55	1.85	+19%	1.55	1.85	+19%	1.55	1.85	+19%	1.35	1.45	+7%
Auto Owners	1.35	1.54	+14%	1.35	1.54	+14%	1.35	1.36		1.00	1.08	
Citizens	1.44	1.98	+37%	1.44	1.98	+37%	1.35	1.71	+27%	1.00	1.00	
TransAmerica	2.12	1.70	-24%	2.12	1.50	-29%	1.82	1.20	-34%	1.00	1.05	
Allstate	1.51	2.45	+62%	1.51	2.32	+54%	1.51	2.12	+40%	1.41	1.92	+36%
<b>Principal Operators</b>												
Auto Club	3.40	2.95	-13%	<i>Single Males</i>			3.40	2.55	-25%	2.60	1.65	-36%
State Farm	3.65	2.60	-28%	3.40	2.95	-13%	3.65	2.60	-29%	2.80	1.70	-39%
Auto Owners	2.64	2.03	-23%	3.65	2.60	-28%	2.64	1.95	-26%	1.80	1.20	-33%
Citizens	2.99	4.27	+43%	2.64	2.03	-23%	2.56	3.85	+50%	1.00	1.00	
TransAmerica	3.82	2.40	-37%	2.99	4.27	+42%	3.41	1.65	-52%	3.00	1.25	-58%
Allstate	3.20	3.42	+6%	3.82	2.05	-46%	3.20	2.52	-21%	2.36	1.92	-19%
<b>Occasional Operators</b>												
Auto Club	2.25	2.00	-11%	3.20	2.97	-7%	2.25	1.80	-2%	1.60	1.45	-9%
State Farm	2.30	1.85	-19%	2.25	2.00	-11%	2.30	1.85	-19%	1.80	1.45	-19%
Auto Owners	1.80	1.54	-14%	2.30	1.85	-19%	1.80	1.36	-24%	1.48	1.08	-27%
Citizens	1.93	1.98	-2%	1.80	1.54	-14%	1.83	1.71	-6%	1.00	1.00	-39%
TransAmerica	2.88	2.40	-16%	1.93	1.98	-2%	2.59	1.65	-36%	2.06	1.25	-39%
Allstate	2.01	2.45	+21%	2.88	2.05	-29%	2.01	2.12	+5%	1.53	1.92	+25%
<b>Principal Operators</b>												
Auto Club	1.95	2.95	+51%	<i>Married Males</i>			1.95	2.55	+31%	1.65	1.65	
State Farm	1.85	2.60	+40%	1.95	2.95	+51%	1.85	2.60	+40%	1.30	1.90	+46%
Auto Owners	1.65	2.03	+23%	1.85	2.60	+40%	1.65	1.95	+18%	1.65	1.20	-27%
Citizens	1.71	4.27	+150%	1.65	2.03	+23%	1.71	3.85	+125%	1.00	1.00	
TransAmerica	2.23	2.40	+7%	1.71	4.27	+150%	2.12	1.65	-22%	1.82	1.25	-31%
Allstate	2.20	3.42	+55%	2.23	2.05	-8%	2.20	2.52	+14%	1.71	1.92	+12%
<b>Occasional Operators</b>												
Auto Club	1.95	2.00	+2%	2.20	2.97	+35%	1.95	1.80	+2%	1.65	1.45	-12%
State Farm	1.85	1.85		1.95	2.00	+2%	1.85	1.85		1.30	1.45	+11%
Auto Owners	1.65	1.54	-6%	1.85	1.85		1.65	1.36	-17%	1.65	1.08	-34%
Citizens	1.71	1.98	+16%	1.65	1.54	-6%	1.71	1.71		1.00	1.00	-42%
TransAmerica	2.23	1.70	-24%	1.71	1.98	+16%	2.12	1.20	-43%	1.82	1.05	-42%
Allstate	2.20	3.42	+55%	2.23	1.50	-33%	2.20	2.52	+14%	2.20	1.92	-11%
<b>Principal Operators</b>												
Auto Club	1.00	2.95	+195%	<i>Married Females</i>			1.00	2.55	+155%	1.00	1.65	+65%
State Farm	1.00	2.60	+160%	1.00	2.95	+195%	1.00	2.60	+160%	1.00	1.90	+90%
Auto Owners	1.00	2.03	+103%	1.00	2.60	+160%	1.00	1.95	+95%	1.00	1.20	+20%
Citizens	1.00	4.27	+327%	1.00	2.03	+103%	1.00	3.85	+285%	1.00	1.00	
TransAmerica	1.00	2.40	+140%	1.00	4.27	+327%	1.00	1.65	+65%	1.00	1.25	+25%
Allstate	1.00	3.42	+242%	1.00	2.05	+105%	1.00	2.52	+152%	1.00	1.92	+92%
<b>Occasional Operators</b>												
Auto Club	1.00	2.00	+100%	1.00	2.97	+197%	1.00	1.80	+80%	1.00	1.45	+45%
State Farm	1.00	1.85	+85%	1.00	2.00	+100%	1.00	1.85	+85%	1.00	1.45	+45%
Auto Owners	1.00	1.54	+54%	1.00	1.85	+85%	1.00	1.36	+36%	1.00	1.08	+8%
Citizens	1.00	1.98	+98%	1.00	1.54	+54%	1.00	1.71	+71%	1.00	1.00	
TransAmerica	1.00	1.70	+70%	1.00	1.98	+98%	1.00	1.20	+20%	1.00	1.05	+5%
Allstate	1.00	3.42	+242%	1.00	1.50	+50%	1.00	2.52	+152%	1.00	1.92	+92%

This Chart is "Exhibit V" in the Report published by the State of Michigan Insurance Bureau, 1982, called "A Year of Change — The Essential Insurance Act in 1981." The percentages were all added by Elaine Donnelly as part of her testimony to the Senate Commerce Committee on April 12, 1983.

The "Married Females" table (which includes the steepest increases) was omitted from the published Michigan State Report; so Mrs. Donnelly prepared this table based on Michigan Insurance Bureau figures.

Notes from Michigan Insurance Bureau Report:

1) Factors are approximations based on company filings. For those companies with factors that differ by coverage, only a simple average is used.

2) Allstate's 1981 factors are based on years of driving experience, not age. They have been converted to age group factors by assuming that a driver with 0-1 years of experience is 16.

9355 Pierson  
Detroit, MI 48228  
May 6, 1983

The Hon. John D. Dingell  
House Office Building  
Chairman, House Committee on  
Energy and Commerce  
Washington D. C. 20515

Dear Mr. Dingell:

I am angry. I am married, under the age of 25 years, and also the mother of two children. I have an almost perfect driving record. But in the year 1981, I received an announcement that my auto insurance rates were going to be raised from \$156 per year to \$365 per year - that's an increase of over 125%. AAA told me that Michigan's new Essential Insurance Act banned sex and marital status in the setting of insurance rates, so I would have to pay more in order to "equalize" things. I understand that rates for young men were lowered, even though they have more accidents. Why should I suddenly have to pay so much more because of another group's high accident rate? This is very unfair to women, in my opinion.

When I found out that my rates were going up, I did shop around to try to find a lower rate, but all the companies I talked to quoted the same high rates for the comprehensive coverage I used to have with AAA. Mr. Dingell, we are on a very tight budget, and I realized that I would simply not be able to afford comprehensive coverage anymore. I have had to settle for minimum coverage with a high-risk company, and I feel I am dangerously under-insured. If I have an accident, the other party would be covered, but I and my family would not be. Who is going to take care of my family and pay the bills if I should have a serious accident with this kind of minimum coverage?

The answer is - no one. I don't feel free to use my own car, even for necessary trips to the doctor with my children. It is demoralizing and disheartening to have to ask others in my family to go out of their way to take me shopping for necessities or to the doctor's office, but I simply can't afford to take chances.

I feel that many young women in this state are being unjustly over-charged like I am, and yet the women's liberationists are saying that I should be happy because of my new "equal rights" to pay high insurance premiums. I'm all for women's rights, but I can't afford this kind of "equality", which is costing me a lot in terms of security and peace of mind.

I am writing to you because I understand that you are sponsoring a bill to sex-neutralize insurance in all 50 states. I think you should remember, Mr. Dingell, that passage of your bill would cost



young women like myself a lot of money, and many of us simply can't afford it.

Unisex insurance may sound fair, but I don't think it is fair at all to charge more for young female drivers, and less for the young male drivers who are more likely to have accidents.

To me, this system is unfair, and I hope you won't impose this problem on young women in all 50 states.

Sincerely,

*Kim Dove*

Kimberly Dove

CC: Members, House Committee  
on Energy and Commerce



TITLE IV: REGULATORY REFORM (Rep. Schroeder)

Requires the head of each Federal administrative and executive agency to conduct a review of agency regulations, to rewrite current regulations with sex-based distinctions so they are sex-neutral, and to refrain from promulgating future regulations which contain gender-based distinctions unless the subject matter specifically applies only to one sex, or the words used do not result in sex-based discrimination.

Codifies Presidential directive of August 26, 1977, requiring all executive departments and agencies to identify rules, regulations, guidelines, programs, and policies of the agency which result in different treatment based on gender.

See following fact sheet

FACT SHEET ON REGULATORY REFORM--TITLE IV OF THE ECONOMIC EQUITY ACT

Discriminatory federal regulations can translate into economic inequity for women. For example, discriminatory small business regulations can limit women's entrepreneurial opportunities. The Justice Department Task Force on Sex Discrimination has made a comprehensive review of the federal code, and isolated several hundred regulations containing meaningful gender based distinctions.

Although some agencies have made significant progress in eliminating these distinctions, compliance with the directive has been uneven. The simple fact is that six years after the directive well over 100 of these distinctions remain in the federal code as well as the policies and regulations of federal agencies.

Title IV of the Economic Equity Act requires the head of each Federal administrative agency to:

- \*\* conduct a review of agency regulations
- \*\* rewrite regulations with sex based distinctions so that they are sex neutral
- \*\* refrain from promulgating future regulations which contain gender based distinctions unless the subject matter specifically applies only to one sex, or the words used do not result in sex based discrimination.

Title IV also alters the present gender construction rule in the U.S. code to remove the existing reference to "masculine gender" and "feminine gender".

Title IV would codify a Presidential directive of August 26, 1977, which requires all executive department and agencies to identify "regulations, guidelines, programs, and policies which result in unequal treatment based on sex and to develop proposals to change any laws, regulations, and policies which discriminate on the basis of sex" and gives it the force of law.

Title IV provides a permanent mandate to agencies, and requires administrators to use the regulatory process to reform discriminatory regulations within their purview. Unless the ban on discriminatory regulations is made permanent, there is no guarantee that development of sex biased regulations will not continue in the future.

In its practical impact, this section may well prove to be the most significant in the Economic Equity Act.

End Fact Sheet

## TITLE V: CHILD SUPPORT ENFORCEMENT

### A. Federal Mandatory Wage Assignment (Rep. Schroeder)

--Creates an automatic assignment of federal civilian employee's wages when child support is ordered, modified, or enforced by states

### B. Amendments to the Child Support Program under Title IV-D, Social Security Act (Rep. Kennelly)

--Provides a clear statement of purpose for the Title IV-D program where none now exists. It clarifies Congress' intent that the program secure child support for non-AFDC cases as well as for AFDC cases

--Allows states to withhold federal income tax refunds from absent parents' who owe past-due child support. Currently, states can only use this procedure for absent parents of AFDC children

--Requires that each state, as a condition of an approved state IV-D plan, implement certain progressive administrative procedures

- see following fact sheet

### FACT SHEET ON CHILD SUPPORT ENFORCEMENT -- TITLE V OF THE ECONOMIC EQUITY ACT

Child support enforcement is a critical economic issue to women who head single parent families. When absent fathers shun their financial responsibility toward their children, the mother pays. If mothers go on welfare, the taxpayer assumes the fathers' child support obligations.

There were 8.5 million single parent families in the U.S. in 1980, 21% of all families. Women head 90% of these families.

Divorce has contributed to the rise in single parent families. Every year there are almost half as many divorces as marriages--about 1.2 million divorces. The Census Bureau predicts that only half of all children born this year will spend their entire childhood living with both natural parents.

Divorce can alter a woman's economic status overnight. Divorce sharply decreases the family income for the mother in a two-earner family. Since the mother becomes the custodial parent in most cases, her lower earning capacity, coupled with the expenses of raising a child, means she will suffer a steep decline in income. A California study of 3,000 divorced couples found that a year after divorce, the wife's income dropped by 73% while the husband's rose by 42%.

Statistics on the poverty status of female single parent families illustrate the economic consequences of divorce.

**\*\*Half of all children in poverty live in female-headed families (51.6% or some 5.8 million children).**

**\*\*In 1979, two thirds of the children in female-headed families depended on AFDC.**

**\*\*Most AFDC recipients (87%) are eligible because parents of the children were divorced, separated, or not married.**

Women raising children alone are having a hard time providing their children with basic necessities such as food, clothing, shelter, and adequate health care. For these women, regular child support payments are crucial to their children's economic stability. It is a bread and butter issue.

The many studies on the subject all point to the same conclusion: fathers don't pay their child support. Of the \$6.9 billion due from fathers in 1978, only \$4.5 billion was ever paid. Between a quarter and a third of fathers never make a single court ordered payment.

In 1975, Congress established the Child Support Enforcement program, Title IV-D of the Social Security Act. It requires each state to have an approved program of child support enforcement, including measures to establish paternity, locate missing fathers, establish or modify child support orders and collect court-ordered support payments.

The Child Support Enforcement program is a good beginning, but more needs to be done to help women who are seeking child support for their children. Although the program collected \$1.8 billion in 1982, not one state or county had even 50% compliance with court orders.

The Title IV-D program was set up primarily as a means of recovering AFDC funds paid to single-parent families. The program, however, must be more of a mechanism to help non-AFDC mothers whose children are equally entitled to their court ordered support payments. While the program calls on states to provide services to non-AFDC cases as well as to AFDC cases, in administration of the program, non-AFDC child support cases fall through the cracks:

**\*\*Most states do not actively seek or service non-AFDC cases.**

**\*\*A disincentive to pursue non-AFDC cases is built into the federal assistance structure : states can actually "make money" by collecting on AFDC cases, while they must spend 30 cents of every dollar used to collect non-AFDC support.**

**\*\*Interstate cooperation is spotty. Few incentives exist for states to cross state lines to obtain support payments. Yet, absent parents frequently move from the state to avoid payments.**

**\*\*State child support and enforcement laws are uneven and inconsistent.**

**\*\*Courts are crowded and ill-equipped to deal with the flood of child support cases.**

#### WHAT CHANGES ARE PROPOSED IN THE ECONOMIC EQUITY ACT ON CHILD SUPPORT ENFORCEMENT?

##### A. Amendments to the Child Support Program under Title IV-D, Social Security Act

###### 1. Purpose:

The Act would provide a clear statement of purpose for the Title IV-D program where none now exists. It would make clear that Congress intends for this program "to assure compliance with obligations to pay child support to each child in the U.S. living with only one parent." The intent of the "purpose" clause is to explicitly affirm that the program is to secure child support for the non-AFDC cases as well as for AFDC cases.

###### 2. Income Tax Offsets:

Under present law, states can notify IRS of absent parents who owe past-due child support to children receiving AFDC. These amounts are then withheld from the absent parents' federal income tax refunds and used to reimburse federal and state governments for AFDC paid to the children. The Act would provide that states could use the same procedure on behalf of children not receiving AFDC and the proceeds would be paid to the custodial parent.

### 3. Improved State Administration of both AFDC and non-AFDC cases:

The Act would require that states, as a condition of an approved IV-D plan:

- seek medical support for children for whom it is seeking financial support when available at a reasonable cost through employersponsored health insurance;
- provide for mandatory wage assignments (withholding) in the case of delinquent child support;
- impose liens against property and estates when child support payments are delinquent;
- (in the case of states which impose income taxes) provide for offset against tax refunds to collect past-due support;
- establish quasijudicial or administrative procedures to establish and enforce support orders (to provide an efficient, accessible and effective means of resolving support disputes without overburdening the court system);
- establish a child support clearinghouse which would monitor the timeliness and accuracy of payments of support ordered, modified or enforced in the state after its establishment. The clearinghouse would trigger appropriate enforcement mechanisms when payments are late.

States would also be required to implement at least three of the following:

- voluntary wage assignment, so that individuals who wish to have child support automatically withheld from their paychecks can be sure that their employers will do so;
- a standard used by the courts and administrative processes to measure the ability of absent parents to make support payments and guidelines to insure the similarity of support orders in similar cases;
- a procedure to enter a default when alleged father refuses to participate in paternity procedures, so that paternity can be established by the court and support awarded;
- the use of highly accurate scientific tests to determine the likelihood of paternity; and
- the authorization for the court to require a security, bond, or other guarantee to secure the child support obligation.

### B. Automatic Mandatory Wage Assignment for Federal Employees

Creates a procedure for automatic mandatory wage assignment of wages and pensions for all federal civilian employees for the purpose of paying court ordered child support obligations. The court order would go directly to the Office of Personnel Management (OPM), who would then make the appropriate deductions and forward the payment to the appropriate party. By applying wage assignment automatically when child support is ordered, the child is assured regular, reliable support payments and the employee no longer has to be concerned about making timely payments.

End Fact Sheet



## **EDUCATION**

Equal opportunity at all levels of education is a goal yet to be achieved. Several federal programs have been enacted which serve as the basis for correcting previous injustices toward women and minorities. For general information on educational issues affecting women, call:

American Association of University Women (AAUW)  
Johanna Mendelson/Amy Berger 785-7760  
Higher Education, Title IX

Association of American Colleges: Project on the Status and Education of Women  
Bernice Sandler 387-1300  
Higher Education, Title IX

Federation of Organizations for Professional Women, Health Equity Project  
Margaret Dunkle 466-3544  
Issues of sex discrimination and equity in health services provided by schools and colleges

League of Women Voters  
Kathryn Lavriha 296-1770  
Vocational Education, Title IX, Women's Educational Equity Act, Affirmative Action

National Advisory Council on Women's Educational Programs  
Joy Simonson 653-5846  
Title IX, Vocational Education, Women's Educational Equity Act, Affirmative Action

National Coalition for Women and Girls in Education  
Janet Wells 628-6700  
Title IX, WEEA, Vocational Education

National Council of Jewish Women  
Mickey Salkind 296-2588  
Title IX, Higher Education

National Organization for Women (NOW)  
Jane Wells-Schooley 347-2279  
Education Discrimination

**Affirmative Action**- see employment

## Title IX

Title IX of the Education Amendments of 1972 states that "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance." The program regulation stipulates that sex discrimination is prohibited in: admissions, treatment of students, employment, job assignments, leaves of absence, fringe benefits, labor organization contracts or professional agreements. The Office for Civil Rights, U.S. Education Department is charged with enforcing the provisions of Title IX.

American Association of University Women (AAUW)  
Johanna Mendelson/Amy Berger/Betsy Ashburn/Peg Downey 785-7760

Association for Intercollegiate Athletics for Women (AIAW)  
Margot Polivy 265-1807

Association of American Colleges: Project on the Status and Education of Women  
Bernice Sandler 387-1300

Center for Law and Social Policy, Women's Rights Project  
Marcia Greenberger/Margy Kohn 872-0670

League of Women Voters  
Kathryn Lavriha 296-1770

National Advisory Council on Women's Education Programs  
Joy Simonson 653-5846

National Association for Girls and Women in Sports  
Carol Thompson 476-3450

National Association of State Universities and Land-Grant Colleges  
Julia Hodge/Susan Fratkin 293-7120

National Coalition for Women and Girls in Education  
Janet Wells 628-6700

National Council of Jewish Women  
Mickey Salkind 296-2588

National Student Educational Fund (NSEF)  
Kathy Baron/Lana Ott 785-1856

National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Project on Equal Education Rights (PEER)  
Theresa Kusick 332-7337

Women's Equity Action League (WEAL)  
Pat Reuss 638-4560

Women's Equity Action League Educational and Legal Defense Fund (WEAL Fund)  
Char Mollison 638-1961

## Vocational Education

Sex discrimination in vocational education is illegal. The Vocational Education Act of 1963, as amended in 1976 (VEA, Title II, of PL 94-482) made overcoming sex discrimination a purpose of federal funding for vocational education. The 1976 Amendments require all states to have full-time personnel working on equal access and to permit the use of federal funds for a wide range of programs to overcome sex bias and to facilitate women's entry into higher-paying, traditionally male occupations. With reauthorization of the VEA set for 1982, women's groups are urging continued emphasis on funding vocational education programs which provide equal access and equal opportunities for women, especially women with acute economic needs.

American Association of University Women (AAUW)  
Johanna Mendelson/Amy Berger/Sheila Sylvester 785-7760

Displaced Homemakers Network  
Sandra Burton 347-0522

League of Women Voters  
Kathryn Lavriha 296-1770

Mexican American Women's National Association (MANA)  
Wilma Espinoza 628-5663

National Advisory Council on Women's Educational Programs  
Joy Simonson 653-5846

National Coalition for Women and Girls in Education  
Janet Wells 628-6700

Project on Equal Education Rights (PEER)  
Theresa Kusick 332-7337

Wider Opportunities for Women (WOW)  
Vikki Gregory 638-3143

## Women's Educational Equity Act (WEEA)

The Women's Educational Equity Act (P.L. 95-561), enacted in 1974 and amended in 1978 is the only Federal program devoted solely to the advancement of educational equity for women. The act authorizes \$80 million for grants and contracts to public and private nonprofit organizations and individuals to provide educational equity for women. The first \$15 million appropriated supports programs of national or regional significance. Above that figure, funds will support local projects to achieve compliance with Title IX, with 75% of this money directed to local school districts. WEEA also established the National Advisory Council on Women's Educational Programs (see separate entry).

American Association of University Women (AAUW)  
Johanna Mendelson/Amy Berger 785-7760

League of Women Voters  
Kathryn Lavriha 296-1770

National Advisory Council on Women's Educational Programs  
Joy Simonson 653-5846

National Coalition for Women and Girls in Education  
Janet Wells 628-6700



National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Project on Equal Education Rights (PEER)  
Theresa Kusick 332-7337

Women's Equity Action League Educational and Legal Defense Fund (WEAL Fund)  
Char Mollison 638-1961

Women's Legal Defense Fund  
Judith Lichtman 887-0364

## EMPLOYMENT

As of 1978, 50 percent of all women sixteen years and older were in the work force. Nine out of ten women will work at some time during their lives. 39 percent of women workers have children under age six; 55 percent have school-age children. Women work because of economic need. In 1977 two-thirds of all women in the labor force were single, widowed, divorced or separated or had husbands whose earnings were less than \$10,000 (in 1976).

AFL-CIO: Women's Project, Department for Professional Employees  
Ellen Wernick 638-4024

Federation of Organizations of Professional Women  
Nancy Russo 466-3544

League of Women Voters  
Kathryn Lavriha 296-1770

Mexican American Women's National Association (MANA)  
Wilma Espinoza 628-5663

National Council of Jewish Women  
Mickey Salkind 296-2588

National Federation of Business and Professional Women's Clubs (BPW)  
Judy Schub 293-1100

Wider Opportunities for Women (WOW)  
Vikki Gregory 638-3143

Women's Legal Defense Fund  
Judith Lichtman 887-0364

Working Women, National Association of Office Workers  
Ellen Cassedy 797-1384

## Affirmative Action - Employment Training Programs

Refers to the implementation of Title VII of the 1964 Civil Rights Act, which prohibits discrimination based on race, color, religion, sex or national origin in hiring, firing and all other terms and conditions of employment. Affirmative action is the concerted effort to increase the numerical representation of women and minorities in non-dead-end jobs.

AFL-CIO: Women's Project, Department of Professional Employees  
Ellen Wernick 638-4024

American Association of University Women (AAUW)  
Betsy Ashburn 785-7752

Association of American Colleges, Project on the Status of Education and Women  
Bernice Sandler 387-1300

Federally Employed Women (FEW)  
Lynne Revo-Cohen 638-7144

League of Women Voters  
Kathryn Lavriha 296-1770

National Advisory Council on Women's Educational Programs  
Joy Simonson 653-5846

National Coalition for Women and Girls in Education  
Janet Wells 628-6700

National Organization for Women (NOW)  
Jane Wells-Schooley 347-2279

National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Wider Opportunities for Women (WOW)  
Vikki Gregory 638-3143

Women's Equity Action League (WEAL)  
Pat Reuss 638-4560

Women's Equity Action League Educational and Legal Defense Fund (WEAL Fund)  
Char Mollison 638-1961

#### Child Care/Dependent Care

As economic and social conditions push more women into the labor force, the need for affordable yet high quality child and elderly care increases. While women traditionally have been the main providers of full-time dependent care, almost half of all mothers now hold full time jobs.

The Child Day Care Services Act under Title XX of the Social Services Act provides the bulk of federal funding for child care services. Head Start, the Child Care Food Program as well as the Tax Reform Act of 1976 provide limited additional funds and tax relief for some dependent care expenses.

Children's Defense Fund  
Helen Blank 483-1470

Federally Employed Women (FEW)  
Lynne Revo-Cohen 638-7144

International Union of Electrical, Radio and Machine Workers (IUE)  
Gloria Johnson 296-1200

League of Women Voters  
Kathryn Lavriha 296-1770

National Council of Jewish Women  
Mickey Salkind 296-2588

National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Women's Equity Action League (WEAL)  
Pat Reuss 638-4560

### CETA

The Comprehensive Employment and Training Act of 1973, generally referred to as CETA, was originally enacted to replace categorical Federal employment and training programs with a flexible and decentralized system for providing job training, and employment opportunities for economically disadvantaged, unemployed and underemployed persons. The act contains eight titles, of which Titles I, II, III, VI and VII are most relevant to women's groups.

American Association of University Women (AAUW)  
Betsy Ashburn 785-7750

League of Women Voters  
Kathryn Lavriha 296-1770

Wider Opportunities for Women (WOW)  
Vikki Gregory 638-3143

### Displaced Homemakers

Persons who have spent many years in the home caring for family members, and subsequently lose their source of support through separation, divorce, death or disability of the spouse, or in eligibility for continued government assistance are displaced homemakers. There are an estimated 3.3 million displaced homemakers nationwide. Aid to displaced homemakers is available through Title III of the Comprehensive Employment and Training Act (See CETA).

American Association of University Women (AAUW)  
Peg Downey 785-7752

Displaced Homemakers Network  
Sandra Burton/Alice Quinlan 347-0522

National Organization for Women (NOW)  
Jane Wells-Schooley 347-2279

National Council of Jewish Women  
Mickey Salkind 296-2588

Wider Opportunities for Women (WOW)  
Vikki Gregory 638-3143

### Executive Orders # 11246/11375

Signed in 1965 by President Lyndon Johnson, Executive Order 11246 prohibits federal contractors and subcontractors receiving monies in excess of \$10,000 from discriminating in employment on the basis of race, color, religion or national origin.

Executive Order #11375, issued on October 1967, amended order #11246 to include employment discrimination based on sex. The order is enforced by the Department of Labor's Office of Federal Contract Compliance.

Center for Law and Social Policy, Women's Rights Project  
Marcia Greenberger/Margy Kohn 872-0670

Women's Equity Action League (WEAL)  
Pat Reuss 638-4560

### Federal Employment

Women in the Federal government as a constituency group are predominately interested in pay, retirement and work environment issues. Despite the Equal Pay Act and the Federal government's merit system and equal opportunity programs, over 75% of Federal women are still concentrated in the lower 8 grade levels.

Improving the status of women in government will depend in large part on increased effectiveness of equal opportunity, progress toward equal pay for jobs of comparable worth (as endorsed by the Civil Service Reform Act), upward mobility, and expanded recruitment programs. An adequate, equitable and independent retirement system is a major priority for women in government. In this regard, it is in the interests of Federally employed women to oppose any legislative initiative to merge or integrate the Civil Service Retirement System with Social Security. Also of interest are issues affecting the work environment such as flex-time, childcare and sexual harassment, and issues affecting a broader base of women such as domestic violence, the marriage tax penalty and the ERA.

Capitol Hill Women's Political Caucus, for Capitol Hill Employment  
Jenna Dorn 224-7241

Federally Employed Women (FEW)  
Lynne Revo-Cohen 638-7144

### Pay Equity

Pay equity is traditionally defined as comparable pay for jobs that require comparable (not identical) skills, responsibility and effort. The policy of equal pay for equal work was mandated by the Equal Pay Act of 1963. More general employment policies, mandated in Executive Order 11246 and Title VII of the Civil Rights Act of 1964, have failed to close the earning gap. Implementation of pay equity legislation would decrease the wage gap even if occupational segregation continued. Eventually, we would expect pay equity to decrease the number of sex segregated categories.

American Association of University Women (AAUW)  
Peg Downey 785-7752

AFL-CIO: Women's Project, Department of Professional Employees  
Ellen Wernick 638-4024

Federally Employed Women (FEW)  
Lynne Revo-Cohen 638-7144

National Council of Jewish Women  
Mickey Salkind 296-2588

National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Women's Equity Action League (WEAL)  
Pat Reuss 638-4560

Women's Legal Defense Fund  
Judith Lichtman 887-0364

Working Women, National Association of Office Workers  
Ellen Cassedy 797-1384

### Sexual Harassment

The Women's Action Almanac (Wm. Morrow and Co., N.Y., 1979) defines sexual harassment as "unsolicited nonreciprocal male behavior that asserts a woman's sex role over her function as worker." Sexual harassment takes many forms including leering looks, too-familiar remarks about appearance, repeated requests for dates, a pat on the behind, a threat of rape. Often sexual harassment stands between a woman and her paycheck. There is some disagreement in the courts as to whether sexual harassment constitutes sex discrimination under Title VII. Thus far, only one case has been decided in favor of a Title VII violation.

AFL - CIO: Women's Project, Department of Professional Employees  
Ellen Wernick 638-4024

International Union of Electrical, Radio and Machine Workers (IUE)  
Gloria Johnson 296-1200

National Advisory Council on Women's Education Programs  
Joy Simonson 653-5846

National Women's Political Caucus (NWPC)  
Carol Bros 347-4456

Women's Legal Defense Fund  
Judith Lichtman 887-0364

# Protecting the rights of working women

By Marilyn Hoffman

Staff correspondent of The Christian Science Monitor

New York

Working women should know their legal rights, especially those key laws that were designed to protect them against sex discrimination. But most of them don't, says Sandra Porter, executive director of the National Commission on Working Women in Washington, D.C.

At a seminar in New York entitled "The New American Woman," sponsored by Women in Communications Inc. and House Beautiful magazine, Mrs. Porter sketched those basic laws as follows:

- The 1963 Equal Pay Act, which states that workers, both male and female, can expect to be paid equally for equal work.

- Title VII of the 1964 Civil Rights Act states that, in employment and training, it is against the law to discriminate on the basis of sex, race, or national origin.

- Title IX, part of 1972 amendments to the Higher Education Act, is a law that protects women from discrimination in educational institutions and covers employment, student services, enrollment, and participation in athletics.

- EEOC-Sexual Harassment Guidelines, issued in 1981, forbid unwanted verbal or physical abuse on the job and give responsibility to employers for assuring workers a harassment-free environment. Workers can file a grievance with the Equal Employment Opportunity Commission.

- Executive Order 11246 mandates affirmative action by companies through program guidelines. It is designed to ensure hiring of minorities who have been discriminated against in the past.

- The Equal Credit Opportunity Act protects women against discrimination in consumer credit. It is the law that won women the right to get credit cards, bank loans, and mortgages in their own names. When the law is violated, women can file grievances through Consumer Credit Bureaus.

- The Vocational Education Amendments constitute a law that contains strong sex-equity protections and promotes the entry of women into vocational education schools.

Mrs. Porter points out that any woman employee who feels she has a legitimate grievance against an employer, should first seek redress through the personnel department of the company for which she works. If that procedure fails, she should seek information or help from the local equal-employment office, an agency of both city and state governments.

"Once women understand what the legal underpinnings of their work opportunities are," says Mrs. Porter, "they can realize the importance of supporting the efforts of advocates who are fighting back the threats to these laws from the present administration. There is plenty of fight left in Washington, and across the country, but broad-based grass-roots support is critical to success in maintaining the gains made over the last 15 years."

In 1981, Mrs. Porter points out, 52.3 percent of women are in the labor force. Of these, 80 percent are concentrated in clerical, service, sales, factory, and plant jobs. It is this group, particularly, that the National Commission on Working Women seeks to serve.

"Working women, however, share many commonalities, whether they are professional or nonprofessional," she points out. These include wage discrimination, the double burden of job and family, good-quality child care, access to education and training, and workplace harassment. Nonprofessional and pink- or blue-collar women, she says, suffer the added disadvantage of poor benefits and devaluing work.

For this reason, Mrs. Porter believes women's networks should also include women who work in supporting roles, that 80 percent category described above who are seeking to gain more status and self-esteem. "Professional women should be sure they understand the perceived problems of all women employees in their companies," she says. "They should be willing to listen, and to acknowledge their contribution. Learning, based on sharing, can flow between women who have jobs at all levels," she contends.

"Professional women can be of great service to women in support jobs by sharing skill-assessment tips and career-development ideas. They can steer them to those available resources that might help them advance. And they can give valuable encouragement simply by willingness to 'talk things over' with women co-workers.

"Professional women should be willing to mentor nonprofessional women workers - whether they are in secretarial positions, are cafeteria workers, or are part of the cleaning teams - and share a few strategies for learning and earning that provide more reward or better salaries. Women can't carry many of these protective laws around in their heads, but they can be reminded that they exist and encouraged to go to the right places for help."



BRIEF HIGHLIGHTS OF MAJOR FEDERAL LAWS  
ON SEX DISCRIMINATION IN EMPLOYMENT\*

Equal Pay Act

This act prohibits pay discrimination because of sex. Men and women performing work in the same establishment under similar conditions must receive the same pay if their jobs require equal skill, effort, and responsibility. Differentials in pay based on a seniority or merit system, a system that measures earnings by quantity or quality of production, or any other factor other than sex are permitted.

Employers may not reduce the wage rate of any employee in order to eliminate illegal differentials. Labor organizations are prohibited from causing or attempting to cause employers to violate the act.

The act was approved in 1963 as an amendment to the Fair Labor Standards Act (FLSA) and applies to most workers in both the public and private sectors, including executive, administrative, and professional employees and outside sales personnel.<sup>1/</sup>

The Labor Department's Wage and Hour Division, which enforced the act until July 1979, officially interpreted its provisions to apply to "wages," which includes all remuneration for employment. Thus, the act prohibits discrimination in all employment-related payments, including overtime, uniforms, travel, retirement, and other fringe benefits. The Supreme Court has upheld the position that jobs of men and women need be only "substantially equal"--not identical--for purposes of comparison under the law.

The act is now enforced by the Equal Employment Opportunity Commission. Further information is available from district or area offices of the Commission or from:

Equal Employment Opportunity Commission  
Washington, D.C. 20506

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<sup>1/</sup> A few categories of employees (such as those working in some small retail and service establishments) are specifically exempted from minimum wage and overtime requirements of the FLSA. On June 24, 1976, the U.S. Supreme Court declared unconstitutional provisions extending minimum wage and overtime coverage of the law to State and local government employees who are engaged in traditional governmental functions. The decision does not affect application of the equal pay provisions of the FLSA to employees of State and local governments.

\*See Note on page 6.



Title VII of the Civil Rights Act of 1964, as Amended by the Equal Employment Opportunity Act of 1972 and the Pregnancy Discrimination Act

Title VII prohibits discrimination based on sex, as well as on race, color, religion, and national origin, in hiring or firing; wages; fringe benefits; classifying, referring, assigning, or promoting; extending or assigning use of facilities; training, retraining, or apprenticeships; or any other terms, conditions, or privileges of employment.

The law covers employers of 15 or more employees, employment agencies, labor organizations with 15 or more members, and labor-management apprenticeship programs. In 1972 educational institutions and State and local governments were brought under coverage (also, enforcement procedures for the affirmative program of equal opportunity in Federal employment--previously enunciated in Executive Order 11478--were substantially strengthened). Indian tribes are totally exempt as employers. Religious institutions or associations are exempt with respect to the employment of individuals of a particular religion in work connected with carrying on their activities. State and local elected officials, their personal staff, and policymaking appointees are excluded from the definition of "employee."

Title VII was amended by Public Law 95-555, approved October 31, 1978, to make clear that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes unlawful sex discrimination. The amendment, referred to as the Pregnancy Discrimination Act, does not require employers to provide special benefits for pregnant employees or to institute new programs. It simply requires that women affected by pregnancy be treated the same for all employment-related purposes as other persons not so affected but similar in their ability or inability to work. Employers are not required to provide health insurance benefits for abortion, except where the life of the mother would be endangered if the fetus were carried to term, or except where medical complications have arisen from an abortion. However, the amendment specifically permits an employer to provide abortion benefits and does not otherwise affect bargaining agreements in regard to abortion. The amendment was effective immediately with respect to prohibiting policies such as refusal to hire or promote pregnant women; it was effective 180 days later (April 29, 1979) with respect to fringe benefit programs or funds or insurance programs in effect on the date of approval.

The Equal Employment Opportunity Commission (EEOC), which enforces title VII, has issued "Guidelines on Discrimination Because of Sex." These guidelines bar, among other discriminatory acts, hiring based on stereotyped characterization of the sexes, classification or labeling of "men's jobs" and "women's jobs," and advertising under male or female headings.

The guidelines declare that State laws which prohibit or limit the employment of women conflict with and are superseded by title VII. On the other hand, where State laws require benefits such as minimum wage and overtime pay for women only, an employer may not refuse to hire female applicants to avoid these

payments. Moreover, it must provide the same benefits for male employees.<sup>2/</sup> Similar provisions apply to rest and meal periods and physical facilities. However, if it can be proved that business necessity precludes providing these benefits to both men and women, the employer must not provide them to members of either sex.

In 1979 the EEOC revised the guidelines to bring them into conformity with the Pregnancy Discrimination Act. Along with the revision, it published a series of questions and answers that responded to urgent concerns raised by employers, employees, unions, and insurers who had sought guidance as to their rights and obligations under the law.

Other guidelines issued by the agency (either by itself or jointly with other Federal civil rights agencies) deal with such subjects as voluntary affirmative action, employee selection procedures, and sexual harassment.

Further information is available from district or area offices of the EEOC or from:

Equal Employment Opportunity Commission  
Washington, D.C. 20506

Executive Order 11246, as Amended by Executive Order 11375

This order requires Federal contracts to include language by which contractors pledge not to discriminate against any employee or applicant for employment because of sex, race, color, religion, or national origin. The contractor must further pledge to take affirmative action to ensure nondiscriminatory treatment. Such action must include employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or other forms of compensation; and selection for training, including apprenticeship. Some contracts of \$10,000 or less are exempt by regulation.

The Secretary of Labor, who has overall enforcement responsibility for the order, assigned administrative authority to the Office of Federal Contract Compliance Programs (OFCCP).<sup>3/</sup> Initially the OFCCP delegated compliance responsibility to various Federal agencies, principally on the basis of industry classifications. Under the President's Reorganization Plan No. 1 of 1978, the OFCCP assumed total responsibility for enforcement on October 1, 1978.

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<sup>2/</sup> Of the two appeals courts that have ruled on this latter requirement, one upheld and the other declared it an unconstitutional usurpation of State powers. The Supreme Court has refused to hear an appeal from the latter decision. It should be noted that most States which had minimum wage or overtime for women only (including the one where the EEOC position was upheld by the appellate court) have extended the benefit to men by legislative amendment. See State Labor Laws in Transition: From Protection to Equal Status for Women, Women's Bureau Pamphlet 15.

<sup>3/</sup> The OFCCP also administers affirmative action programs of Federal contractors with respect to handicapped workers, disabled veterans, and Vietnam veterans.

Service or supply contractors or subcontractors that have 50 or more employees and a contract of \$50,000 or more or Government bills of lading totaling \$50,000 in any 12 month period must, within 120 days from the commencement of the contract, develop a written affirmative action compliance program for each of its establishments. The requirement also applies to financial institutions that have 50 or more employees and serve as a depository of Government funds or as an agent for issuing and paying U.S. savings bonds and savings notes in any amount. Regulations that became effective in December 1971 set forth the required contents of affirmative action programs for women and minorities. These include a review of the work force within each job group at a facility, establishment of goals and timetables for taking corrective steps where it is found that there are fewer women and minorities than would reasonably be expected by equal employment policy, and management responsibility for implementing and monitoring the policy. Techniques to improve recruitment and increase the flow of female or minority applicants are suggested. Goals are not to be rigid and inflexible quotas which must be met but rather targets reasonably attainable by application of every good faith effort.

Regulations providing a specific framework for construction contractors to carry out equal employment and affirmative action programs for women and minorities were published with an effective date of May 8, 1978.<sup>4/</sup> Among the specific affirmative action steps required of such contractors are: ensuring that working sites are free of harassment, assigning two or more women to each construction project when possible, providing written notification to female recruitment sources and community organizations of employment opportunities, notifying OFCCP if the union referral process impedes efforts to meet affirmative action obligations, disseminating the equal employment opportunity policy within the company and in advertising, and actively recruiting women for apprenticeship or other training.

Also effective May 1978 OFCCP published a notice setting nationwide goals and timetables for the employment of women by contractors and subcontractors with a construction contract in excess of \$10,000. The goals, which are nationwide, are 3.1 percent for the first year, 5 percent for the second year, and 6.9 percent for the third year. The goals are expressed in terms of hours of training and employment as a proportion of the total number of hours to be worked by each covered contractor's aggregate work force in each trade on all projects, either Federal or non-Federal.

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<sup>4/</sup> Until then programs for minorities only were in effect through "hometown plans" (voluntary agreements reached among contractors, unions, and representatives of the local minority community and approved by the OFCCP), imposed plans (which for the most part covered major metropolitan areas where there was substantial Federal or federally assisted construction, and applied only to projects in excess of \$500,000), and special bid conditions (which applied to contractors working in certain high impact projects in areas not covered by hometown or imposed plans). The new regulations allowed hometown plans to remain in effect but eliminated the special bid conditions and imposed plans. Goals and timetables for minority workers established by these plans, however, continued to apply.

Sex discrimination guidelines issued by OFCCP effective June 1970 forbid advertising under male and female classifications, basing seniority lists on sex, denying jobs to qualified applicants because of State "protective" laws, making distinctions between married and unmarried persons of one sex only, terminating employees of one sex only upon reaching a certain age, and penalizing women in their conditions of employment because they require time away from work on account of childbearing. OFCCP has proposed amending these guidelines to conform to the Pregnancy Discrimination Act and to establish guidelines prohibiting sexual harassment.

Further information is available from:

Office of Federal Contract Compliance Programs  
Employment Standards Administration  
U.S. Department of Labor  
Washington, D.C. 20210

### Laws on Sex Discrimination in Employment Training

Access to appropriate training is a necessity if women are to be qualified for well-paying jobs. Among the steps the Federal Government has taken to enhance opportunities for women to receive such training are the following:

Amendments in 1976 to the Vocational Education Act mandated activities to eliminate sex bias, stereotyping, and discrimination in federally funded vocational education programs and required each State to employ a full-time sex equity coordinator to ensure the elimination of bias and occupational segregation in these programs. States are permitted to use Federal funds for vocational programs for certain categories of adult women, such as homemakers and part-time workers who are seeking full-time jobs and women who seek nontraditional employment.

The Comprehensive Employment and Training Act as reauthorized in 1978, prohibits sex discrimination with respect to participation in or employment in connection with any activity funded under the law. Moreover, prime sponsors (States, cities, counties, or combinations of general government units to whom most funds available under the law are allocated) must show in their annual plans the specific services planned for those who are experiencing severe handicaps in obtaining employment, including those who are displaced homemakers, or are 55 years of age or older, are single parents, or are women. All programs must contribute, to the maximum extent feasible, to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditionally limited to the opposite sex). Special national programs and activities mandated by the law also are targeted on groups deemed to face particular disadvantages in specific and general labor markets or occupations. Authorized research topics include the applicability of jobsharing, worksharing, and other flexible hours arrangements in various settings and the extent to which job and wage classification systems undervalue certain skills and responsibilities on the basis of the sex of persons who usually hold the positions.

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## *Half Say Job Market Bias Still Exists*

Although women now comprise more than 40 percent of the U. S. labor force, the public perceives little progress toward equal employment opportunities for men and women.

Comparison of the results of a recent Gallup survey with one taken in 1975, in fact, reveals that fewer women now (41 percent) than in the earlier study (49 percent) believe equal job opportunities exist for the sexes, with a concomitant increase, from 46 percent to 54 percent, in the view that women are discriminated against in employment. The attitudes of men toward female employment have not changed at all in the seven-year period between the two surveys. In both polls, 46 percent felt that women have equal job opportunities and 50 percent felt that they do not.

This is not to say that job bias has actually grown during the seven-year interval. Instead, the figures probably reflect, at least in part, heightened awareness of sex discrimination in employment. As a case in point, 61 percent of college-educated women in the latest survey say their sex does not have equal job opportunities; the figure for women whose education ended at or before the high school level is 49 percent.

Some change is noted in the proportions of men and women who feel the sex of their boss would be immaterial to them in a new job situation. Among men, however, there has been a sharp dropoff since 1975 (and an even greater decrease since 1953) in the proportion who say they would rather work for a male boss, from 75 percent in 1953 to 63 percent in 1975 to 40 percent today. There has been a less pronounced decline among women indicating a preference for a male superior, but a 52 percent majority still would prefer to work for a man. There has been a marginal increase in the percentages of both sexes saying they would rather work for a woman, but comparatively few, 15 percent of women and nine percent of men, would like to do so.

Finally, scant progress is recorded in the public's perception of the likelihood of women's being promoted to executive positions, even if they are equally capable as men. Education plays a formative role in this perception, too, with 71 percent of college-educated women compared to 50 percent of the less well-educated believing women do not have equal access to executive jobs. The comparable figures among men are 61 percent and 43 percent, respectively.

### **MORE WOMEN WANT TO COMBINE CAREER AND FAMILY**

Although the traditional role of wife and mother is still perceived as the ideal lifestyle by the great majority of

American women, there has been a sharp increase since 1975 in the percentage of women who regard a full-time job outside the home as an integral part of this ideal.

Today as many women say they would like to be a wife and mother and hold a full-time job outside the home (40 percent) as would prefer being a stay-at-home wife and mother (39 percent). In 1975, the comparable figures were 32 and 44 percent.

There has been no increase in the small percentage who regard work but not children as their ideal. The desire for outside work among those who prefer a married lifestyle, however, shows marriage and outside work actually ahead of marriage without work by a slim 45 percent-to-41 percent margin. In 1975, the overall figures were 38 and 47 percent.

The perception of outside work as part of women's ideal lifestyle has actually grown at a faster rate than the percentage of women entering the workforce, suggesting that the latter is likely to continue, perhaps at an even greater rate than at present.

*Gallup 8/82*

# DO WOMEN HAVE EQUAL JOB OPPORTUNITIES?

Question: "Do you feel that women in this country have equal job opportunities with men, or not?"

June 25 - 28, 1982

	Yes	No	No opinion
<b>NATIONAL</b>	43%	52%	5%
<b>SEX</b>			
Male	46	50	4
Female	41	54	5
<b>RACE</b>			
White	43	53	4
Non-white	47	47	6
<b>EDUCATION</b>			
College	33	63	4
High school	47	49	4
Grade school	51	40	9
<b>REGION</b>			
East	42	55	3
Midwest	41	53	6
South	48	45	7
West	41	57	2
<b>AGE</b>			
Total under 30	42	54	4
18 - 24 years	45	51	4
25 - 29 years	37	59	4
30 - 49 years	42	54	4
Total 50 & older	46	48	6
50 - 64 years	46	52	2
65 & older	45	45	10
<b>INCOME</b>			
\$25,000 & over	35	62	3
\$20,000 - \$24,999	34	59	7
\$15,000 - \$19,999	50	48	2
\$10,000 - \$14,999	49	47	4
\$ 5,000 - \$ 9,999	46	49	5
Under \$5,000	50	41	9
<b>POLITICS</b>			
Republican	48	47	5
Democrat	44	52	4
Independent	39	59	2
<b>RELIGION</b>			
Protestant	45	49	6
Catholic	43	54	3
<b>OCCUPATION</b>			
Professional & business	31	64	5
Clerical & sales	39	61	*
Manual workers	50	47	3
Non-labor force	45	47	8
<b>CITY SIZE</b>			
1,000,000 & over	43	52	5
500,000 - 999,999	37	62	1
50,000 - 499,999	42	54	4
2,500 - 49,999	46	50	4
Under 2,500, rural	46	46	8
<b>LABOR UNION</b>			
Labor union families	42	55	3
Non-labor union families	47	50	3

\* Less than one percent.

DO WOMEN HAVE EQUAL JOB OPPORTUNITIES?			
	Yes	No	No opinion
<b>NATIONAL</b>			
Latest . . . . .	43%	52%	5%
1975 . . . . .	48	48	4
<b>WOMEN</b>			
Latest . . . . .	41	54	5
1975 . . . . .	49	46	5
<b>MEN</b>			
Latest . . . . .	46	50	4
1975 . . . . .	46	50	4

Survey 197-G Q. 8b

## SHOULD WOMEN HAVE EQUAL JOB OPPORTUNITIES?

Question: (Asked of those who do not believe women have equal job opportunities or expressed no opinion:)  
 "Do you feel that women should have equal job opportunities with men, or not?"

June 25 - 28, 1982

	Yes	No	No opinion
<b>NATIONAL</b>	86%	12%	2%
<b>SEX</b>			
Male	82	16	2
Female	89	10	1
<b>RACE</b>			
White	86	12	2
Non-white	84	15	1
<b>EDUCATION</b>			
College	93	6	1
High school	84	14	2
Grade school	73	26	1
<b>REGION</b>			
East	85	13	2
Midwest	86	13	1
South	83	15	2
West	92	7	1
<b>AGE</b>			
Total under 30	87	12	1
18 - 24 years	88	12	*
25 - 29 years	86	11	3
30 - 49 years	89	9	2
Total 50 & older	82	16	2
50 - 64 years	88	10	2
65 & older	75	23	2
<b>INCOME</b>			
\$25,000 & over	91	8	1
\$20,000 - \$24,999	88	8	4
\$15,000 - \$19,999	86	13	1
\$10,000 - \$14,999	78	20	2
\$ 5,000 - \$ 9,999	79	20	1
Under \$5,000	88	10	2
<b>POLITICS</b>			
Republican	84	15	1
Democrat	87	11	2
Independent	87	12	1
<b>RELIGION</b>			
Protestant	84	14	2
Catholic	87	11	2
<b>OCCUPATION</b>			
Professional & business	90	7	3
Clerical & sales	91	9	*
Manual workers	86	13	1
Non-labor force	77	21	2
<b>CITY SIZE</b>			
1,000,000 & over	89	9	2
500,000 - 999,999	92	7	1
50,000 - 499,999	88	10	2
2,500 - 49,999	79	18	3
Under 2,500, rural	80	19	1
<b>LABOR UNION</b>			
Labor union families	85	14	1
Non-labor union families	83	14	3

\* Less than one percent.

Survey 197-G Q. 8c



# SELECTING A NEW BOSS

Question: "If you were taking a new job and had your choice of a boss, would you prefer to work for a man or for a woman?"

June 25 - 28, 1982

	Man	Woman	No difference	No opinion
<b>NATIONAL</b>	46%	12%	38%	4%
<b>SEX</b>				
Male	40	9	46	5
Female	52	15	30	3
<b>RACE</b>				
White	46	12	38	4
Non-white	43	14	40	3
<b>EDUCATION</b>				
College	41	13	42	4
High school	47	13	37	3
Grade school	51	7	35	7
<b>REGION</b>				
East	44	10	40	6
Midwest	46	11	39	4
South	49	13	35	3
West	45	14	38	3
<b>AGE</b>				
Total under 30	36	19	39	6
18 - 24 years	33	21	40	6
25 - 29 years	41	16	38	5
30 - 49 years	45	12	39	4
Total 50 & older	53	7	37	3
50 - 64 years	53	6	40	1
65 & older	55	7	33	5
<b>INCOME</b>				
\$25,000 & over	47	11	39	3
\$20,000 - \$24,999	45	13	40	2
\$15,000 - \$19,999	51	10	37	2
\$10,000 - \$14,999	40	13	41	6
\$ 5,000 - \$ 9,999	51	11	32	6
Under \$5,000	36	16	42	6
<b>POLITICS</b>				
Republican	50	10	37	3
Democrat	47	12	36	5
Independent	41	14	42	3
<b>RELIGION</b>				
Protestant	48	10	38	4
Catholic	46	15	36	3
<b>OCCUPATION</b>				
Professional & business	44	15	37	4
Clerical & sales	47	12	37	4
Manual workers	45	11	41	3
Non-labor force	51	8	36	5
<b>CITY SIZE</b>				
1,000,000 & over	43	9	42	6
500,000 - 999,999	46	17	34	3
50,000 - 499,999	43	14	41	2
2,500 - 49,999	57	12	27	4
Under 2,500, rural	46	9	40	5
<b>LABOR UNION</b>				
Labor union fam.	51	9	36	4
Non-labor union fam.	56	11	30	3

## SELECTING A NEW BOSS

	Man	Woman	No difference	No opinion
<b>NATIONAL</b>				
Latest	.46%	12%	38%	4%
1975	.62	7	29	2
1953	.66	5	25	4
<b>WOMEN</b>				
Latest	.52	15	30	3
1975	.60	10	27	3
1953	.57	8	29	6
<b>MEN</b>				
Latest	.40	9	46	5
1975	.63	4	32	1
1953	.75	2	21	2

# WOMEN'S CHANCES IN BUSINESS

Question: "If a woman has the same ability as a man, does she have as good a chance to become the executive of a company, or not?"

June 25 - 28, 1982

	<u>Yes</u>	<u>No</u>	<u>No opinion</u>
<b>NATIONAL</b>	42%	53%	5%
<b>SEX</b>			
Male	45	49	6
Female	40	56	4
<b>RACE</b>			
White	40	55	5
Non-white	55	39	6
<b>EDUCATION</b>			
College	31	66	3
High school	46	50	4
Grade school	53	37	10
<b>REGION</b>			
East	46	50	4
Midwest	42	52	6
South	45	49	6
West	33	64	3
<b>AGE</b>			
Total under 30	46	51	3
18 - 24 years	48	50	2
25 - 29 years	42	53	5
30 - 49 years	38	57	5
Total 50 & older	44	50	6
50 - 64 years	43	53	4
65 & older	45	46	9
<b>INCOME</b>			
\$25,000 & over	30	65	5
\$20,000 - \$24,999	42	57	1
\$15,000 - \$19,999	48	48	4
\$10,000 - \$14,999	47	48	5
\$ 5,000 - \$ 9,999	49	47	4
Under \$5,000	54	38	8
<b>POLITICS</b>			
Republican	47	47	6
Democrat	43	53	4
Independent	37	60	3
<b>RELIGION</b>			
Protestant	44	51	5
Catholic	44	53	3
<b>OCCUPATION</b>			
Professional & business	30	65	5
Clerical & sales	38	59	3
Manual workers	48	49	3
Non-labor force	49	45	6
<b>CITY SIZE</b>			
1,000,000 & over	52	45	3
500,000 - 999,999	32	63	5
50,000 - 499,999	42	55	3
2,500 - 49,999	43	53	4
Under 2,500, rural	41	51	8
<b>LABOR UNION</b>			
Labor union families	41	56	3
Non-labor union families	47	49	4

## WOMEN'S CHANCES IN BUSINESS

	<u>Yes</u>	<u>No</u>	<u>No opinion</u>
<b>NATIONAL</b>			
Latest	.42%	53%	5%
1975	.40	57	3
<b>WOMEN</b>			
Latest	.40	56	4
1975	.37	59	4
<b>MEN</b>			
Latest	.45	49	6
1975	.43	54	3

**SINGLE MOTHERS STAND ON  
THE BRINK**

**HON. GERRY SIKORSKI**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 10, 1983*

● Mr. SIKORSKI. Mr. Speaker, I am inserting this recent editorial that appeared in the Minneapolis Star & Tribune into the CONGRESSIONAL RECORD to call attention to the crucially pressing problem of unemployment among single mothers.

The editorial very clearly points out the impact of unemployment on single mothers in this country and the need to address their plight.

**SINGLE MOTHERS STAND ON THE BRINK**

Janet Norwood, commissioner of the U.S. Bureau of Labor Statistics, recently was asked why the current period of high unemployment—longest and highest since World War II—has caused so little civil disorder. Because for many, she speculated, unemployment no longer is linked to immediate poverty. But, Norwood added, for an emerging group of disadvantaged Americans—single mothers—that link remains direct and threatening.

Norwood did not dismiss the stress that accompanies unemployment, or the financial burden it carries, especially when joblessness stretches to a year and beyond. But she did suggest that most Americans today can better cope with unemployment than could those who lost jobs during the Great Depression or even during the 1950s and 1960s.

A story last Sunday in the Tribune's Marketplace section illustrates Norwood's point. Ralph Leciejewski of Aurora, Minn., lost his welding job at Erie Mining Co. last July. He may be called back in April, after nine months without a paycheck. Leciejewski has worries, but not about food for his family table. Three relatively recent developments have softened unemployment's impact on the Leciejewski family: high wages, which allowed savings; unemployment compensation, which made up much of the lost income; and a working spouse, whose income continued.

But single mothers, who Norwood says number nearly 10 million, are not so fortunate. Not only do they lack back-up income, they struggle under a load of other disadvantages. On average, single mothers earn significantly less than other workers. In 1981, 34.5 percent of families maintained by women were classified impoverished, compared to 6.8 percent of husband-wife families. Average income for female-headed families stood at \$11,000, less than half the \$25,000 average for husband-wife families.

A disproportionate number of the women who maintain families are black; many have little education and few skills. And single mothers are more likely to lose their jobs. When they do, their fall into poverty is often precipitous. In January, the unemployment rate for women who maintain families was 13.2 percent, compared to 7.1 percent for married men and 7.8 percent for married women.

Single women parents didn't suddenly become vulnerable, but their plight is beginning to capture attention because their ranks are growing. True, they are not the only ones with problems; black and youth unemployment also are alarmingly, chron-

ically high. But high unemployment for blacks and young people has connections to the plight of single mothers: Many of the mothers are young and black themselves, and all have children who must be clothed, fed and educated. Left to poverty, many of these mothers will raise their children to the same marginal lives of few skills, little education and little hope. If the country lets that happen, the cycle will go on.●

Congressional Record  
March 10, 1983, E-971

# Unforeseen Business Barriers for Women

By GLENN COLLINS

Special to The New York Times

THE NEW YORK TIMES MONDAY, MAY 31, 1982

WELLESLEY, Mass. — A new study of women in management has found unforeseen barriers impeding their advancement in corporations and unexpected similarities in the career frustrations of both male and female managers.

Although social scientists have theorized that discrimination on the basis of sex would decrease as the percentage of women increased in corporations, the opposite seems to be the case, according to a three-year, \$260,000 study conducted at the Wellesley College Center for Research on Women.

The study also suggests that male managers tend to promote to middle management those women who would be least likely to reach top management and that male supervisors are unable to give female executives honest feedback about their job performance.

"While a lot of the barriers we thought were there just aren't in evidence, a number of unforeseen obstacles seem to be present," said Dr. Anne Harlan, a project director at the research center and a Wellesley professor who, with Dr. Carol L. Weiss, conducted the study of 100 female and male managers at two large concerns.

## Subtle Forms of Discrimination

The study uncovered two subtle forms of sex discrimination that, the researchers said, were unforeseen.

The first involved promotional patterns. "Middle-management supervisors gave the highest ratings to older, less aggressive women," Dr. Harlan said. "These were women who didn't rock the boat, who were less threatening, less dynamic. But at the same time senior management was looking for different kinds of persons to fill high-level spots. They wanted young, aggressive dynamos. And the women who might have fit that pattern weren't being promoted."

Another subtle area of discrimination involved the kind of supervisory feedback and correction that, Dr. Harlan said, all employees need to improve their performance and that are essential to their rise in the corporation. "The male executives interviewed," she went on, "told us that when a male manager does something wrong, he gets called on the carpet, but if a woman does something wrong, then it's ignored."

Their supervisors displayed a pattern of not wanting to confront female executives, Dr. Harlan said, adding: "The supervisors told us, when a guy comes in your office, you can chew him out and then go out and have a few beers with him. But the managers believed they had to be careful in what they said to women because they thought they'd break down in the office and cry. From our interviews, the women weren't getting any real feedback at all. And unless she gets feedback, she can't improve."

The study found that the prevalence of the "mentor," the senior executive who coaches juniors, was considerably less pervasive than supposed. "We discovered," Dr. Weiss said, "that most of the men and women didn't have one strong mentor figure to help them. They all said you need a mentor, but most of them didn't have one."

The study found another common misconception, called "the myth of the successful male." "Actually only a very small percentage of men get to the top of any organization," said Dr. Weiss, who teaches at Radcliffe College and is a research associate at the Wellesley center. "It is not just women who have difficulty with career advancement. The men we studied had more problems in their careers than had been assumed, and men and women had many of the same dilemmas."

The researchers studied 100 managers — 25 men and 25 women in each of two large regional retail corporations with headquarters in the Northeast. "We chose an industry where there is a high proportion of managerial women and where women had already had a considerable chance for opportunity," Dr. Weiss said.

In one company, 6 percent of the managers were women and in the other, 19 percent. The researchers, with full access to personnel files, conducted interviews with 200 of the subjects' superiors and senior managers. The companies, both of which are on Fortune magazine's list of the 50 largest retailers, required anonymity in return for participation in the study, which was financed by grants from 15 corporations and two foundations.

The subjects were given psychological tests to measure their ambition, motivation and self-esteem, and they were questioned in confidential interviews of four to six hours apiece over the three years. They were asked about job histories, their assessments of the barriers to advancement and their aspirations.

According to the Bureau of Labor Statistics, the proportion of women in managerial positions has increased from less than 15 percent at the time of the 1964 Civil Rights Act to 25 percent by 1979. An analysis of census data by the Conference Board found six million women professionals and managers in 1979, two million of them in the corporate sector; 75,000 were making more than \$30,000 a year.

Although much attention has been focused on the barriers that prevent the access of women to entry-level management jobs, researchers have shifted their emphasis to the barriers that prevent women's advancement into well-paying middle- and upper-level jobs.

Two beliefs are challenged by the study, the researchers said.

The first is the traditional view, still held in some management schools, that women do not advance because they undergo different socialization experiences than men. "It was believed that women couldn't operate on management teams because they weren't involved in organized sports activities as children and that they weren't as ambitious or aggressive as men," Dr. Weiss said. As a result a number of schools adopted programs to train women in those skills.

"The women we studied reported to us that they had no problem fitting on a team and no problems with assertiveness," she said. "The men and women we studied didn't differ at all in the standardized tests. It appeared that both women and men managers had selected themselves out and are very much alike in motivation and drive."

The other myth, the researchers said, was the "critical mass" theory — that as more women enter a corporation, sexism and job discrimination will decline markedly as women occupy 15 percent of the management positions, and that at the 35 percent level an equal-opportunity balance will be achieved. Management theorists had predicted that when the critical mass was reached, Dr. Harlan said, "men would take for granted working with women, women managers would have been in the corporation long enough to achieve positions of power and women at entry-level management jobs would find mentors among older women."

## 'They're All Over the Place'

The researchers found a different pattern. "The kind of resistance experienced by the first women in a company is strong," Dr. Harlan said. "Overt resistance drops, however, pretty fast as more and more women come into the company. But when the percentage of women reaches the 15 percent mark the men seem to say, 'Hey, they're all over the place, and they may get the next job that I want.'"

"And so," she continued, "the resistance becomes overt. I think the reason for it is primarily unconscious — these men are scared and threatened and responding on a primitive level. The economic times we're in certainly don't help the situation."

The study encountered another pattern emerging as the percentage of women in a company increased. "We found that when a group of women are put together in the same managerial category or area of a company," Dr. Harlan said, "that turns it into a woman's job, and you can't recruit men for it. The job itself loses power. The division's budget may be cut." She said this can result in the establishment of "female managerial ghettos."

A most hopeful finding, Dr. Weiss said, was this: "There were many male managers among those we studied who saw women as people, not as women. These were the men who were able to say, 'Put Mary in that job,' rather than, 'Put a woman in that job.'"