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Coming Right With People

EQUITABLE

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

Coming Right With People

The Equitable Enterprise

15,000	Employees
7,000	Agents & Managers

Subsidiaries

- Equico-Capital Corporation
- Equico-Lessors, Inc.
- Equico-Personal Credit, Inc.
- Equico-Securities, Inc.
- Equitable Environmental Health, Inc.
- Equitable General Insurance Company
- Equitable Variable Life Insurance Company
- Heritage Life Assurance Company (Canada)
- Informatics, Inc.

An Opening Word...

This statement, written for all members of The Equitable Enterprise, is intended to make clear the principles that guide The Equitable in its ethical behavior and social conduct, and to detail the way those principles guide us in the total array of daily business activities.

In recent years, it has become clear that the public expects us to be more explicit about what we do, and to demonstrate an increasingly participative role in society. While some may still believe that business should not be bothered with social concerns, most of us hold the opposite opinion. Certainly we must assiduously live up to the fiduciary responsibilities incumbent upon us by virtue of the fact that we are a mutual life insurance company responsible for the stewardship of our members' interests first and foremost, but within that fixed restraint, we have a sure responsibility to participate in imaginative and reasonable ways in the total community of which we are a part. We believe the inescapable burden of business freedom is social responsibility. For us today, social irresponsibility is as unacceptable as financial irresponsibility.

Society granted our corporate charter—our licensed privilege to exist as a corporate enterprise; clearly it is a privilege subject to whatever requirements society decides to impose. We will continue in business only as long as we reasonably meet those requirements. Nothing less than corporate survival is at stake.

Social responsibility, in a nutshell, means "coming right with people;" it calls for thoughtful inclusion of people considerations in every decision, in every action; it means applying the simple standards of honesty, decency, and fairness in all we do.

We hope this brief statement helps you understand how all of us must strive to carry a sense of social accountability into the total activities of The Equitable—how we must work daily at coming right with people.

The Equitable—As Insurer

Our business is predicated squarely on social concern. Life insurance, health insurance, pension funds, and property insurance are instruments for improving the quality of life, the sense of security, of almost every American.

Equitable individual and group life insurance covers 11 million people, providing almost $150 billion of financial protection and security for their beneficiaries and dependents. Health policies covering 6½ million individuals cushion the cost of disability and medical care. Health benefit payments exceed $1.3 billion annually. Our annuity and pension plans guarantee a substantial measure of independence and dignity during retirement years for over 2 million people. We are paying a total of $577 million each year to individuals already retired.

Our Consumer Affairs Committee, reporting directly to the President, focuses on developing procedures to enhance relations with our customers. This group of Officers also monitors actual performance against established standards, helps sensitize top management to trends in the area of consumerism, and serves as the corporate forum for discussion of matters of possible concern to consumers.

Professional Agents

Our insurance business has, in large measure, been built by the good work of our Agents. We are especially proud that over 1,200 members of our Agency Force have earned the professional designation of Chartered Life Underwriter (CLU) by the successful completion of ten college level professional examinations. Another 2,800 Agents have passed one or more of the required exams in pursuit of the designation.

To put the client's interests ahead of one's own is a fundamental principle for all professional-minded Agents and is solemnly affirmed in the CLU pledge. Consistent with that sworn commitment, we have deleted the "prior right" provision from our Agent contract, removing the requirement to submit all business first, or only to The Equitable. The Agent's professional conscience determines what behavior is right, should client interests and company loyalties ever seem in conflict. We believe that in the long run a company is better served by Agents whose professionalism is recognized, respected, and reinforced by the company rather than rendered incredible by a self-serving prior right clause.

Consumer Information

With every individual life insurance policy, we are now furnishing a Ledger Statement, a Policy Summary Document, and a Buyer's Guide. These provide information useful to buyers in understanding the entire transaction. Through these items our Agents are providing more consumer information than is required by states that have adopted the model disclosure regulation proposed by the National Association of Insurance Commissioners in 1976.

Every new life insurance policy is sold with a money-back guarantee assuring full refund of premiums if cancellation is requested by the individual for any reason, any time up to 10 days after delivery. The money-back guarantee enables buyers to feel more comfortable in making the decision to buy, knowing that the application for a policy is not an irrevocable commitment on their part.

The CLU Pledge

In all my relations with clients I agree to observe the following rule of professional conduct:

I shall, in the light of all the circumstances surrounding my client, which I shall make every conscientious effort to ascertain and to understand, give that service which, had I been in the same circumstances, I would have applied to myself.

Policyowner Service

The unique long-term nature of an individual life insurance contract creates a need to establish and maintain the best possible continuing relationship between buyer and seller throughout the years. We say, "your policy constitutes a lifetime claim on Equitable service." It is a meaningful commitment to stay in touch, a commitment on which we intend always to make good (please see page 24).

We have learned that policyowners are better satisfied with service if we keep them permanently linked to one Agent, preferably the one who originally sold the policy. We do exactly that. Each policy is the permanent service responsibility of one assigned Agent. To our knowledge there is no other company in which it is possible for all Agents to build and continuously serve a life-long, nationwide clientele. Neither was it, in the past, possible in The Equitable. Until a few years ago, about two million of our policies were disconnected from any Agent, because whenever the policyowner moved, we transferred the policy records to the new locality and hoped that another Agent might somehow recapture the service relationship. But that was rare, and with so much of the population moving each year, we eventually left a substantial number of policyowners without the regular attention of an Agent.

Now, all that has changed. In the future, no matter where the policyowner moves, travels, works, or resides, the same Agent will continue always to have service responsibility. If for any reason that Agent relinquishes a service assignment, we reassign the policy promptly to another Agent whose relationship to the policyowner is thereafter permanently fixed.

To help the Agent in serving individual policyowners, a complete Policy Status Exhibit is provided annually, or at any time on request, showing updated values, beneficiary arrangements, rider expiries, and other vital information. This data allows the Agent to review coverage thoroughly with each policyowner, on a personal, face-to-face basis.

All in all, we believe The Equitable may be the only major life insurance company providing for life-long, nationwide policyowner service in these ways.

Total Benefits and Dividends Paid in 1976

	(In Millions)
Death Benefits:	$ 607
Health and Disability Benefits:	1,397
Pensions:	577
Endowment and Cash Value Payments:	221
Dividends to Policyowners:	386
Total	$3,188

Claims & Benefit Payments

Because our business involves basic financial security, and because transactions may take place during times of stress for our clients, we have tried to build into our operations a sensitivity to customer need. Our claims payment policy and our program for responding to disaster situations (pages 26 and 27) are indicative of our commitment to be fair, prompt, and compassionate in dealing with customers. We are also concerned with protecting privacy and safeguarding personal information.

Benefit plans of our many thousands of group life and health insurance customers are serviced through a nationwide network of 55 sales and service offices and 47 benefit payment offices. Performance standards have been set to assure satisfying service from these offices, and our performance in meeting these standards is continuously monitored.

Providing efficient administration for thousands of employee benefit plans is a major operation. Continuing growth in the scope and complexity of these plans, as well as increasing Federal and state legislation in the benefits field, provide a growing challenge for us to do this job well.

Under a "no-profit" contract with the Secretary of Health, Education, and Welfare, The Equitable administers the Supplementary Medical Insurance portion of Medicare in Idaho, New Mexico, Tennessee, and Wyoming. In 1976 we disbursed $83 million to Medicare beneficiaries in these states.

Complaints & Commendations

Despite all we do to achieve and maintain consumer satisfaction, some things do go awry. When that happens, it is imperative that the policyowner knows we earnestly want to solve the problem promptly.

Through our well-publicized toll-free "Hot Line," customers may make immediate telephone contact with the home office or their regional service center. Service consultants assure prompt and appropriate disposition, always calling on the local Service Agent for any necessary face-to-face attention.

We frequently urge policyowners to write directly to the President if they are dissatisfied (page 34). Every such letter receives special attention. After corrective action has been taken, a follow-up letter goes out from the President asking if the customer is fully satisfied.

A Sales Complaint Committee, composed of Officers, reviews any dissatisfactions registered about the conduct of business by an Agent. If, after thorough investigation, the circumstances warrant settling the matter in favor of the complainant, a prompt adjustment is made regardless of cost. If, on the other hand, no such basis is established, the complainant is given a thorough explanation.

Whenever a bona fide criticism of an individual member of the Agency Force is established, it is referred to a Disciplinary Action Committee which, after careful review, makes an appropriate recommendation to the Chief Agency Officer. Termination is of course, the extreme, but certain, consequence of dishonest business conduct. The good name of The Equitable has been built on unquestionable honesty and trust.

We receive many commendations of Agents from policyowners and beneficiaries, providing assurance that Agents typically deal honorably in their sales activities and generally go all out to give service, often above and beyond the call of duty.

Life insurance companies are sometimes accused of sex discrimination in connection with disability income policies. The Equitable markets disability income insurance to women with the same benefit provisions and underwriting practices as for men. The only difference is in the premium rates, which are set according to actuarial tables reflecting the different incidence of disabling illness experienced for men and women.

We are aware of the continuing criticism of insurance underwriting practices that predicate on sex differences, and, where we have a basis to effect desired change, we aim to be responsive. Our business has made significant improvements to meet societal needs in recent years; we will continue efforts to do so in the future.

As a major evidence of consumer satisfaction, we note with pride that sixty percent of our individual life insurance policies (almost 2 million) have been on the books more than ten years; thirty percent (about a million) more than twenty years; fifteen percent (over half a million) have been in force more than thirty years; and eight percent, more than forty years. We think it significant to observe that huge numbers of policyowners continue to affirm their satisfaction with their life insurance policies by regular payment of premiums, year after year, with never a miss, for 20, 30, 40 years, or more.

And we should remind ourselves that each year about 35,000 individual policies are removed from our books when we fulfill the life insurance contract by payments to beneficiaries upon death of the insured. In the last year, almost 1,000 individual life insurance claims were paid on policies in force less than two years.

Consumer Service Indicators, 1976

	NUMBER	% OF TOTAL SALES
TOTAL SALES TRANSACTIONS	300,000	100%
MONEY BACK GUARANTEES INVOKED	5,185	1.8%
SALES COMPLAINT COMMITTEE CASES	395	0.12%
DISCIPLINARY ACTION CASES	73	0.025%

	COMPLAINTS	COMMENDATIONS
LETTERS TO THE PRESIDENT	1,145	218

	TOTAL	% HANDLED SAME DAY
"HOT LINE" PHONE CALLS	14,670	60%

	ACTUAL	GOAL
GROUP INSURANCE CLAIMS:		
% OF LIFE CLAIMS PAID IN 3 DAYS	75%	75%
% OF HEALTH CLAIMS PAID IN 5 DAYS	83%	87.5%
INDIVIDUAL INSURANCE CLAIMS:		
% OF LIFE CLAIMS PAID IN 3 DAYS	95%	95%
% OF HEALTH CLAIMS PAID IN 5 DAYS	75%	95%

The Equitable—As Investor

The Equitable's assets—over $22.4 billion as of year-end 1976—support our substantial long-term financial commitments and obligations to policyowners, contract-holders, and others whose funds we manage. By channeling these funds into safe, profitable investments, we produce earnings that minimize the cost of our insurance products to our customers, that support their retirement benefits, and that provide income and asset growth for other portfolios we manage. Our investment organization presently invests about $20 million each working day, $100 million per week, or $5 billion per year. We are clearly a significant factor in the capital markets of the nation.

We recognize that we have a responsibility not only to invest money profitably, but also to invest in ways that are economically and socially useful and beneficial to the general welfare. Therefore, we seek out investments which are supportive of the growth and well-being of our country, and we consider the potential social impact of each proposed investment. We provide capital funds for many worthwhile, social priority purposes, including, for example, environmental protection; energy development; housing; health care; education; redevelopment of blighted central cities; and production of food and fiber that make our nation the breadbasket of the world. Equitable investments help nourish the economy, increase employment, and, in general, raise the standard of living of all Americans.

Urban Redevelopment

The Equitable has a long history of involvement in the well-being of our cities. In the late 40's and early 50's, working with business and civic leaders in Pittsburgh, The Equitable helped transform a decaying urban slum into a vital business center. That project occupies the major part of Pittsburgh's famous Golden Triangle. It was the first large urban renewal undertaking in the nation, and it was accomplished with $100 million of Equitable funds. Today, we own and profitably operate most of the properties that constitute what is called Gateway Center.

Our investment dollars have helped transform the downtown areas of several other major cities. In St. Louis, we have invested $156 million; in Atlanta, $168 million; and in Los Angeles, $306 million. In Detroit, we have a total investment of $141 million, with $50 million invested in the downtown Renaissance Center.

All told, we own and operate more than $1 billion worth of real estate properties in cities across the nation, and additionally hold nearly $5 billion in commercial mortgages. Quite obviously, we have a considerable stake in urban America. Quite naturally then, we share a genuine concern for the continuing viability of our great cities.

In the late 60's, we committed $166 million as a participant in the life insurance industry's voluntary pledge to invest $2 billion in the urban areas for housing and job-creating projects. While much of this sum went for low income housing, substantial money was also invested in rehabilitation centers, day care centers, nursing homes, and health care operations.

Housing

Housing is a national social concern, and we are involved. Instead of putting out mortgage money for one home at a time (as we did for many years), we try to maximize our efforts by financing whole tract developments, or large apartment complexes; projects that often require more dollars than local lenders can provide, and that have the effect of creating substantial numbers of housing units.

Since 1970 The Equitable has financed the construction of almost 100,000 dwelling units. That amounts to enough housing for an entire city the size of Akron or Wichita. Our residential mortgage portfolio totals more than $2 billion, and it is increasing.

Agriculture

With food shortages besetting much of the world, increasing attention is being paid to American agriculture and its potential. Most countries must import food since they do not produce enough to feed themselves. Even some of the most highly developed countries are food-deficit nations. The United States is a food-surplus nation, supplying about 50% of all the food moving through international trade.

But, as with other expanding industries, agriculture needs large amounts of capital. We make substantial investments in a broad spectrum of American agriculture that produces grain, cotton, livestock, fruits, and timber. Our farm mortgage portfolio now exceeds a billion dollars.

Energy

Today, our nation is keenly aware of its energy crisis. Equitable investment dollars must play an important role in meeting our future energy needs. Thus, nearly $2½ billion of our assets are invested in energy-creating industries—electric utilities, gas transmission pipelines, oil refineries, and so forth. We supplied almost $100 million to help finance the Alaskan pipeline linking the Prudhoe Bay oil supply to the delivery point at Valdez, 800 miles away.

Conservation

Conservationists and environmentalists have sensitized us to the need for financing land acquisitions for preservation of wildlife. The Equitable has provided modest amounts of needed financing to assist in purchasing large tracts of land to protect the breeding stock of endangered species of birds. In one important instance, we provided needed temporary funds to help purchase and protect, as a natural refuge, one of the largest salt marshes remaining on the east coast.

Health

Deeply involved in the total subject of health and the system for health care delivery, we have been active in financing essential medical facilities.

Nearly a half billion dollars of our investment portfolio is committed to hospitals, nursing homes, clinics, and medical office buildings. In addition, we have provided important long-term financing to institutions engaged in medical research.

Small Business

Small businesses account for a very substantial part of the nation's gross national product. Yet such entrepreneurs generally have difficulty obtaining capital to build and expand operations—and their difficulty is expected to increase in coming years with the nation's projected shortage of capital. We are therefore placing increased and continuing emphasis on providing needed capital to smaller size businesses, including those owned by women and minorities. Without compromising high standards of safety and yield, we are seeking to extend needed financing to this vital segment of the nation's economy.

In addition to our regular investment activities for this purpose, we have created a significant pool of investable funds to support entrepreneurship in the minority community through our MESBIC (Minority Enterprise Small Business Investment Company) subsidiary, Equico-Capital Corporation. Through this entity, we provide funds to finance minority-owned businesses that have good growth and profit potential, using both loans and equity investment. Frequently, as the lead lender, we can help guide clients to additional sources of needed capital, or bring a group of financial institutions together in a joint participation. Thus, the value and effect of our Equico-Capital organization is multiplied far beyond its own resources.

Our leasing subsidiary, Equico-Lessors, provides financing of capital equipment for smaller businesses. In 1976, Equico-Lessors had $130 million invested in equipment leases, principally with industrial and commercial firms of small to medium size.

The socio-economic value of capital support to America's smaller-size businesses must be regarded as being in the nation's long-term interest; the history of our economy is replete with myriad examples of extended human benefit arising from the entrepreneurial inventiveness and ingenuity of small business operators with ideas of value in serving public needs in the market place.

Investor Concern for Social Issues

Stock Proxy Voting: Since The Equitable's assets include investments in more than $3 billion of common stocks, our policy on stock proxy voting (page 29) reflects the realization that we must combine a sense of social responsibility with our essential fiduciary obligation in managing such an investment portfolio. Therefore, significant proposals presented as proxy statement resolutions are thoughtfully considered, and our position responsibly decided, at the highest level of our company, to the satisfaction of our Board.

The Environment: Since some of our investments involve projects which have an impact on the environment, we strive to seek a rational balance between the economic and social factors involved. Such a balance cannot always be determined precisely, since the measurement of environmental factors is still not adequate to a precise science. Common sense and good judgment must prevail. The procedures we apply are:

1. Environmental aspects of each new investment are examined by a designated officer, who takes into account both positive and negative factors to the extent they are determinable. Only investments which pass meticulous examination receive the recommendation for approval.

2. If an environmental problem should develop with existing investment clients, we communicate our concern and cooperate to help overcome the problem.

In summary, we clearly recognize the imperative need to consider societal expectations and requirements in all we do as well as the long-imposed and well-understood fiduciary obligations we must properly and responsibly discharge.

Assets

At Year-End, 1976

General Account	**(In Millions)**
Mortgages	$ 7,774
Bonds	7,422
Policy Loans	1,437
Real Estate	851
Common & Preferred Stocks	804
Subsidiaries	151
Other Assets	866
Separate Accounts	
Common Stocks	2,316
Bonds & Other Assets	809
Total	$22,430

The Equitable—As Employer

The Equitable commitment to "coming right with people" applies universally to all members of The Equitable Enterprise.

We envision a day when all Equitable people can come to look upon their company as *"the best place in the world to work and to pursue a career."* We are working in many ways to reach that idealized perception.

Job Discussion

A Job Discussion is to be held between each individual and their supervisor at least once a year to consider their (1) work record, (2) job definition, (3) performance appraisal, and (4) plans for progress.

Job Posting

Our Job Posting system is designed to enhance career mobility by giving employees information about job opportunities throughout the company. A further aid to mobility is our Candidate Identification System, which tracks education, experience, job interests, and geographic preferences recorded for each employee, and matches that information against job openings as they become known.

Job Security

Equitable people enjoy a large measure of job security. Employment in our company is relatively stable because in quite remarkable degree, our business is neither seasonal nor cyclical. It is our policy to promote from within, hiring from outside only when specifications for a particular position call for capabilities not internally available.

When organizational shifts or relocations lead to job abolishments, our policy on Job Security seeks to afford every reasonable opportunity for reassignment or transfer, with special training if necessary, and without decrease of pay or benefits. We make every effort to find a new position of comparable level inside the company for any employee whose job is discontinued or relocated. If all earnest retention efforts fail, a liberal severance pay provision applies and new employment assistance is whole-heartedly provided.

Tuition Refund

Our broad and liberal tuition refund program helps employees improve their qualifications for advancement through additional formal education. Employees may qualify for substantial reimbursement of tuition for courses leading to a degree or related to career development. The Equitable pays 50% of the cost of books, and reimburses 100% of examination fees for those who earn passing grades. In addition, a wide range of in-house training courses is available on company time at no cost to participants.

Flexible Work Schedules

Our plan of flexible work hours enables many salaried employees to work their standard number of hours a week by varying their starting and quitting times, or working longer days to achieve a compacted work week. The program is proving beneficial in relieving traffic congestion and mass transportation crunches. The Equitable has joined in promoting this practice with major employers throughout New York City, and in other large metropolitan areas.

Career Consultants

Several management consultants are retained to help employees with specialized needs. For example, substantial numbers of women are participating in career planning programs; supervisors, in management improvement programs; minority groups, in career development seminars. We intend to continue these as long as real need exists and benefits are clearly derived.

Communications

Our communications program is aimed at meeting the need to know. Periodic briefings are held by the President, specifically for middle management, upper management, and the officers corps, to keep these key people informed. Meetings for other supervisory personnel are scheduled at a lesser frequency. In addition, three Rotating Advisory Panels, one each for minorities, women, and managers, meet regularly for informal discussions with the President. Members of the Agency Force participate in The National Agent Forum, the Black Advisory Council, the Women's Advisory Council, and the Hispanic Advisory Council. Such organs of communication hopefully serve to increase mutual respect, individual morale, and career satisfaction, and to decrease the likelihood of problems developing, or going unattended.

Recognition

We attempt to provide important recognition for superior individual performers.

An individual from each of our line Operations Areas is selected each month to receive the company's Outstanding Performance Award at a special recognition luncheon with senior officers.

A comprehensive recognition program is designed especially for members of the Agency Force, with top performers receiving appropriate annual mementoes in token of their outstanding achievements.

We think our recognition programs help provide a sense of individual identity and appreciation, important in a large organization like ours.

Health and Humanities

Our employee health center in the home office is a first-rate facility. To the extent feasible, we have sought through arrangements with nearby hospitals and clinics, to insure that comparable medical services are available to Equitable people at our various field locations.

We try to bring help to any member of The Equitable Family who needs professional assistance. Confidential counseling is offered for those who have personal or health problems. Our doctors help with referrals when outside health resources are being considered, and with follow-up on patient progress and prognosis for the information and assistance of relatives and family.

Compensation and Benefits

It is our policy to provide a compensation (salary and benefits) program that compares favorably with those offered by other major employers. For example, recent improvements include earlier vesting for the retirement and investment programs, a voluntary group life insurance plan, a liberalized early retirement plan, and increased coverage of maternity expenses.

Pregnancy disability benefits are now provided for six weeks, with payments continuing beyond that period in case of complications.

Under our investment plan, Equitable people may invest a significant part of their income with scheduled partial-matching contributions by The Equitable. Funds are invested in either a fixed income or an equity account, or both, at the discretion of the individual, and may be transferred from one account to the other under controlled procedures.

Salaried employees have the option to take salary raises on a prepaid lump-sum basis for the first year of the increase, instead of in the usual way.

Our pension plan is entirely funded by The Equitable at no cost to the individual. Our aim is to enable career people to maintain a standard of living in retirement reasonably consistent with that established during their working years. Recognizing the problem many people on fixed incomes face today, the program provides for cost of living adjustments of up to 3% annually, based on increases in the Consumer Price Index.

Each member of the work force annually receives an individual Benefits Report showing insurance coverage, vacation time, amount accrued in the investment plan, and a projection of retirement benefits based both on our own and Social Security benefits. To preserve confidentiality, this report is mailed directly to the individual's residence.

Affirmative Action

While holding consistently to high performance standards, The Equitable is making vigorous efforts to advance increasing numbers of qualified women and minorities to the more responsible, better paid, higher-level positions. We are pressing for total elimination of sex and racial bias. While equality of opportunity is mandated by law, we are giving it special, whole-hearted attention, with a motivation that goes beyond legal compulsion.

Affirmative Action goals for women and minorities are established annually. Officers, managers, and supervisors are expected to meet these goals just as they are expected to meet all other assigned performance goals. Importantly, their own performance evaluation takes Affirmative Action results into consideration.

Wherever major Equitable offices are newly established, it is our objective that at least 12% of the work force will consist of minorities. In most locations, we do better than this.

Overcoming the long term effects of historical disparity in the progress of minorities and women in the work force is not quickly accomplished. Yet all echelons of management are moving determinedly and in good spirit. We are committed to the concept of full utilization that represents the ultimate satisfaction of this established societal goal.

The Equitable Work Force

	1977 Total	1977 Women*	1977 Minorities	1972 Total	1972 Women*	1972 Minorities
SALARIED FORCE						
Officers	326	16	8	202	1	1
Grade 14-20	1,465	162	55	768	31	5
10-13	1,992	603	199	1,370	155	23
5-9	5,142	3,970	1,198	4,104	2,459	416
1-4	5,121	4,702	1,853	6,024	5,518	1,663
AGENCY FORCE						
Agency Managers	172	0	14	169	0	8
District Managers	961	8	135	810	0	84
Agents	7,219	411	700	7,321	93	469

*Including Minority Women

The Equitable—As Citizen

The Equitable is a local citizen in hundreds of communities throughout the land as well as a major insurer, investor, and employer. Therefore, our role as a good citizen is of special significance. We have an opportunity and obligation to demonstrate leadership that acts responsibly and responsively with respect to societal needs and expectations.

But we must do more than perform good deeds. We must carry the sense of social responsibility into our daily work as an integral part of our entire value system.

Conflicts of Interest

All employees must be aware of our firm policy on conflicts of interests. The policy prohibits accepting gifts, favors, or entertainment of more than nominal value, avoiding even the appearance of consequent influence on business decisions. Employees are required to avoid any personal gain from any business transaction they handle on behalf of the company.

Nepotism

We are sensitive to the problems which the employment or advancement of relatives may create. Although it is our policy to provide the fullest measure of fair and equal opportunity irrespective of marital or blood relationships, we specifically prohibit any favored consideration for employment, advancement, or compensation on the basis of relationships to Equitable people. We avoid assigning people to positions where it might appear that an individual has direct influence over the career progress or compensation of a relative. Employment of any relative of an Officer or Agency Manager is always reported to the Board.

Privacy

The individual rights to privacy of Equitable people and those with whom we do business are extremely important. We make no request for personal information which is not essential to a specific business purpose. Personal information is not made available outside The Equitable without the individual's knowledge and consent, unless required by law or in the enforcement of law. Outside use, exchange, or sale of company mailing lists is prohibited (page 32).

Sexist Language

We are determinedly trying to avoid the use of unintended sexist language. All forms, records, documents, and correspondence are being reviewed so that neither the sex nor the marital status of an individual is unnecessarily indicated, assumed, queried, or recorded. Cooperation of all is requested.

Political Contributions

We encourage individual participation of all Equitable people in the political processes of our nation. Personal political activities and financial contributions, according to one's own preferences and convictions, constitute an individual private right, to be respected and protected. The company itself, however, makes no political contributions to any candidate or party directly or indirectly. Subsidiaries are governed by the same prohibition.

Affirmative Purchasing

In further support of entrepreneurial development for minorities, as well as for women and physically-handicapped people, we have made it a policy to undertake an Affirmative Purchasing program with enterprises owned and operated by such persons.

Under our Affirmative Purchasing Program last year, we bought $2 million worth of goods and services from firms owned by women, minorities, or handicapped persons. We also seek to promote similar Affirmative Purchasing within the vendor organizations with which we do business. We believe this is an area in which voluntary action within the private sector can have immense favorable effect.

We now have active accounts, including deposits and lines of credit, with thirteen banks that are owned or managed by minorities or women. We also allocate at least 10% of the total national advertising budget to media specifically directed to the minority community.

Corporate Support

Our Corporate Support Program involves more than financial contributions for worthy purposes. We look upon corporate support as an opportunity to advance the achievement of societal goals through financial backing of selected non-profit institutions and organizations whose work makes a substantial contribution to the quality of life for all.

The Equitable matches personal contributions by our people (up to $2,000 annually per family) to accredited colleges, universities, and hospitals; public TV and radio stations; arts and cultural groups; independent medical research centers; and conservation, environmental, or ecological organizations. Matching grants within these categories are currently running above $300,000, which means Equitable people are creating philanthropy for these personally selected purposes totalling more than $600,000 annually.

Additionally, with Equitable offices located in almost every city and town in the nation, we recognize a need to stimulate participation in local United Way campaigns in communities wherever we operate. Equitable people annually pledge to more than 400 separate United Way Funds. Our corporate contribution matches these amounts, dollar for dollar. We believe that matching personal contributions to United Ways stimulates the generosity of all Equitable people toward this proven method of assisting community health and welfare agencies throughout America and gives us a sound and simple basis for making community allocations.

Public Interests: We contribute about $350,000 a year to carefully selected organizations working to assure equal rights and opportunity for minorities, women, the aged, and the physically handicapped. Among these organizations have been Americans for Indian Opportunity, ASPIRA, Catalyst, The Women's Action Alliance, NAACP, National Council of La Raza, and the National Urban League. We have also provided grants to legal defense and education funds for women, native Americans, Mexican-Americans, Puerto Ricans, and Blacks.

We also make contributions to organizations engaged in activities relevant to the business interests of The Equitable. These include the National Bureau of Economic Research, the Committee for Economic Development, the Regional Plan Association, the Economic Development Council, and the Citizens Budget Commission.

Education: We contribute almost $300,000 in small direct grants to more than 200 private colleges and universities, including a single-sum grant to the United Negro College Fund. We carry on a modest educational support program of scholarships for children of our Equitable Family through the National Merit Program.

For several years,we have been a major supporter of National Medical Fellowships, which provide scholarships to minority students during their first two years of medical school. We also have provided scholarships for those training to become administrators of health care facilities. In addition, we have had a significant role in health education through our continuing involvement with the National Health Council and in the establishment and support of the National Center for Health Education.

Voluntarism: The Equitable's Living Witness Program is a youth motivation program which provides disadvantaged students with an incentive to complete their high school education. Successful Equitable people, who came from similar early backgrounds, work voluntarily to help students become more aware of the value of education in today's world, especially in regard to employment.

The Equitable Tutorial Program brings together Equitable volunteers and youngsters from a New York City junior high school in one-to-one tutorial relationships.

The Senior Volunteer Program provides an outlet for the interests, energies, and skills of retired Equitable people through modestly subsidized volunteer assignments. Retirees serve with a dozen different organizations ranging from the Symphony of the New World to the Institute for the Crippled & Disabled.

Thousands of Equitable people are involved on their own, as directors, trustees, officers, teachers, and consultants, with a variety of colleges, hospitals, health organizations, and community service agencies. To help them in such endeavors, our Community Services Program responds to individual requests from Agents and Employees for support information on fund-raising, on the duties and responsibilities of board members, on the problems of alcoholism, drug abuse, smoking, and on literally hundreds of other specific community concerns.

In many cases, the services of Equitable people are just as important as direct financial support. Our Loaned Personnel Program enables several Equitable people to work full-time from one to twelve months with selected non-profit and government organizations (such as the Economic Development Council, Americans for Indian Opportunity, and the President's Executive Interchange Program), while continuing on the Equitable payroll. These forms of individual outreach and corporate support not only help the recipient organizations carry out their societal missions, but also provide our people with important developmental experience as well.

Societal Needs

In summary, we are troubled by the number of national concerns and global challenges that stand before us as unmet societal needs. Understandably, we are even more concerned where those matters impact our business, as in several cases they do. We sense the urgency of:

- assuring affordable health care for all
- meeting national energy needs
- maintaining a reliable Social Security system
- supplying food to meet world needs
- providing needed family housing
- controlling the rate of inflation
- developing a responsible welfare system
- improving mass transportation
- revitalizing our cities
- achieving a healthful environment

We will continue an ongoing review of these and other social issue priorities which loom large on the horizon. We will continue to cooperate with various organizations in the development of national social policy.

"The hope for this nation's social and political system is in society's fair-minded consideration of the need for private enterprise to maintain viability; continuing to produce, to earn, to compete, to survive, and to serve. If the corporation is not given that consideration along the pathway of the future, private enterprise will go down, and it will be supplanted by an inefficient bureaucratic system in which government takes over control of all means of production and distribution.

Then, where will we be in this "land of the free?"

Free society and free enterprise must come to share mutual respect for each other. We won't have one without the other."

Coy Eklund

A Closing Word...

In summary, we aim at "coming right with people" as an Insurer, as an Investor, as an Employer, and as a Citizen. In each of these roles we have a responsibility to behave in ways consistent with the public interest. Social accountability is inherent in everything we do; it pervades the total management process; it must be institutionalized as an integral part of our corporate value system.

At the highest level, the Corporate Social Responsibility and Business Conduct Committee of the Board of Directors monitors and reviews our total performance, manifesting the Board's concern for honesty, decency, and fairness in all we do.

The Office of Corporate Social Responsibility advises, counsels, and assists top management in staying abreast of the broad spectrum of social concerns. That office also formulates and proposes plans, programs, procedures, and policies and is responsible for periodic evaluation of social performance. Close coordination is maintained with each Operations Area through a designated Liaison Officer.

Achieving desired social performance is a functional responsibility placed squarely on the shoulders of the people who manage each major component of our business. Each Operations Area is accountable for its social performance just as it is accountable for financial performance and for goal achievement in general.

Periodically, top management meets for a thorough review of our progress in achieving the goals and objectives we establish each year. Through this disciplined process, we evaluate progress and add impetus to efforts during the performance year.

We are pleased, but certainly not satisfied, with what we are accomplishing. For the sake of our society as well as for our own best, long-range interests, we will determinedly continue to place firm emphasis on coming right with people, and we will strive always to contribute to the preservation of the whole and wholesome society upon which our entire future depends.

Coy Eklund
President and
Chief Executive Officer

There is no viable alternative for us. The inescapable burden of business freedom is social responsibility. Today, social irresponsibility is about as bad as financial irresponsibility.

Recognizing that the economic, social and political elements of our society are interrelated, interconnected, and interdependent, we must begin to take the needs of society more consciously into consideration in every move we make.

America is indeed "the land of opportunity." But that vision of opportunity is extended more vividly today to every citizen–to all minorities, to all ethnic groups, and now to all women as well.

Sheer survival instinct gives us a vital stake in the permanence of a whole and wholesome society. We must work to preserve a stable social environment conducive to the corporation's long-term existence and prosperity.

Office of The President

General Operating Policy

No. III-1

Subject: The Equitable's Computer-Assisted Policyholder Service (CAPS) Program

Date: February 23, 1976

It is our intention to establish a foremost position in the industry-wide effort of "coming right with the customer." We aim to achieve and maintain a full measure of continuous "customer satisfaction" regardless of where the policyholder moves, travels, works or resides. Acting as a closely-linked, sensitive and responsive marketing enterprise, we intend to bring policyholders an awareness of our extra concern for their continuing satisfaction, and well-being.

The means of making this happen is a complex system of carefully-assembled resources (human and mechanical) that, in their totality, should provide prompt, personal, accurate and satisfying response to any policyholder service need, regardless of who, where, or when.

A. Basic Principles

The convictions which underlie the program are the following:

1. The policy represents a lifetime claim on total Equitable performance -- service of high order, satisfying to the insured, and, of course, to the beneficiary.

2. The Agent is the vital connecting link between The Equitable and the policyholder which makes possible continuous and personal service on a one-to-one basis.

3. One Agent should be specifically designated for permanent service responsibility, committed to stand ready to respond to any service need.

4. The Agent carrying service responsibility must be provided all essential service support, consisting of complete, accurate and timely information relating to the policy and to all transactions connected therewith.

5. It is the inherent right and privilege of every Agent to fulfill the obligation of continuing service to a lifetime clientele of policyholders, no matter where they move, travel, work, or reside. Policyholders would prefer to look to the Agent who originally sold them, rather than be shifted to a new service arrangement with every move to a new locality.

6. If an Agent voluntarily relinquishes a policy service assignment, or dies or terminates, or neglects service, a new Service Agent should be named to the same permanent relationship as if the original Agent.

B. Commitment to Service Agents

The foregoing convictions imply a company-wide commitment to recognize, respect, and reinforce the Agent/Client relationship in all respects including:

1. A commitment to recognize the Agent/Client relationship as the primary, permanent linkage between the company and the policyholder; as the point of personal contact, the humanizing intermediary, the most effective means of conveying understandable communication and personal service.

2. A commitment to respect the Agent/Client relationship faithfully by seeking to avoid attenuating influences, and by acting with customers in ways that clearly establish, acknowledge, and honor the continuing existence of that relationship.

3. A commitment to reinforce the Agent/Client relationship by providing a timely flow of required policy service information which will initiate, enhance and strengthen the Agent's service effort.

EQUITABLE

Office of The President

General Operating Policy

No. IV-12

Subject: Claims Payment Policy

Date: January 25, 1977

It is our policy to process all claims expeditiously and to exhibit a clear sense of fairness in all of our dealings with claimants.

We must act to fulfill the expectations of insureds and beneficiaries by prompt and accurate payment, with interest from the date of death and with understandable explanation of the various settlement options available.

When it is necessary to investigate a claim, investigation will be started promptly and brought to the earliest possible conclusion. The reason for our investigation will be communicated to the Service Agent or to the Agency Manager.

Periodic payments to annuitants, and holders of income contracts will be mailed so as to be in their hands on the due date of the payment.

The terms of our health insurance policies will be fulfilled meticulously so that an insured who is hurt or sick may enjoy the financial benefit precisely as was promised at the time of purchase.

In all cases of doubt, we seek a way to pay a claim rather than a way to avoid payment.

Office of The President

General Operating Policy

No. III-3

Subject: Disaster Area Action Program **Date:** October 13, 1976

The Equitable recognizes that personal and financial hardship may be imposed on our customers in emergency situations created by natural or accidental disasters such as floods, tornadoes, hurricanes. earthquakes, major explosions and fires. We also recognize that serious disruptions of vital services may result from strikes involving entire postal, communication and transportation systems, or from other significant emergencies of national or regional scope.

It is Equitable policy to provide special assistance to our customers who are adversely affected under such circumstances, and when clearly appropriate, we will:

- grant extension in time for payments due to the Equitable;
- provide special service to expedite benefit payments;
- communicate these relief actions promptly to our customers through the most effective available media;
- call upon all Equitable personnel in the affected area to provide the best possible service and courtesies; and to cooperate fully with local, state and federal authorities in dealing with the emergency.

Pursuant to this program, each Line Operations Area will have a plan of action ready for prompt implementation, sufficiently flexible to be effective in any particular emergency of the type indicated.

Office of The President

General Operating Policy **No.** III-2

Subject: A Guideline For "Coming Right With The Customer" **Date:** April 10, 1974

Every large enterprise has the challenge of treating customers as the individual, human entities they are, with efficiency and consideration. Delays and errors can, of course, occur; but, when the performance break-down comes, it is incumbent on any business to "come right with the customer."

Consider what happens. The customer thinks something has gone awry. The customer signals that opinion. Right or wrong, courteous reception of the matter is the rule. Courtesy must characterize every step in the response. The general public is entitled to courtesy; but our customers must feel it heaped upon them.

In addition, the response to signaled need must be Accurate. The right answer must be provided; eliminating the problem, not compounding it! Getting it right the first time.

Waiting and wondering when or whether the service response will come isn't a pleasant experience for the customer either. Tempo of service is no less important than the substance of the response itself. Let the customer feel our sense of urgency!

And, the service response must be Personal.

It must be delivered on a one-to-one basis with a show of individual concern. "There's no one else exactly like you" should come through. Cold form letters don't do much along that line.

Then - the ultimate test: Is our service effort Satisfying to the customer? Have we covered the matter understandably? Meaningfully? Conclusively? Satisfaction is the result we must achieve.

So it is our policy to provide service that is:

Courteous . Accurate . Prompt . Personal . Satisfying

EQUITABLE

Office of The President

General Operating Policy

No. VI-14

Subject: Stock Proxies **Date:** April 18, 1977

As one of the largest financial institutions in the United States, The Equitable owns or manages on behalf of its policyholders and investment clients common stock of corporations whose activities and products reach into every aspect of life within our society. In its stewardship of these investments, The Equitable acts as a responsible stockholder of these companies, consistent with its fiduciary responsibilities for the financial interest of its millions of policyholders and investment clients. In this capacity, The Equitable is called upon each year to vote on proposals presented at stockholder meetings by management and concerned stockholders. The stock proxy policy of The Equitable is:

First, The Equitable recognizes its fiduciary responsibility as an institution to consider and act upon all proposals presented to shareholders of its portfolio companies.

Second, The Equitable believes that this responsibility includes the consideration of stockholder proposals which address social goals.

Third, The Equitable provides for the consideration and resolution at the highest levels within The Equitable of all substantive proxy proposals, including proposals which address the social concerns of our times.

By the expression and implementation of this policy, The Equitable seeks not only to meet its fiduciary responsibilities but also to respond to the social priorities and needs of our nation.

EQUITABLE

Office of The President

General Operating Policy

No. II-15

Subject: A Code To Work By

Date: January 25, 1977

This code is intended to serve as a fundamental statement and pledge of The Equitable's commitment to a high standard of excellence in relationship with its people, in the hope of making The Equitable "the best place in the world to work and to pursue a career."

1. To recognize and respect the individual dignity of all and the important role each plays in the achievement of The Equitable's goals and interests.
2. To attract, select, assign, promote and transfer individuals on the basis of their qualifications without discrimination, and to provide equal advancement opportunity at every level for minorities and women.
3. To provide the fullest possible measure of essential two-way communication; both giving and receiving information that facilitates a more whole-hearted and effective productive performance on the part of every individual.
4. To recognize and reward superior performance through compensation and promotion actions reinforced by appropriate forms of non-monetary recognition.
5. To challenge the ability of each individual as fully as possible through work assignments consistent with individual interest, aptitude and experience.
6. To encourage individual growth and development, not only for improvement of present performance and for promotion, but also for greater self-realization and genuine fulfillment.
7. To maintain fair pay at all times at any given location by considering job performance and prevailing salaries for similar work in the market place.
8. To maintain a benefit program that provides financial security and peace of mind.
9. To maintain working conditions and a working place conducive to pride, health, comfort, safety and efficiency.
10. To nurture and maintain attitudes throughout the enterprise that honor its functional diversities while strongly emphasizing its commonalities, its essential unity as one company.

Office of The President

General Operating Policy

No. II-7

Subject: Affirmative Action Program **Date:** February 23, 1976

"Why an Affirmative Action Program?" Because minorities and women have been discriminated against. In addition to the necessity of complying with the law, our Affirmative Action Program is predictated on three basic beliefs:

First — We believe equality of opportunity to be a fundamental principle and a moral imperative.

Second — We believe that the preservation and continuity of our company within this free society requires equal opportunity for all members of society.

Third — We believe that equal opportunity will enlarge our talent pool and enable us, with imaginative and effective management, to have a more competent and productive work force.

Beyond legalistic concerns, we have become increasingly aware that we must respect and protect the individual rights of every human being to exercise the full range of options with regard to what purpose each particular life is to serve. Each of us must have the opportunity to be all we can be - to maximize our human potential and to become a fulfilled person, possessing a sense of identity, self-esteem and individual worth.

EQUITABLE

Office of The President

General Operating Policy

No. IV-5

Subject: Privacy Principles **Date:** March 19, 1976

In recognition of the rights of all individuals, it will be our policy and practice to so conduct our business as to protect the rights and privacy of all our customers, Agents, and employees. We shall do this in ways that are reasonable and consistent with good business practices; with the rights of individuals as our ultimate guideline.

In the on-going pursuit of this principle, we shall:

1. Request and use only that personal information which is pertinent to the effective conduct of business.
2. Consider personal information collected and maintained to be of a confidential nature, recognizing our responsibility to provide adequate safeguards to maintain that confidentiality.
3. Refuse to make available, without the knowledge of the individual, personal information outside The Equitable or its subsidiaries, except to provide routine service or as required by law.
4. Make available to employees and Agents, upon proper request, any information we maintain on them; recognizing our obligation to protect the privacy of the source of the information.
5. Make available to policyowners and applicants, upon proper request, any information we maintain on them, recognizing our obligation to protect the privacy of the source of the information, and in the case of medical information, supplying that through the individual's designated physician.
6. Correct or delete any information found to be inaccurate, thus recognizing the importance of using timely and accurate information so that action adverse to an individual is not based on erroneous data.
7. Expect all employees and Agents to conform to our well-established ethical standards as to the confidentiality of personal information held by The Equitable.

Office of The President

General Operating Policy

No. IV-1

Subject: Corporate Aims Of The Equitable **Date:** January 3, 1977

The Equitable is a mutual life insurance company chartered by the State of New York. Our purpose is to provide insurance products and related services to help people achieve and sustain their financial well-being. We operate for the benefit of our members—the holders of our insurance and annuity contracts—with careful attention to our responsibilities as a member of the broader society.

To achieve our purpose with greatest benefit to our members, we must produce financial results that assure unquestioned safety and continuity, that provide for future growth of operations, and that consistently maintain competitive price levels for our products and services. We believe that more satisfying financial results can best be attained by a vigorous, dynamic, and growing company, socially sensitive and responsive to the public interest.

Our insurance business, by its nature, generates a large pool of investable funds. We conduct our investment operations to achieve the maximum contribution to financial results consistent with prudent and socially sensitive management.

The Equitable's success depends on creating and developing lasting customer relationships with individuals and organizations. Our satisfied customers (investment as well as insurance) offer major potential for extending the use of our products and services.

The Equitable's subsidiary companies engage in both insurance and non-insurance activities, all intended to support the achievement of our basic purpose and to contribute to satisfying financial results.

We recognize our social and ethical obligations as an employer and a corporate citizen. All members of our work force must have the opportunity for meaningful, fulfilling, financially-rewarding employment. With respect to the rights and interests of consumers and the public in general, our social and ethical conduct must be exemplary. As a major corporation, we must use our influence to maintain the continuity of a whole and wholesome society.

To Policyowners:

"I Don't Get Enough Complaints"

I mean it. I get a few, but I don't get enough complaints. And I know we can't be doing everything that well.

Nothing is more vital to The Equitable's success than coming right with our policy-owners. No measure of our performance can be as important as customer satisfaction.

We rely on the personal attentions of a professional corps of Equitable Agents. They serve as representatives of the total Equitable, available to you life-long and nationwide. They are committed to serve. But sometimes things can go wrong over which our Agent has no control.

If you experience any such difficulty with our service, I am asking you to let us know. You can use our toll-free, 800 "Hot Line" from any point in the United States. Or you can write to me directly—personally—if you prefer. I'd like to hear from you.

We want you to feel very good about The Equitable. Customer satisfaction is worth a lot to us. Do us the favor of registering your dissatisfaction. Give us a chance to solve the problem.

We intend to fulfill your expectations 100 percent, 100 percent of the time. Please complain if we don't.

President

Hot Line

A toll-free telephone facility is available nationwide to handle your inquiries and requests whenever local effort is unavailing. If—for any reason—you can't reach your Assigned Service Agent, please signal with a Hot Line call anytime between the hours of 9 a.m. and 5 p.m., New York time, Monday through Friday.

Use the *Hot Line*—**800-223-6646**—to:

—Request service or information

—Register a complaint

—Have your Agent contact you

—Add to your coverage

—Tell us something . . .

Your call will elicit a courteous, satisfying response in short order.

New York State residents please call **800-442-5880.**

Residents of New York City, southern Westchester and western Nassau Counties (New York), use **212-541-6730.**

Our Good Name

Though an institution may spread itself over the entire nation and may employ thousands of people, the average consumer will usually form a judgment of it through contact with only one individual. If that person is courteous and efficient in extending individual attention and consideration, the favorable impression created will last a lifetime.

I believe the Equitable enjoys an excellent reputation and standing nationwide because every member of the organization who in any capacity comes in contact with the public tries to represent the whole enterprise in a manner that protects and enhances our good name.

For that we are grateful. And mighty proud!

President

A reminder posted nationwide in Equitable offices

EQUITABLE

EQUITABLE AND THE BLACK COMMUNITY OF AMERICA

COMING RIGHT WITH PEOPLE

Front Cover:

"The Family," a life-sized statue by the renowned black sculptor Charles Parks, captures a spirit of enduring family strength. The Equitable acquired the bronze in 1977 and installed it in the company's home office. A recasting of the statue, presented by The Equitable in 1978, is also on display in the Equal Opportunity Building in New York City, headquarters of the National Urban League and the United Negro College Fund.

The Equitable maintains a strong and impor- tant corporate commitment to "coming right with people" as an insurer, investor, employer, and corporate citizen.

This booklet describes the ways in which we join with black Americans to work toward a better society.

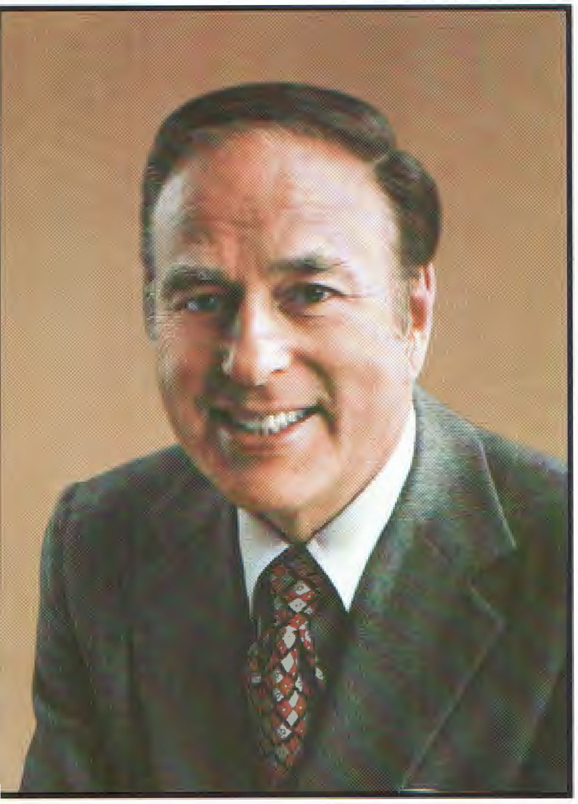
We have come to recognize that corporations exist and function as a franchised privilege— a privilege granted by society. Created by the people and continuing only with their consent, corporations undebatably must be socially responsive. We believe that long-term survival of the corporate world depends on meeting the expectations of social concensus. It is the only way we will continue to hold the confidence of the people of this nation and validate, to their satisfaction, the social legitimacy of the private enterprise system.

The inescapable burden of business freedom is social responsibility. Today, social irresponsibility is about as bad as financial irresponsibility.

We are proud of our social performance record. We are pleased, but certainly not satisfied, with what we are accomplishing. For the sake of society as well as our own best long-range interests, we will determinedly continue to improve our efforts in the high priority areas of equal opportunity and affirmative action.

President and Chief Executive Officer
The Equitable Life Assurance
Society of the United States
1981

OUR CONCEPT OF AFFIRMATIVE ACTION



THE EQUITABLE MAINTAINS A STRONG AND IMPORTANT CORPORATE COMMITMENT TO "COMING RIGHT WITH PEOPLE" AS AN INSURER, INVESTOR, EMPLOYER, AND CORPORATE CITIZEN.

At The Equitable, we recognize four essential components of Affirmative Action:

First, and basic, is *Equal Employment*, seeking to provide opportunity for equal access to jobs at all levels based upon qualifications, regardless of sex, ethnic origin, age, or handicap.

Just as important is the opportunity for *Entrepreneurial Development*, aimed at increasing business ownership.

As a major provider of capital, we also focus on *Social-Priority Investment*, aimed at deployment of capital where needed to meet social goals essential to continuity of a whole and wholesome society.

And we look to our *Corporate Contributions* program as an opportunity to advance the achievement of societal goals through financial backing of selected non-profit institutions and organizations whose work makes substantial contribution to the quality of life.

This four-part concept of Affirmative Action seems particularly fitting as we intensify efforts aimed at "coming right with people" to assure a socio-economic environment that is conducive to our corporate growth, progress, and survival.

ENTREPRENEURIAL DEVELOPMENT

Within the black community, a new force has emerged in the past few years—a burgeoning entrepreneurial spirit that promises greater financial independence for blacks, as well as an economically healthier society as a whole.

The Equitable recognizes that unless established businesses take an active role in cultivating that spirit, it will die, or at best, flicker ineffectually.

AFFIRMATIVE FINANCING

One of the most crucial and far-reaching aspects of our involvement with the black community in America is providing capital to minority entrepreneurs.

One of Equitable's most rewarding experiences has been its $4 million financing relationship with the National Black Network (NBN). NBN came into existence in 1973. Today, NBN is the only black-owned radio network in the world.

NBN now provides news and information to 90 black-oriented radio stations covering over 90 black markets across the nation and has the potential to reach approximately 70 percent of the entire black population of the United States. Since its inception, NBN has nearly tripled the number of its affiliates.

President Eugene Jackson (second from right) and Executive Vice President Sidney Small, both of National Black Network, monitor a newscast in the company's New York City studios.

LAND OWNERSHIP

Equitable has launched two separate projects—one in Florida and the other in Alabama—to help black farmers who want to own their own farms.

The Florida project, the Family Farm Cooperative, is being set up with the guidance of the Southern Cooperative Development Fund. The Equitable has committed $1 million to the establishment of the cooperative.

The program will permit black families to become involved in land ownership and farming with a relatively small outlay of funds. The Family Farm Cooperative will be located on 1,600 acres of land in Manatee County. Eighty black families will eventually receive deeds to tracts of land ranging in size from five to 20 acres. A minority-owned packing plant, servicing farmers throughout Manatee County, will market the crops raised on the farm.

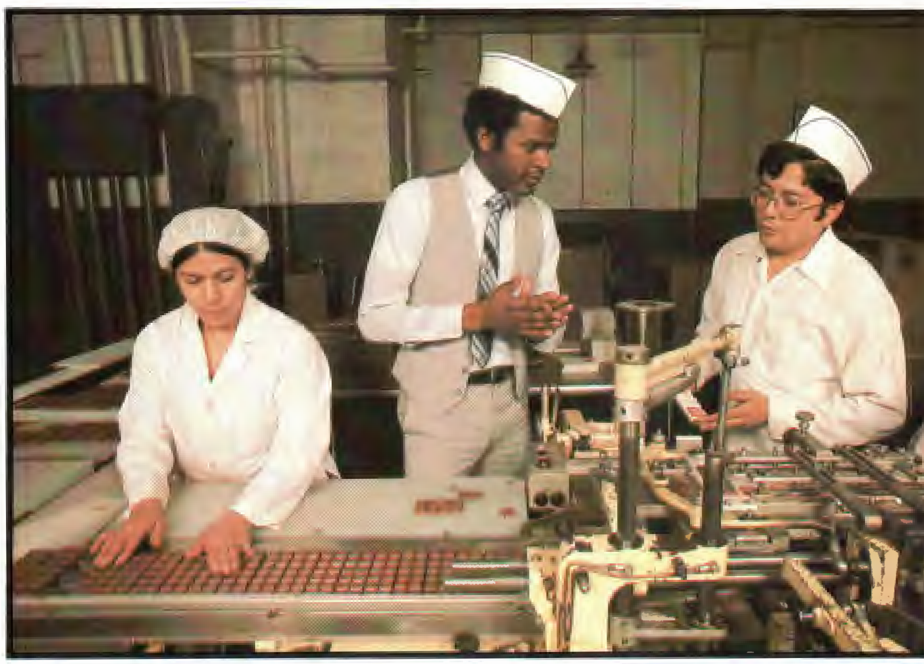
In Alabama, Equitable has worked with the Alabama Chapter of the National Association of Landowners to set up a revolving fund loan for land purchases. The fund will make short-term financing available to buy land being sold at partition sales or under other distressed conditions. The land will be held by the association for a short period of time until long-term financing can be secured for a farmer who will buy the land to add to his own farm. A major purpose of the program is to help black farmers achieve ownership of their land.

EQUICO CAPITAL CORPORATION

Equico Capital Corporation, Equitable's Minority Enterprise Small Business Investment Company (MESBIC), established in 1971, today is the largest MESBIC of the 99 active in the United States. A wholly-owned subsidiary of The Equitable, it now has investments of $84.4 million in 37 minority businesses, including manufacturing, distribution, retailing, service and communications firms. MESBICs are licensed, regulated and partially funded by the Small Business Administration with the provision that they invest in firms at least 50 percent owned by disadvantaged persons.

Several borrowers have built their enterprises to the point where they are now among the largest and strongest minority-controlled businesses in the country.

Financings have included acquisitions of white-owned businesses by minority entrepreneurs, as well as expansion of existing minority businesses. Equico Capital has also been a pioneer in organizing consortiums of MESBICs to provide capital for major expansions or acquisitions too large to be financed by one lender.



Opposite above:
Equico Capital Corporation, the company's MESBIC, or Minority Enterprise Small Business Investment Company, numbers among its clients Essence, *"the magazine for today's black woman." Here, Publisher Ed Lewis and Editor Daryl Alexander plan an upcoming issue.*

Opposite below:
Cocoline Chocolate Company of Brooklyn is another of Equico Capital's successful investment clients. Here, Craig Simmons (center), manager of sales development, and Plant Superintendent José Alvarez talk shop. Cocoline manufactures a variety of chocolate products.

Right:
Equitable purchasing agent Terry Carmon (left) meets with a vendor.

AFFIRMATIVE PURCHASING

In 1980, The Equitable spent $5.8 million on goods and services supplied by affirmative vendors, with $2.3 million going to black-owned firms. Included in those amounts were payments for professional consultancies.

To enhance and broaden the affirmative purchasing program, we are taking these steps:

- Working with national and local affirmative vendor associations to identify sources;
- Providing leads on qualified firms to departments throughout the company;
- Offering marketing and management assistance to firms that have the potential to become competitive.

BLACK BANKS

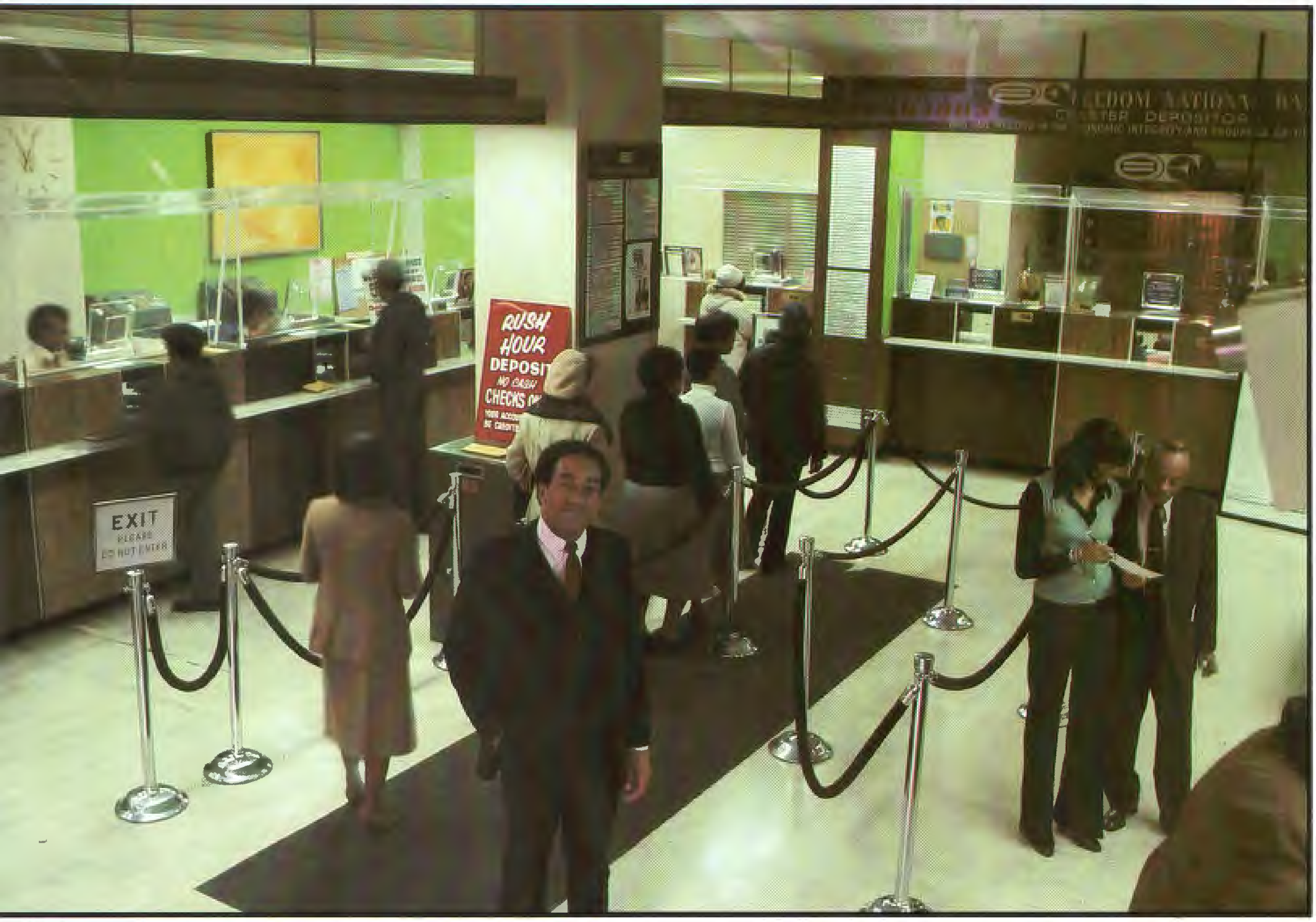
Freedom National Bank of New York has its main office on 125th Street—in the heart of Harlem—with a branch serving Brooklyn's Bedford Stuyvesant. A minority bank with over $60 million in assets, Freedom National ranks fourth on the Black Enterprise 100 list and number one in profitability among minority banks.

In 1968, through an initial $25,000 deposit in Freedom National, Equitable established its first link to the minority banking community. Today, as a major participant in the U.S. Treasury's Minority Banking Program, Equitable has working relationships with 9 additional black-owned and operated banks:

- The Bank of Finance, Los Angeles
- Citizens' Trust Company, Atlanta
- Independence Bank of Chicago
- Industrial Bank of Washington, Washington, D.C.
- Seaway National Bank of Chicago
- First Enterprise Bank, Oakland, Calif.
- First Independence National Bank, Detroit
- Gateway National Bank, St. Louis
- The North Milwaukee State Bank

ADVERTISING

Since 1966, The Equitable has supported black publications with ads specifically designed for black audiences. Advertisements such as the ones on this page appear in *Black Enterprise, Ebony, Encore,* and other black media.



Sharnia (Tab) Buford (foreground) is president of Freedom National Bank, New York City, one of 10 black-controlled banks with which Equitable maintains working relationships. Equitable Vice President Frank Savage is chairman of the board of Freedom National.

PUBLIC INTEREST ORGANIZATIONS

The history of black America abounds with stories of men and women whose individual victories over injustice have given others encouragement to press on for what is right.

Still, the progress the black community has made toward self-fulfillment might have been decades yet in coming, were it not for the leadership of the national black organizations and institutions that have evolved.

We at The Equitable admire the achievements of these organizations and institutions. We are committed to supporting their goals. We recognize that the vitality of our organization depends upon the strength of the total society.

Vernon Jordan (left), president of the National Urban League, with Equitable President Coy Eklund at the Urban League's annual conference.

NATIONAL URBAN LEAGUE

The Equitable is proud of its long-standing association with the Urban League. Over the years, we have worked with the League as a member of its Commerce and Industry Council, through our corporate support and loaned personnel programs, and by making available the time and talents of Equitable executives.

Equitable employees and agents in a number of communities across the nation serve in important volunteer capacities with local Urban League affiliates. President Eklund serves as a trustee of the National Urban League and as its national chairman.

NATIONAL URBAN COALITION

Substantial support has also been provided to the National and New York Urban Coalitions, which work with a variety of constituencies to improve urban conditions. Our Chairman John Fey is active on the National Urban Coalition's executive and steering committees.

NAACP

Grants in support of the social, educational and economic advancement of blacks have been made to the NAACP and the separate NAACP Legal Defense and Educational Fund, Inc.

VOLUNTARISM

Apart from its broad and deep corporate involvement with many public interest organizations operating in and on behalf of black America, The Equitable encourages its people to lend their individual time and talents to the same worthwhile cause, but on a more personal, community level.

The Equitable booth at a recent National Urban League Conference.

BLACK EDUCATION

Top:
Robert Malone (light suit) is an Equitable executive on loan to Morehouse College in Atlanta.

Above:
Currently serving as trustees of black colleges are these Equitable executives, from left: recently retired Vice Chairman Morton D. Miller, the School of Medicine at Morehouse College; Executive Vice President James A. Attwood, Fisk University; Executive Vice President John B. Carter, Morehouse College; and Senior Vice President Randall W. Proctor, Saint Augustine's College.

UNITED NEGRO COLLEGE FUND

The most significant of our contributions in support of higher education for blacks is to the United Negro College Fund, which was formed in 1944 to raise money for private, black colleges. The Equitable made its first grant to UNCF in 1946. Over the years, our support has steadily increased, until today we are one of the Fund's largest corporate contributors.

SCHOLARSHIPS

In addition to supporting the UNCF, Equitable contributes to scholarship funds aimed at minorities, such as the National Achievement Scholarship Program, which assists high-achieving black students in college; and National Medical Fellowships, which support first- and second-year students in medical school.

BLACK COLLEGE LIAISON

Our Black College Liaison Program gives us a unique opportunity to help black colleges and universities and, at the same time, to gain a better understanding of the concerns of the black community. In addition, it provides us with a pipeline for recruiting talented blacks for managerial and professional positions.

Through the program, we assign an Equitable officer to each of the participating schools. Through meetings with administrators, faculty and students, he or she explores the institution's needs and looks for ways to help. The plans have taken strikingly different approaches at the various schools, ranging from an executive-in-residence program to help in reviewing investment portfolios and exploration of income-producing possibilities of landholdings.

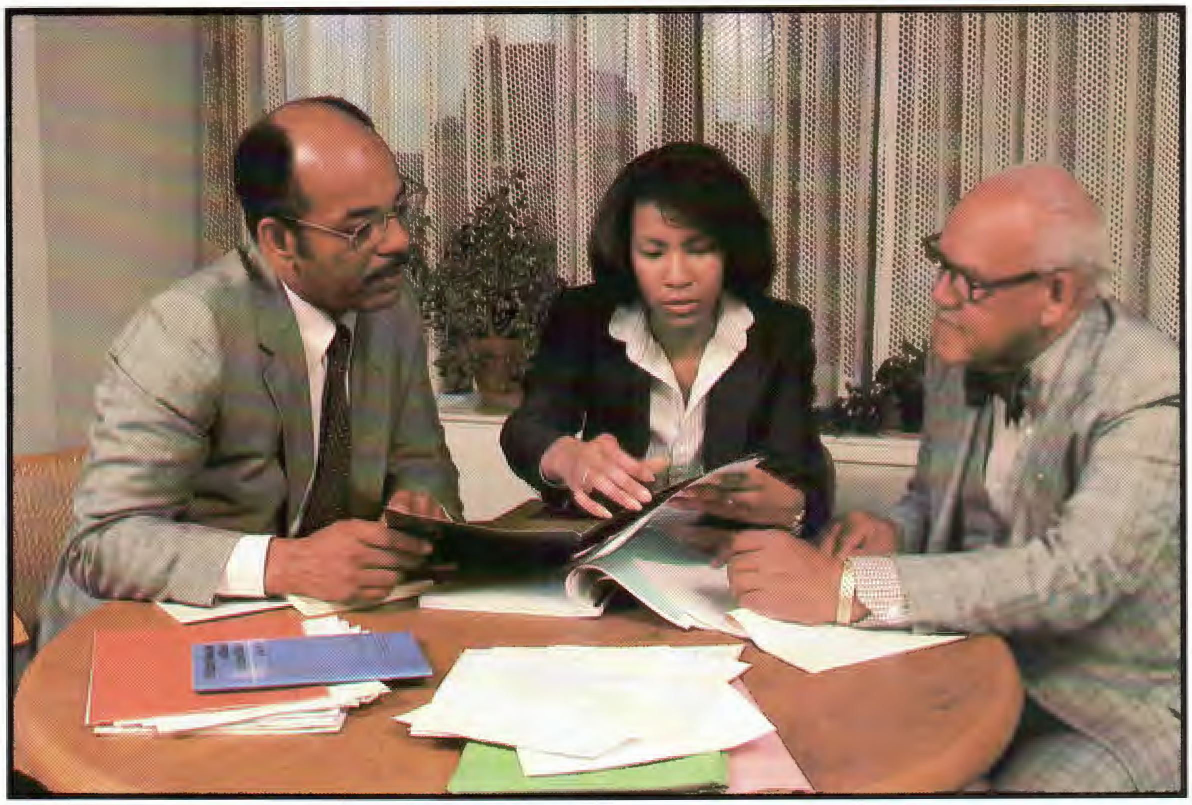
Institutions participating in the liaison program include: Alabama State, Clark, Florida A&M, Howard, Spelman, Talladega, Tuskegee, Xavier, Fisk, Morehouse, Morehouse School of Medicine, and St. Augustine's.

BLACK INTERNSHIPS

The Equitable selects outstanding students from black colleges to participate in the company's summer internship programs.

For 10 weeks, interns—usually students who have just completed their junior years of college—work full-time in our home office in New York City. The internships are designed to orient students to corporate life, while New York City offers them an opportunity for rich and varied cultural experiences.

Carol Balthazar, director, Social Performance Office (second from left), with college students working at The Equitable as summer interns.



Burnetta Burns, an investment manager at The Equitable, discusses the College Endowment Funding Plan with Christopher Edley (left) of the United Negro College Fund and Dr. Frederick Patterson, former president of Tuskegee Institute and developer of the endowment plan.

COLLEGE ENDOWMENT FUNDINGS

In 1978, The Equitable joined in a unique pilot program.

Conceived by Dr. Frederick D. Patterson, founder of the United Negro College Fund, the College Endowment Funding Plan is an investment program to help colleges generate endowments and operating income.

Six black colleges, all members of the United Negro College Fund, were the first institutions to participate in the pioneer venture: Bishop, Fisk, Rusk, St. Augustine's, Tuskegee, and Virginia Union.

With a $1 million low interest loan, The Equitable was the lead investor in the plan.

The plan will create endowments for the colleges once the debt to the insurance companies is retired. On completion of the 25-year program, it is estimated that each institution will have derived some $31,000 per year in operating income, while accruing an endowment of more than a million dollars.

A second round of the program, with Equitable as a major lender, was successfully completed with six other participating colleges at the end of 1979. And in early 1980, Equitable and other lenders committed $2.4 million in loan funds for a third round of the College Endowment Funding Program involving five black colleges.

Second-round institutions included Benedict, Dillard, Oakwood, Voorhees, Wilberforce, and Xavier.

Those in the third phase are Benedict, Rusk, Stillman, Tougaloo, and Tuskegee.

EQUAL EMPLOYMENT

The Equitable's commitment to "coming right with people" applies universally to all members of The Equitable Enterprise. President Eklund envisions the day when all Equitable people can come to look upon their company as " the best place in the world to work and to pursue a career. " Vigorous efforts are ensuring that blacks are an integral part of that goal.

THE SALARIED FORCE

While holding consistently to high performance standards, Equitable management is moving determinedly to advance increasing numbers of qualified blacks to the more responsible, better paid, higher level positions.

The last decade has witnessed a dramatic increase in the number of black employees and upper management blacks. In 1970, there were 1,720 blacks in the salaried force; by 1980, the figure was almost doubled. The officer and manager total more than tripled—from 49 to 175—in the same period. While equality of opportunity is mandated by law, The Equitable is giving it special wholehearted attention with a motivation that goes beyond legal compulsion.

AFFIRMATIVE ACTION GOALS

Affirmative action goals are established annually. Officers, managers, and supervisors are expected to meet them in the same way they are expected to meet other assigned performance objectives. Annual evaluation of their performance takes affirmative action results into consideration.

BLACK MENTOR PROGRAM

On a volunteer basis, the Black Mentor program teams each participating black officer with a senior officer in a close personal relationship. Most upper level black managers are similarly teamed with officers, providing an unusual degree of access to helpful counseling.

ROTATING ADVISORY PANELS

In 1975, a Rotating Advisory Panel was formed. This effective two-way communications avenue gives black employees a direct pipeline to the top—and it enables The Equitable's president to keep in close touch with the judgments, attitudes, feelings, assumptions, and expectations of black employees. The panel, which meets with the chief executive periodically, includes two representatives from each Operations Area. Panelists serve one-year terms. Half of the panel members rotate off every six months to be replaced by a new set of panelists.

Vice President Dorothy J. Orr heads The Equitable's Social Performance Office.

OFFICERS

Black Officers Council:
A Black Officers Council has been formed to assist and advise top management on companywide matters involving black recruiting, training, and development. The Equitable elected its first black officer only 10 years ago. Today there are 17 members of the officer corps.

The number of black officers at The Equitable continues to increase. The photographs on these pages are of members of the Black Officers Council (as of April 1, 1981).

The officers in the group photo are, from left: *Dorothy J. Orr, vice president, Social Performance Office; James D. Thomas, assistant vice president, Group Operations; Lewis Abney, president, Equitable Money Market Account; Linda M. Reed, assistant vice president, Investment Affairs; Terrance Blount, assistant vice president, Investment Affairs; Carroll E. Carson, vice president, Agency Operations; Robert J. Randall, vice president and actuary, Executive Headquarters; Glen Maynard, assistant vice president, Agency Operations; Darwin N. Davis, vice president, Agency Operations; Frank Savage, vice president, Investment Affairs; Theodore Q. Demeritte, vice president, Pension Operations.*

In insets are Alphonso A. Carlton (top row, from left), vice president, Agency Operations, and Arthur W. White, Jr., vice president, Group Operations; (second row, from left) William R. Howard, assistant vice president, Investment Affairs, and Victor Owens, assistant vice president, Corporate Headquarters; (third row, from left) Randolph Kinder, vice president, Executive Headquarters, and Eric Shearer, assistant vice president, Corporate Headquarters; and (last row) Duane E. Hill, president, Equico Capital.

Alphonso Carlton

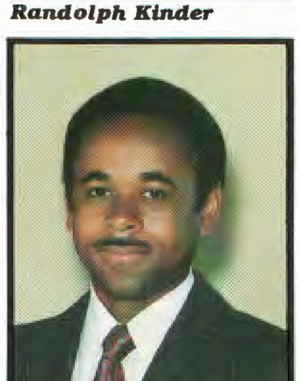
Arthur W. White Jr.

William Howard

Victor Owens

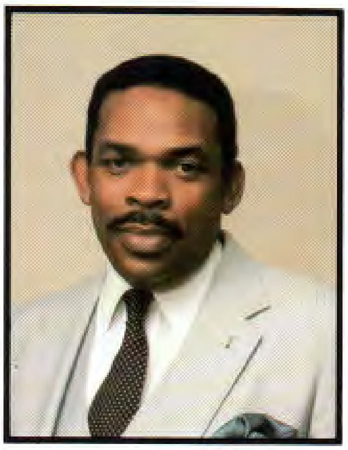
Randolph Kinder

Eric Shearer



Duane E. Hill

AGENCY MANAGERS



Agency Managers
The Equitable's 11 black agency managers make up the Black Agency Council. From left, they include: Eugene McGuire, Washington, D.C.; Raymond Davis, Flint, Mich.; James Obi, New York City; Clarence Wright, Falls Church, Va.; John Dodds, Chicago; Sidney W. Levy, Buffalo; Hyde H. ("Buddy") Anderson, Baltimore; Leroy A. Beavers Jr., Century City, Calif.; Leethel Neal, Century City, Calif.; and Frank Russell, Troy, Mich. Pictured above is Collier W. St. Clair, Atlanta.

THE AGENCY FORCE

Black agents and managers are making increasingly significant contributions to the growth of the agency force and The Equitable's sales success.

In 1968, having committed itself to increasing the number of blacks in its sales force, the company appointed its first black agency manager, and set hiring goals for black agents. At the time there were seven black district managers and 70 black agents, representing less than one percent of the agency force.

Before the end of that year, the Black Agency Council had been formed and had begun to contribute importantly to the development of plans and programs that continue to bear excellent results.

Today we have eleven successful black agency managers and 100 black district managers (all managing integrated organizations).

Perhaps most important of all, The Equitable is represented in local communities all across America by 1000 black agents, almost 20 percent of the sales force.

Many black agents and managers rank high among annual leaders in performance, producing fine results for The Equitable and enjoying a high level of professional success in their life insurance careers.

BLACK ACHIEVEMENT DAY

The annual Black Achievement Day dinner, hosted annually by Equitable's top management, focuses on both corporate and individual social performance. Attended by prominent black leaders in industry, government, and the professions, the event recognizes and salutes the many achievements and contributions of blacks within The Equitable.

HOWARD B. SHEPARD AWARD

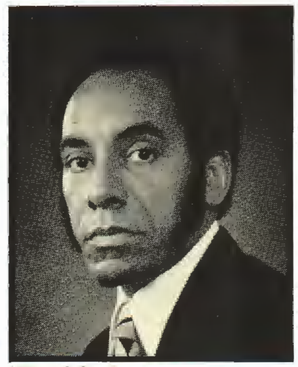
A highlight of the dinner program is the granting of The Equitable's Howard B. Shepard Award symbolizing appreciation of highly significant contributions to the values of opportunity and achievement. Nominations for the award are made annually by the company's Black Agency Council.

Recipients of the award have included Dr. Shepard himself; retired chairmen James F. Oates, Jr., and J. Henry Smith; Dr. John W. Riley, Jr., retired senior vice president; former director Dr. Andrew F. Brimmer; Earl G. Graves, publisher of *Black Enterprise;* and directors Jewel Lafontant and Clifton Wharton, Jr.

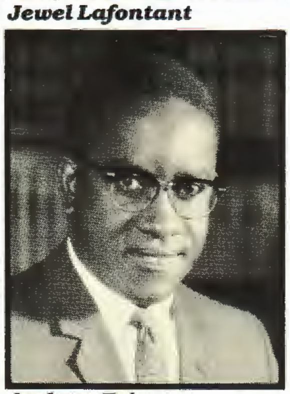
Clifton Wharton

Howard B. Shepard

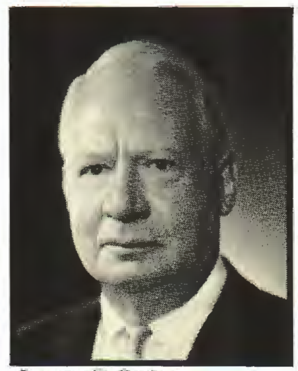
Jewel Lafontant



Earl G. Graves

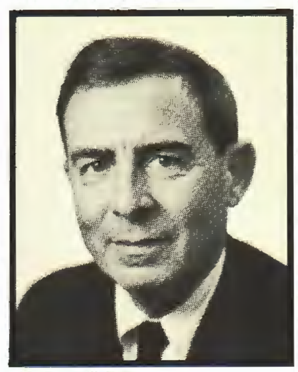


Andrew Brimmer



James F. Oates Jr.

J. Henry Smith



John W. Riley

OARD OF DIRECTORS

lacks have been represented on the Equita-
le board since 1969, when Clifton Wharton,
r., was elected a director of the company.
ubsequently Dr. Andrew Brimmer (1974)
nd Jewel Lafontant (1977) were elected to
he board. Dr. Wharton, the Chancellor of
he State University of New York, and Ms.
afontant, a counsellor-at-law, are currently
irectors. Dr. Brimmer (who left the board
1976) continues to serve as consultant to
he Equitable.

Jewel Lafontant

Clifton Wharton

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