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# ECONOMIC PROBLEMS OF WOMEN

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## HEARING

BEFORE THE

### JOINT ECONOMIC COMMITTEE

### CONGRESS OF THE UNITED STATES

#### NINETY-THIRD CONGRESS

SECOND SESSION

PART 4

JUNE 17, 1974

Printed for the use of the Joint Economic Committee

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# CONTENTS

## WITNESSES AND STATEMENTS

MONDAY, JUNE 17, 1974

Javits, Hon. Jacob K., member of the Joint Economic Committee, presiding: Opening statement-----	Page 581
McClaurin, Benjamin F., president. Professional Household Workers Association-----	582
Cunningham, Evelyn, director, Women's Unit, State of New York-----	585
Torton, Ina, director, New Time-----	588
Epstein, Cynthia, professor, Queens College, New York, N.Y.-----	592
Norton, Eleanor Holmes, chairperson, Commission on Human Rights. New York, N.Y.-----	595
Peratis, Kathleen, director, Women's Rights Project, Women's Civil Liberties Union-----	599
Seifer, Nancy, director, Community Relations, American Jewish Committee-----	601
Platt, Marguerite, president, Working Mothers for Fair Tax Treatment--	603
McCaffrey, Carlyn, assistant professor. New York University Law School--	604
Betanzos, Amalia V., vice chairperson, New York City Housing Authority--	613
Shack, Barbara, assistant director, New York Civil Liberties Union-----	616
DeSaren, Carol, vice president for employment legislation and education, Manhattan National Organization of Women (NOW)-----	619
Hodges, Gertie, director, Seabury Day Care Center-----	623
Williams, Lucille, Seabury Day Care parent. Bronx, N.Y.-----	625
Radcliff, Dolores, East Harlem Day Care parent-----	626
Fasteau, Brenda Feigen, director, American Civil Liberties Union-----	631

MEMORANDUM

TO : THE PRESIDENT

FROM : SECRETARY OF STATE

1. The Department has received information from the  
2. intelligence community that the Soviet Union is  
3. planning to launch a major offensive against  
4. the United States in the near future. This  
5. information is based on a report from a  
6. source who has provided reliable information  
7. in the past. The source has indicated that  
8. the Soviet Union is preparing to launch  
9. this offensive in the next few weeks.  
10. The Department is currently reviewing this  
11. information and will report to the President  
12. as soon as possible. The Department is  
13. also taking steps to ensure the security  
14. of the United States in the event of  
15. such an attack.

## ECONOMIC PROBLEMS OF WOMEN

MONDAY, JUNE 17, 1974

CONGRESS OF THE UNITED STATES,  
JOINT ECONOMIC COMMITTEE,  
*Washington, D.C.*

The committee met, pursuant to notice, at 9:30 a.m., in room 305, 26 Federal Plaza, New York, N.Y., Hon. Jacob K. Javits (member of the committee) presiding.

Present: Senator Javits.

Also present: Leslie J. Bander, minority professional staff member.

Senator JAVITS. The Joint Economic Committee will come to order.

The Chair would like to state that Congresswomen Griffiths, who is a member of the full committee, regrets very much that she is unable to attend today and has asked me to carry on the hearing on the economic problems of women on the part of the committee; Mrs. Griffiths having been designated by Chairman Wright Patman to conduct these hearings on the subject wherever they may be held.

The Chair wishes to make an opening statement.

### OPENING STATEMENT OF SENATOR JAVITS

One, to express my pleasure at being in my home city, and being authorized to conduct the hearing on so important a subject.

In light of the trend reflected by the Bank of America agreement in California last week, major corporations are busying themselves for purposes of righting the balance in employment and advancement opportunities for women, before they are hauled into court.

Although there is a common belief that it is becoming easier for women to make their way in the economy, the most recent figures available from the Women's Bureau at the Department of Labor show that exactly the opposite is true: In 1971 the median earnings of all women as a percentage of all men's earnings was 59.9 percent. However, in 1972, the latest date for which statistics are currently available, this percentage actually declined to 57.9 percent—showing an increase in the differential pay between men and women. Now, there are already laws on the books which are supposed to correct this inequity. I believe that the statistics prove that existing legislation is either insufficient or that there are too many loopholes in these laws which allow their intent to be circumvented.

Women face a frustrating situation when deciding whether or not to enter the labor force. The treatment of women, for example, under our current tax laws and social security and private pension plans provides little incentive for many women to become employed. Child care deductions are limited. They are not considered a business expense. Now full deductions are permitted for those earning joint incomes of

\$18,000 per annum and 50 cents of every dollar may be deducted for those who earn under \$27,000. Inflation has driven up the dollar figures of salaries and wages, while at the same time keeping real income either the same or lower. Additionally, there are an inadequate number of day care centers, both in quality and quantity. Women whose working years are interrupted by childbirth are penalized in social security benefits.

Contrary to popular opinion that most women work to bring in money for extras, outside the normal course of life, the Bureau of Labor Statistics reveals that 42 percent of all women workers are single, widowed, divorced, or separated from their husbands. Nineteen percent of the women workers in this country have husbands whose incomes are under \$7,000. These women—the ones who must shoulder either all or a significant part of the financial responsibility for the entire households—are the same people who find it difficult to obtain credit to buy a home, who pay higher rates and receive less coverage from many insurance companies, and who may be denied the right to have a major credit card.

This State, I am pleased to say, has just passed a most progressive law to deal with many of these problems. There is still a need for national legislation which would correct many inequities. Last week I voted for a bill which prohibits discrimination based on sex or marital status in connection with any consumer or commercial credit. We are now waiting for action by the House.

Some of today's witnesses will address the important issue of the woman who works a lifetime in the home, providing services of recognizable necessity and importance, yet who has no opportunity to be covered by either a private pension or social security.

Our purpose in today's hearing is to air suggestions for national legislation which would address the important issues I have mentioned, and also to discover loopholes in the existing Federal legislation which must be corrected in order for Federal laws to be truly effective. Legislation must insure that discrimination is no longer allowed; and enforcement is needed to continue at much more rapid and effective rate. The Department of Labor has found that less than half of the back pay owed to women, because of violations of the Equal Pay Act, has been paid. The Equal Employment Opportunity Commission must be adequately staffed and funded to prevent a backlog of compliance cases for fiscal year 1974. We must remain vigilant as we try to continue in the tradition of the 1967 Civil Rights Act, the Bank of America agreement, and the Equal Rights Amendment.

That ends the Chair's statement.

The Chair would appreciate it if witnesses would limit themselves to 5 minutes in a direct statement leaving some time for questions. And we will start from left to right.

Mr. McClaurin, who is an old friend, very distinguished New Yorker, president of the Professional Household Workers Association, would you proceed.

**STATEMENT OF BENJAMIN F. McCLAURIN, PRESIDENT,  
PROFESSIONAL HOUSEHOLD WORKERS ASSOCIATION**

Mr. McCLAURIN. Thank you.

The Household worker occupation is one that cries out for sustenance and continued development at city, State, and the national level. A dual need for our entire society is represented here: (1) The

employer needs competent, trained household workers, and (2) the employees are seeking the ways in which they may develop careers of both distinction and dignity within the frame of their chosen occupation.

Over the years, this society has witnessed a declining number of much-needed household workers. Conversely, the need—the demand—for competent, well-trained household workers has been sharply increasing for the past quarter of a century. Twenty-five years ago, the ratio of working women in this country was one out of nine. The number of working women has steadily increased until now the ratio stands at one out of three. That singular statistic is just one of the major indicators of why the demand for competent, well-trained household help is on the increase. As there are more and more working mothers in the business and commercial job markets, there is an ever-increasing, corresponding need for household workers.

For decades—even generations—the household worker occupation has suffered in terms of its image. It has traditionally been degraded, discriminated against, downtrodden, and made to appear servile and unwanted. This image—this general attitude—has produced within this much-needed occupation generations of frustrated and lowly paid workers. Thus the diminishing numbers within the occupation.

This image—this general attitude—has put untold thousands, and perhaps even hundreds of thousands, on welfare relief roles. And, therefore, our total society suffers not only the loss of household workers, but our economy suffers the increasing burden of welfare costs. Most household workers have never known the benefits which most other workers take for granted. Such benefits as health, accident, and life insurance—sick leave—vacations with pay—retirement benefits; these are practically unknowns in the lives and careers of household workers. And I emphasize most strongly that household workers suffer the most blatant of economic and social discrimination. There is indeed an ongoing and dastardly irony in the plight and suffering of the household workers of this city, this State, and this Nation: While there is an ever-increasing cry—growing louder with each passing day—for competent, well-trained, household help; the affluent in our society cry for such help, the ever-increasing numbers of working mothers cry for such help, the aged—the handicapped—all constitute an ever-growing demand for such help; and yet the numbers of workers diminish because of discrimination and lack of any semblance of parity with other workers in the labor force.

Clearly, this Nation can no longer afford to ignore the ever-rising demand for the services of household workers and simply offer conscious sympathy for their plight. The cost to this Nation in terms of pure economics and loss of jobs that need to be filled is much too great a price to pay—and the resulting loss and suffering accrue to all segments of our society. Rather than witness a decreasing number of much-needed household workers, the leaders of this Nation should feel constrained to move away from the rhetoric of the past and start now to make powerful efforts to attract and help to provide additional workers in this increasingly essential occupation.

The Professional Household Workers of America, whom I serve as president, has set forth a plan—a design—a structure that would upgrade, professionalize, give dignity and economic gain to an entire

vocation while simultaneously giving ever-growing support to the ever-increasing needs of employers.

The Professional Household Workers of America has set forth objectives for the express purpose of designing a structure for the economic and social upgrading of an entire vocation having a membership of more than 1½ million in this country; a design that would give an economic uplift, not only to that vocation, but to other tangential business interests; a design which gives to the members of that vocation economic benefits which, as a group, they have never had: A design that gives to that vocation—and to its people—a sense of dignity, pride, and stature which they have never enjoyed; a design that would pose no threat to the employer, but rather work in behalf of both the worker and the employer.

The design of the Professional Household Workers of America is two-pronged:

(1) A multicourse training program for household workers structured to afford the worker the opportunity to climb a career ladder within the frame and scope of the vocation.

(2) A society of peers would be formed for household workers in order to bring about the accrual of economic benefits to be derived from group health and accident insurance, group life insurance, bonding, pension plans, and public recognition of the household worker as an individual skilled in an honorable occupation.

The training program for household workers is a most important vehicle in the development of skills and professional attitudes. The program further serves to add to the numbers of competent and much-needed household workers. As pointed out earlier, the demand for competent household workers is high and increasing out of proportion to other occupations. An effective training program directed especially to include the young and unemployed produces dividends in all sectors of our society.

Skills and competency relating to the upkeep and maintenance of the home or apartment are essentials valued most highly by the employer. The professionally trained household worker more fully develops and understands wise budgeting and shopping, the use of the most effective cleaning compounds, oils, polishes, and other household cleaning agents. The well-trained worker more fully relates to the needs and the well-being of the elderly, the handicapped, and children in the home. The trained household worker has knowledge of safety factors and precautions to protect the health and well-being of both children and adults.

It should also be emphasized that few employers of household help have a clear understanding of either the skills or the time required to complete tasks. In addition, relatively few employers of household workers have the desire and required competence to teach and train household workers. Generally, the household worker is deprived of the opportunity to learn the basic and upgrading skills while being tutored and trained on the job. Further, the household worker is normally subject to the appraisal of an employer who may neither know how to perform household tasks nor wish to instruct the worker. The training program thus serves a real need for both entry-level workers and for those who wish to upgrade their occupational skills.

Should governmental agencies at city, State, and national levels aid in the subsidization of career ladder training programs for household

workers for a period of not less than 1 year and no more than 3 years, the Professional Household Workers of America could then be given the opportunity to formulate a society of peers. That grouping would be developed for the express purpose of creating and sustaining a self-help benefit program that would give to household workers that which they have never had as a group: Insurance programs, bonding, retirement plans, their own credit unions, and a host of other self-help benefits to give the household workers of this city, this State, this Nation, a greater sense of economic and social status.

Should we poll this public forum on this occasion to determine the most debased, the women in our society who encounter the adverse effects of discrimination every day of their lives, that most downtrodden of women would most likely be the 93 percent of the labor force of the household workers of America. It is ironic that this is one of the most essential vocations within the frame of the entire labor market. These women are representatives of a vocation who hold the responsibility for the most valued and prized possessions we have: our homes, our children, parents, grandparents, our sick, our handicapped, and such tangibles as our prized paintings, antiques, and other accoutrements to be found in our homes.

And now in concluding this presentation on behalf of household workers, allow me to present to this committee a format—a methodology—for governmental agencies to help to advance the economic status of household workers.

A most logical and economically sound beginning would be to allocate funds at city, State, and national levels to establish research and demonstration programs of outreach, training, and placement of household workers. Offer programs of training that would both upgrade and professionalize the skills of household workers; programs that foster and develop a society of professionals, having the respect, the admiration, and the economic benefits which they have never had but which is rightfully theirs. I would urge you to profoundly consider the plight of women who know the meaning of economic discrimination better than most; those who simply choose homemaking as a career.

This country badly needs household workers; and the need grows greater every day.

Give them career ladder training programs to upgrade and professionalize their skills. Give them an opportunity to formulate a society of well-trained professionals. Give them a chance, for the first time in their lives, to be a part of the American dream. Thank you.

Senator JAVITS. Thank you very much, Mr. McClaurin.

Ms. Cunningham, would you come forward. Ms. Cunningham is director of the Women's Unit, Office of the Governor of New York.

Would you please make your statement now.

#### STATEMENT OF EVELYN CUNNINGHAM, DIRECTOR, WOMEN'S UNIT, STATE OF NEW YORK

Ms. CUNNINGHAM. Thank you.

Senator Javits, I deeply share your concerns with the economic problems of women, and I welcome your invitation to testify specifically in the area of employment.

Much research and reading, many interviews with knowledgeable, well-informed people have made one strong point with me. Everybody is in favor of job training for women. The who, what, when, where, how of this training is not as clear as the declaration of support.

What is quite clear, as Edmund Burke said, is that "The only thing necessary for the triumph of evil is for good men to do nothing." I would add that the triumph of evil is doubly assured when good women do nothing.

And there is no question that too many good women are doing nothing—in the job market.

Grim pictures were drawn last year during a seminar of the Council of Economic Advisers, by a number of distinguished economists.

Hilda Kahne, assistant dean of the Radcliffe Institute, reported that "Relatively few companies include women in their training program and many entry level jobs open to women do not permit an evaluation of managerial capability."

She pointed out that the qualities and skill growths needed to justify advancement for women are still demonstrated only in recognized, traditional ways—that criteria from work and life experience to permit identification of talent have not been set—that little if any use has been made of the application of the role model concept in recruiting and training women.

At the same symposium, Eli Ginzberg, another prominent economist, noted that:

... since you move to middle management and from middle management to top management, through education and training opportunities within an organization, and through the external training programs, I have been very distressed over the years that I have been doing external training that you almost never see a woman at the senior management seminars.

For 10 years, I had all the technical personnel in one of the largest chemical companies in this country come through my hands, about 1,100, and we had one woman in those 10 years. I have been a member of the faculty of the Graduate School of Business, we ran a big in-house management program for 22 years, and we have had two women in 22 years.

So I submit, that unless the question of training, both in the more important internal company programs and in the more important external training programs, are opened up to women, women are not going to be available for senior appointments, because a large number of the companies choose their appointments from these programs.

Despite the fact that employers are required to develop written affirmative action plans for recruiting, hiring, training and promoting women, few have even reviewed the access of women to management training programs, as well as to jobs at all levels.

Neither industry nor government have made many efforts to recruit from the existing sources where women are likely to be trained. They have not really opened up their occupational structures. Top management has not yet become seriously involved in the task of communicating to lower management that it take this seriously.

Meanwhile, the cost of discrimination in employment and promotion is high. In the last 7 years, the Department of Labor has collected from employers about \$56 million in job discrimination cases. In the last year and a half they have collected \$31 million. Court decisions have shown that good intentions are not enough.

The Equal Pay Act of 1963 notwithstanding, women are still earning only 59 cents for every dollar earned by men in comparable full-time positions.

The class of persons most deeply affected by such employment discrimination consists of minority women—who suffer from dual discrimination by virtue of both their race or ethnic background and their sex.

In the words of Commissioner Frankie M. Freeman, of the U.S. Civil Service Commission, "Sex and race unite to render minority women most discriminated

against. This doesn't, of course, deny the severe discrimination which both minority men and white women also suffer. However, further data reveal that—in addition to having lower incomes—minority women are more likely to be in the labor force and to have higher rates of unemployment than any other group of persons. This is especially devastating to black families, as 32 percent of our families are headed by women. Because of the double jeopardy which minority women face in regard to employment, education, and the granting of credit, 54 percent of these families must exist at or below the poverty level.

The number of employed women has increased by 6 million since World War II, while the number of licensed day care centers has decreased by 83 percent. This clearly has a serious impact on the minority woman who must work to support her children—or accept the welfare system, without adequate provisions for the care of those children, and without adequate income to provide for them.

The advancement of the most qualified people, women as well as men, black as well as white, into managerial, professional, and technical positions will be the key advantage of tomorrow's winners over the losers who remain locked in rigid, traditional notions about the roles of women and the roles of blacks in the world of work.

The world of work is an ideal testing ground to assess one's personal worth, and this world desperately needs women—not only for their potentials, their special skills and talents, but also for their special spirits.

I find little evidence that women are being encouraged to plan and train for better jobs, that there is any real effort to speed up the process of eliminating the discriminatory and illegal sex labels attached to jobs, that some job training is not farcical, and that women are being prepared for nonexistent jobs.

I am especially depressed and concerned about black working women who seem to be caught in the middle of a hurricane of white women's rights rising on one side—and a tornado of black men's rights blowing up a storm on the other side.

They know the possible tragedy of black women working side by side with black men to achieve civil rights, only to discover that they are still second-class citizens within their own race because of their sex. Black women, perhaps more than any other American women, need and seek the instruments that can assure their personal worth. They have the most to gain from the equality of opportunity for women and they recognize their potential for bringing both the women's groups and minority groups together for unified approaches around basic issues.

Thank you.

Senator JAVITS. Thank you very much, Ms. Cunningham.

The Chair has some questions of the witnesses.

Ms. Torton, I'd like to point out, for the record, that we have a letter from the Office of Management and Budget, which commits the Federal Government to part-time employment as a matter of Federal policy, so the Tunney bill, which I support, simply tries to implement a policy which we have already adopted.

My suggestion would be that if you have had actual places in the Federal Government called to your attention where part-time work could be a factor, that you call it to our attention. And I will undertake to pursue it and find out whether part-time work could suffice.

Would you be good enough to do that?

Ms. TORTON. Surely.

Senator JAVITS. Second, what is the impact of day care on the part-time employee business, and is the day care network adequate?

You just heard testimony from the State level that day care centers have decreased 83 percent. I assume you meant day care slots; is that right, Ms. Cunningham?

Ms. CUNNINGHAM. Yes.

Senator JAVITS. It is a long standing grievance of mine, I have worked with Eleanor Guggenheimer, who is the angel of day care, 20 years ago, and I thought we had made considerable progress. Obviously, we haven't.

Would you give us your view on it, Ms. Torton?

#### TESTIMONY OF INA TORTON, DIRECTOR, NEW TIME

Ms. TORTON. I would say that the progress is actually negative. For one, the slots have been cut back terribly. They are insufficient to fill all the needs of women going to work.

Day care is terribly inadequate in all suburban communities. It is terribly inadequate in the inner cities. It just doesn't even begin to account for the needs of women who must go to work and yet with children that would be left unattended, and therefore job possibilities are impossible for them.

But beyond the issue of day care is the whole issue of school-age children, whose school schedules end at 3 o'clock or somewhere around there, and at the same time the regular work schedule runs from 9 to 5 o'clock.

Senator JAVITS. Now, we have the elementary and secondary education bill, which is in conference right now, a provision for community schools, which is designed to keep schools open 24 hours a day, including weekends. Now, has any thinking been done as far as you know as to how this type of plan might be utilized for the children who go to school and then are free to roam after 3 o'clock?

Ms. TORTON. I think that is a very touchy sort of issue. I mean, I don't know how people will really respond to that notion, the idea that school is a place children go all the time.

It seems a little frightening to me, and not terribly realistic in terms of solving real needs, needs for parents to be with their children and to participate in other activities in their community together.

I still think that time needs to be allotted for the adult world and child's world to come together at normal periods of time such as afternoons and early evenings. I think that would really be the most effective measure for most people except in times of dire necessity.

Senator JAVITS. What does the organization do, New Time, that you are connected with?

Ms. TORTON. It is an employment agency, basically, which I started in 1970, dedicated to the idea that part-time employment is a necessity for women, in particular, if they are to reenter the labor market and for men in order to have access to alternatives to full-time employment.

Senator JAVITS. And your testimony is based on that experience?

Ms. TORTON. That is right.

Senator JAVITS. Thank you.

Mr. McClaurin, I gather that the organization that you head, Professional Household Workers of America, does not have a large membership; is that correct?

Mr. McCLAUIN. That is correct.

Senator JAVITS. I don't want to restrict your opportunities by asking you how many members you have, but if it would not embarrass your organization, we'd appreciate knowing the percentage of the universe being served, the universe being all of the household workers in a given area.

Are you national in scope or are you local to this area?

Mr. McCLAUIN. At the moment we are confined to the area, and the reason for that is the fact that we have not been able to establish a full-time staff to service these people. We are hopefully expanding our program in the State.

There are 160,000 of these people in the State. There are 1½ million in the country as such. And what we are hoping to do is to devise a program that will relate to the needs of these people around the Nation.

Senator JAVITS. Have you gotten any foundation support for your organization?

Mr. McCLAUIN. As of this time, no.

Senator JAVITS. Are you seeking any?

Mr. McCLAUIN. We are seeking funds from both the foundation, State, city, and Federal level. We have had a 13-week pilot project that has been most successful. As a matter of fact, we think we have the answers to the needs to improve the lot of household workers.

Senator JAVITS. You say a pilot project. Could we have a detailed description in writing concerning the number of people, what you have done, precisely how you have operated, and any end results?

Mr. McCLAUIN. We'd be very happy to.

Senator JAVITS. You know I was the chief proponent for household workers getting the minimum wage, so I am very deeply interested.

Mr. McCLAUIN. One of the reasons we are not proposing new legislation in the field is we would like to apply the legislation that is now on the books. And, truthfully, with a little help from the Federal, State, and city governments, and sufficient funding, we believe this group will be in a position to fund its own programs in a year or two and actually become a part of the job market.

Senator JAVITS. Have you tried getting other unions to support any organization drive? Of course, I have known you for years in the trade union field—have any unions shown any interest in giving you some backing?

Mr. McCLAUIN. This is a long story, too long to tell. At this point the trade union movement as such, I don't believe, is particularly concerned about this group. And one of the reasons for it is that they don't see at the moment how they can get a quick return on their investments, because they are dealing with individuals. And they have not been close enough to us to know that once we are organized, we will have a sustained organization that will be comparable to the trade unions as we know it.

I believe that in time we will get support from our friendly unions, but as of now; no.

Senator JAVITS. The manpower training programs, and I have been associated with them for at least 15 years or more, which included household training; did they not? What's happened there?

Mr. McCCLAURIN. The pilot project was sponsored by the manpower training program.

Senator JAVITS. That is the MDTA?

Mr. McCCLAURIN. That is right. We are now seeking long-range support. Hopefully this will come quickly, because we want to maintain the momentum that was generated as a result of our pilot project.

Senator JAVITS. That is, your pilot project was done under a manpower training program of the Federal Government?

Mr. McCCLAURIN. That was done under the city agency with city funding.

Senator JAVITS. With any Federal help?

Mr. McCCLAURIN. No.

Senator JAVITS. Has the Federal comprehensive manpower training program been in this field?

Mr. McCCLAURIN. As of now; no.

Senator JAVITS. Well, it was.

Mr. McCCLAURIN. Some time before, but in recent years almost nothing has been done.

Senator JAVITS. I will look into that. I am very interested in what you say, but there are so many aspects in the Federal establishment that even we who are very active don't always keep up with all of them, but I promise you that we will take a good hard look at this to see why, what there was, why it was phased out, and whether it should be phased back in.

Mr. McCCLAURIN. I think one of the important things that we must keep in mind here is the fact that until very recently there's been very little organization in this field. I think the time has come, I think the idea's ripe, I think overnight we could have thousands of these people in an organization. And with an organized group, they would certainly be in a better position.

Senator JAVITS. You know, household work is by no means low pay now, unless people are being cheated. Like so many other families we have a good deal of part-time help, and it is quite expensive. That is fine, and I have no quarrels with it. But it seems to me that whereas you dealt with people who were really very marginally skilled, today it doesn't have to be that way.

Mr. McCCLAURIN. The real truth, Senator, grows out of the fact that there are very few skilled workers in the field. Those that are skilled are being well paid, but the majority of them are not.

We have had a very recent situation where people in Miami, for instance, were getting as low as \$3 a week. These were the Cubans who came over from Cuba. And, of course, food, and a place to stay, and \$3 a week meant a livelihood.

But even in our own city, we have had a great deal of exploitation in this field, with the aliens who come in. Of course, the people who hire them understand that they are here illegally, and they exploit the aliens because for them a job paying a dollar a day is better than going back to someplace where they get almost nothing.

But I do think the key to all the ills of this forgotten group lies in the success of an organized group.

Senator JAVITS. Alien domestic workers—are they a major problem for you?

Mr. McCCLAURIN. It is a major problem.

Senator JAVITS. You have no estimate of the number of thousands who might be around?

Mr. McCCLAURIN. It is difficult to estimate.

Senator JAVITS. The immigration authorities might be able to help us with that.

Mr. McCCLAURIN. They have some estimates, but I doubt that they would have any up-to-date figures.

Senator JAVITS. What about the minimum wage, you haven't had a chance to appraise the effect of the minimum wage yet, have you?

Mr. McCCLAURIN. The minimum wage in New York certainly has been helpful outside of the city of New York. In New York most of the household workers are getting a minimum of \$2.50 to \$3, but upstate it has definitely helped because though we had a State minimum wage of \$1.85, most of the workers were getting \$1.50 to \$1.75. The \$2 minimum certainly changed the lifestyles of a lot of workers.

Senator JAVITS. And will it result in bringing more people into the household work force?

Mr. McCCLAURIN. It definitely will.

Senator JAVITS. It should.

Mr. McCCLAURIN. It definitely should.

Interestingly, our pilot project gave us some inside information which we didn't expect. Most of the people in our organization, some 700 or more, have been 40 and over. But in the pilot project, the majority of workers were 25 to 30, which indicates that if we improve the conditions under which these people work, a lot of young people will return. This is very definite.

Senator JAVITS. Of course, I personally feel that the "call me Mister" aspect of it is the most important of any; that is, the dignity of this work.

Mr. McCCLAURIN. That is important. That is why the training program must be tied up with any effort we make at this time. One of the most exciting things that came out of our pilot project was the fact that at the end of 2 weeks we gave a certificate, and many of these workers felt as if they were getting degrees in a college. It was just that important to them. And so we are hopeful of getting the State to set up training criteria and give certificates. The certificate will improve the attitudes of the people who hire them, because it will indicate that these people have skills and have been trained in certain fields, and can assume certain responsibilities.

Senator JAVITS. My last question relates to social security, to the deduction for domestic workers from taxes. Has that had any effect? For example, the child care deduction?

Mr. McCCLAURIN. This has been one of the most important aspects of our program.

As you perhaps are aware, many household workers have been a little leery about giving a social security number, largely because they have not been paying Federal income taxes.

They are now beginning to realize that they don't make sufficient funds to pay income tax. They also are beginning to realize that pensions and the unemployment insurance is also tied up with paying into

the fund, and we are having no problems attempting to get social security numbers and to relate to the workers the importance of paying into the fund.

As a matter of fact, one of the aspects of our program is to assist a lot of employees in helping to keep records for them. This, too, will also enhance the mutual benefits that will come from a program such as we have outlined here.

Senator JAVITS. I forgot one question that I'd like to ask you. Have you tried getting bonding for household workers?

Mr. McCLaurin. Not at the present time, but we have been in touch with bonding companies. It is not going to be a difficult task.

One problem now is to maintain the kind of organization that will relate to the workers' needs. One of the reasons why we have hesitated to get bonding is because there is such a shortage of good help in this field. We didn't want the public to know we were training people until we had adequate funds to develop the training. As soon as we know that we have long-range funding, we will go the bonding route.

We will also inform the people who hire workers as to the kind of social security benefits and the other aids which should go to workers.

Senator JAVITS. Thank you, Mr. McClaurin.

Professor Epstein, we'd like to ask a couple of questions of you.

Is there any Federal law or any strengthening of the Federal law that you could suggest, either now or give us a memorandum with the record, to deal with what you call informal employment discrimination and all the subtle ways which you have described? For example, I have little doubt that the reason for the good settlement of Bank of America, that they had a pretty good idea that the proof against them on that very point would be very strong, and so the lawyers undoubtedly did a very good job. I just wondered if there's anything other than the actual practice in the case that you could suggest to us.

#### TESTIMONY OF CYNTHIA EPSTEIN, PROFESSOR, QUEENS COLLEGE, NEW YORK, N.Y.

Ms. EPSTEIN. Well, I think that there are no laws at this time that actually guard against the informal kinds of discrimination other than the insistence on goals and timetables. And the goals, for instance, which were part of the legislation in the case of the telephone company, should be made in order to promote women from within the company, and bring in women into managerial levels within some kind of minimum number.

But, of course, these efforts have been very limited, and as I mentioned in my testimony, there seem to be infinite ways of getting around those various kinds of job titles and job designations. One thing that can be done is to insist that companies devise job profiles and perhaps work definitions which could be objectively appraised to see whether or not the job changes were real moves toward actual promotion rather than just being changes in titles.

Senator JAVITS. Have you any direct relationship with the Equal Employment Opportunity Commission by way of experience or consultant work?

Ms. EPSTEIN. I have had a peripheral relationship with them, just in testimony and in conferences on research.

Senator JAVITS. I would like to inquire of the Commission on that score and I will tell you why. Because, really, what you are saying, and please tell me if you disagree, is that once you establish a basic case for discrimination that you can design remedies which will meet certain criteria. But until you get the companies into court, or somehow get them to face the basic problem, the remedies become very elusive themselves.

In other words, if you prove any discrimination against women, then one can cover your subject very well by fashioning appropriate remedies, but until you do get them into court, or, to a point where they have got to admit basic discrimination, it is very difficult.

Would you agree with that?

Ms. EPSTEIN. Yes; I do. I think what strides we have made have come from the fact that some teeth were put into EOC's ability to confront companies.

But, of course, the backlog is so huge, perhaps additional funding might be considered, and additional staffing for agencies such as that.

Right now they are carrying, as far as I know, the major burden which is—as you pointed out—fashioning guidelines for people in other industries. But I think the minute that policing of incentive is let down, evidence shows that corporations feel a change in the wind and nothing more has to be done.

So the minute you find the decisions are not coming through in a fast and furious rate, then generally the companies deintensify their own efforts to conform to the guidelines, for example, as on Federal contract compliance.

Senator JAVITS. We tried the so-called Philadelphia plan, which is similar to what you are talking about and I argued for its constitutionality against the General Accounting Office. Of course, their view prevailed.

But the plan is not popular enough that it could be easily extended to the women's field. No one has tried.

Will you be good enough, if we arranged it, to confer with the Equal Employment Opportunity Commission, and be a consultant for me or for all of us in our committee, and see what they are doing, and how you could help them? Would you do that?

Ms. EPSTEIN. Sure.

Senator JAVITS. Ms. Cunningham, one thing I'd like to ask you, and that is, where are we failing in the minority women's classification? After all, that is about the clearest law we have in the Civil Rights Act. Where are we failing?

Ms. CUNNINGHAM. I think—

Senator JAVITS. When I say "we" I mean federally, where are we failing?

Ms. CUNNINGHAM. OK. I think generally we are just not taking the law seriously as it applies to minority women. Really, I hate to oversimplify, but increasingly, in my encounters with people from the Federal Government, they do not seem to take it seriously.

On the other hand, I believe minority women need to know a little more about what their rights really are. This is a problem.

Senator JAVITS. But you are connected with a State agency.

Ms. CUNNINGHAM. Yes.

Senator JAVITS. And our State certainly is very favorable to this general policy.

Is there anything we could do to beef up the State's furnishing of information, and so forth?

Ms. CUNNINGHAM. Well, the State right now has a working task force which was appointed by the then Governor Rockefeller, a task force on equal employment opportunity for women in State government. It is composed of about nine heads of State agencies. And I happen to be a member of the task force. And we are delving intimately into the problems, the psychological problems, the philosophical problems, not only of women, but minority women. And I think because we have uncovered many new problems we are able to more clearly define what the current problems are.

I think we are going to come up with a task force for what will be a national model.

Senator JAVITS. Could you then undertake to keep us apprised of whatever recommendations the task force has regarding Federal legislation and Federal practice?

Ms. CUNNINGHAM. Yes.

Senator JAVITS. Will you do that?

Ms. CUNNINGHAM. Indeed I will.

Senator JAVITS. And then we will try to profit from that experience. Is there anything about day care that ought to be said in the particular area in which you testified, Ms. Cunningham?

Ms. CUNNINGHAM. No more than what I testified. I think that is rather devastating.

Senator JAVITS. It is devastating.

Well, it has been a long-standing campaign of mine, and we thought we had made considerable progress under the amendments to the Social Security Act, but obviously until we have something like family assistance plan or an intelligent universally applicable program that puts money in the hands of the client, as it were, I gather the problems will only diminish slowly. Have head start and all those things helped particularly?

Ms. CUNNINGHAM. They have helped. The demise of them certainly—not head start—has been very, very painful.

Senator JAVITS. There won't be any demise for head start.

Ms. CUNNINGHAM. I do understand that.

Senator JAVITS. The jeopardy is to the community action agencies of day care programs, and even there I am confident that for the next few years we will carry them on somewhere. I want a separate agency instead of plunging them into Health, Education, and Welfare. But they will be carried on whether I win or not, or people like me will win.

Thank you all very much. You have been very gracious. I appreciate it.

Your testimony will be extremely helpful.

Now Ms. Norton.

Ms. Norton, you have been a great leader in this field with the New York Human Relations Commission, and I appreciate very much your general knowledge of what we can do in the Federal Establishment regarding these questions of discrimination, and so forth, as they affect women, if you please.

STATEMENT OF ELEANOR HOLMES NORTON, CHAIRPERSON,  
COMMISSION ON HUMAN RIGHTS, NEW YORK, N.Y.

Ms. NORTON. When I was first appointed chairperson of the New York City Commission on Human Rights 4 years ago, the caseload barely reflected women's concerns. Only one or two complaints a month were brought by women. The overwhelming preponderance of cases were brought by blacks. Race cases still comprise the majority of complaints received by the commission, perhaps reflecting the 300 years of conscious-raising in the black community made virtually unavoidable by the oppressive nature of American racism. But it is sex discrimination cases from women that have accelerated most rapidly, reflecting the coincidence of the commission's own outreach efforts and the phenomenal growth of the movement for women's equality. Women's complaints continue to be the fastest growing category of complaints received at the city commission, with, it would seem, no end in sight.

Though these complaints are brought under the city human rights law, our interpretations of municipal law must be consistent with title VII of the Federal Civil Rights Act. The Federal courts have made title VII a new and useful tool, redefining discrimination to reflect modern understanding of the causes of exclusion. Exclusion of entire groups such as women does not flow from malevolent design against individuals nearly so much as it is the product of artificial barriers that exclude entire groups. Non-job related tests and qualifications, recruitment from narrow pools, and failure to consider skills and on-the-job experience are examples of barriers that work against entire groups and must be broken if we are to have any impact on millions of people locked out by discriminatory systems.

The courts did not reach this more complex plateau of interpretation all by itself. The credit for this leadership must go to the Equal Employment Opportunity Commission whose own regulations, guidelines, and briefs filed before the courts have been the single most important impetus to improved enforcement of equal job opportunity in the United States in the past 8 years.

Considering the greater impact of enforcement as against other strategies, the single most important thing this joint committee can do is to reinforce and strengthen the EEOC. Under Chairman William Brown, the Commission for the first time became a national force in dismantling discrimination, and the record and forthrightness of Chairman John Powell would seem to indicate a continuation of high quality leadership.

The fact is that the Nixon administration, whose record on matters of equality is generally dismal, has nevertheless made the EEOC and employment discrimination an exception to the backward civil rights direction it has generally chartered. The administration must be credited with perfecting "affirmative action," the only tool thus far developed that has a reasonable chance of eliminating discriminatory hiring and promotion practices. Affirmative action requires Government agencies and contractors as well as private employers to remedy systems that are neutral in appearance but discriminatory in effect, such as recruitment only from white male sources or the use of a masters of business administration degree as the only entree for women

to corporate employment at the upper levels. Affirmative action technology calls for monitoring the results often through goals and timetables, used where a finding of discrimination has been made; it remedies the legal wrong of exclusion by gaging the available work pool among the excluded groups and encouraging remedial recruitment for a stated period, usually 2 years. By that time the excluded group should be included in sufficient numbers so that most neutral practices such as word-of-mouth recruitment no longer have a discriminatory effect.

Commission-initiated affirmative action has had a greater impact on the employment of women and minorities in New York City in the past 4 years than all the individual complaints brought during the entire history of the commission. Figures show a doubling and tripling of minority and female workers in companies which the New York City commission has sued, in all cases by initiating complaints against the largest companies without waiting for a complainant. This work has been done pursuant to grants from the EEOC.

Ironically these highly successful results are threatened because EEOC is under pressure to revert to the case-by-case approach to relieve its burdensome caseload. The caseload problem should not be underestimated, and it must be relieved if complainants are to be afforded justice before the Federal commission. But it would be tragic to accomplish the reduction of the caseload by a complete reversion to the slow 1950's and 1960's case-by-case approach. This approach guarantees that we will reach no more than a tiny fraction of the excluded. Pattern and practice remedies, as contrasted with individual cases, necessarily have impact on the entire class, wiping away whole systems of inequality.

This is especially true of sex discrimination. What keeps women in the lower reaches of the job market are barriers that cannot be touched except through systemic pattern and practice agency-initiated complaints. Such discriminatory barriers as the failure to provide maternity leave, the clustering of women in clerical jobs with no mobility to other categories, and the use of unjob-related credentials are systemic problems that require reform of the entire personnel system; not the ad hoc case complaint procedure.

I urge this committee through its influence on funding and emphasis to help EEOC find a balance between case complaint handling and systemic pattern and practice work. Grantees such as the city commission should be encouraged to do both, including systemic work in a job market such as New York City in which agency-initiated pattern and practice work has been highly successful.

Finally, on another important matter, the commission is seriously concerned that most Federal money comes to this and other cities with only the vaguest requirements for its use in a fair way to avoid discrimination. Only LEAA has issued formal regulations requiring affirmative action plans to be submitted for the receipt of Federal money. Most other agencies rely only upon an innocuous statement of nondiscrimination. This can only reinforce discriminatory patterns in local and State governments. These patterns are hard enough to dismantle without reinforcement by Federal money. Something similar to revised order 4, the Presidential Executive order relating to the construction trades, is in order for all Federal agencies who disburse Federal funds to cities and States.

In summary, let me urge that Congress and the Senate give greater oversight to enforcement practices and priorities. There are, of course, areas of needed legislation, and enabling legislation will be necessary even when the ERA is passed. But increasingly, legislation is not where the action is. This does not mean that the legislative process has no role. On the contrary, legislative input into enforcement concerns can mean the difference between rigidification and elimination of job barriers.

Thank you.

Senator JAVITS. Thank you very much, Ms. Norton.

How do you work with the EEOC? How does your agency work with them?

Ms. NORTON. My agency is a contractor of the EEOC, and we receive about \$200,000 a year to do equal opportunity work. We have recently become the first city agency in the country to get so-called 706 status, meaning we are a deferral agency.

Normally Federal complaints are deferred to the specific State agency before the EEOC then looks at the complaint. I think New York City is now the only city to have that same deferral status along with our own State agency here in New York.

Until this time our Federal money has gone exclusively into affirmative action work. We have sued the largest companies in New York and almost none of them, upon being sued by commission, have chosen to go to public hearing. Instead they conciliate the complaint and the results of this conciliation and monitoring have been spectacular in some cases.

Companies that didn't believe there was a pool of minority people in women soon had sufficient impetus to find them, because they would have been subject to sanctions and hearings if they did not.

Moreover, we recently had hearings on integration, in which we are grateful that you were able to testify, Senator Javits, and we heard from a vice president of A.T. & T. who testified that the recent affirmative action, rather extensive affirmation action of EEOC on that company had not been burdensome to the company, had caused no reduction in standards of employment, and in many ways had a salutary effect upon the personnel of the company.

Now that EEOC in fact does have such a burdensome caseload, agencies like our own are under pressure to use the Federal money to process cases on the case-by-case basis.

We certainly believe it is fair for deferral agencies such as the city and State commissions, to use some of their Federal money in this way, but it would be tragic if we were to undermine the efforts of the sixties in creating the affirmative action technology which alone has impact upon large numbers of people, because the caseload had forced us to throw away that technology and revert to the case-by-case process entirely. This means that if someone comes in—with a complaint in a company where there are 5 people, that the agency's time and effort goes as much on that case as it did when we were suing companies where we'd have impact on 5,000 people. That's wasteful, and some balance has got to be found.

We, of course, are always ready and anxious to receive complaints from the public, but the public is increasingly sophisticated about where effective remedies are to be found, and the public knows full well that its affirmative action reaches to large numbers of people that has produced the gains we have seen in the last 5 or 6 years.

Senator JAVITS. What proportion of your total operation is this \$200,000?

Ms. NORTON. Well, this—a budget of the commission is something like a million dollars with accruals of about \$800,000. The EEOC money has been extremely helpful because it has meant that no city, tax levy money, had to go into affirmative action work.

Senator JAVITS. Mr. Mercado, I think is here, the Regional Director of the EEOC, in the back of the room. I just wondered, have you as yet worked out a close liaison with their local office?

Ms. NORTON. Very close, and very cooperative one. Indeed, I think New York City in working with its region is one of the few cities or States that was doing affirmative action work, that was able to keep a significant amount of EEOC funds devoted to affirmative action work during this funding year, and that was entirely because of the cooperation of the regional office.

Senator JAVITS. So, really your recommendations are two: one that the efforts to clean up the tremendous backlog of the EEOC—and it is an enormous backlog; some 60,000 cases—should not in the case of local applicability preempt the pattern and practices which you are engaged in, which have much more widespread effect.

Ms. NORTON. That is precisely right.

Senator JAVITS. And second, that you would like to get us to try to get a Federal order relating to all agencies, not just the LEAA, which will give considerable care to the same policy respecting the contractors with which they operate.

Ms. NORTON. But beyond that, Senator, I think no Federal money should come into New York City unless the agency receiving the money is required to present an affirmative action plan.

Fortunately, this city is doing that in a comprehensive way, since Mayor Beame signed an executive order in May that requires every city agency to come up with an affirmative action plan, and the city will produce a comprehensive one, under the direction of the city commissioner, and the law department and the personnel department.

But what bothers me is that if Federal agencies don't reinforce the city initiative, then a lot of my work is going up the hill only to be pushed back down again.

Senator JAVITS. It is going to drift?

Ms. NORTON. Yes.

Senator JAVITS. What is the effect on your work of this recent Bank of America agreement?

Ms. NORTON. The Bank of America agreement, I think, takes us two or three steps beyond where we were. We work in the same way that the agreement was achieved, in the sense that we initiate a complaint and normally an agreement comes out of it rather than having to go to hearing and have a remedy enforced in that way.

And normally the agreement is as efficacious as would have been the result of a hearing.

I think such parts of the agreement that have indicated steps to make up for the failure of providing women with training opportunities are an important new ingredient of it and that would be very helpful to us in this city.

Senator JAVITS. My last question, Ms. Norton, is what type of firms and businesses do you find are the greatest offenders which need affirmative action plans? You mentioned the telephone company,

where apparently considerable progress has been made. Do you find any other areas of business which cry out for the application of this kind of approach?

Ms. NORTON. Yes. I could list some, although I don't want to, because by listing some gives anyone the impression that the problem isn't extraordinarily across the board. I would say that the worst offenders are companies that already have large numbers of women employees. Because the pool is there and easily reachable.

We find that people like banks and stock exchange companies are special offenders because they do not have the same kind of problems that architectural firms or law firms, hospitals, and other places, where even the educational apparatus has tended to exclude women. The only way that women could have failed to achieve vice presidency status, in, for example, banks, would have been through deliberate discrimination.

Senator JAVITS. So that you would say that our target should be, in New York, of course, the principal banking center today of the world, those banks—

Ms. NORTON. Banks and other financial institutions.

Senator JAVITS. Which have huge numbers of women employees and have really not given them the chance they should have?

Ms. NORTON. Yes.

Senator JAVITS. Are you going after any of those? Do you have any pending cases, without reviewing any?

Ms. NORTON. Yes. We could let your office confidentially know precisely where we are working. The Federal law keeps us, of course, from disclosing.

Senator JAVITS. Very good. Thank you so much.

Is there anything else you wish to add?

Ms. NORTON. No, thank you.

Senator JAVITS. Well, you are very able, and we all owe you a great debt of gratitude for the job you do.

Ms. NORTON. Thank you.

Senator JAVITS. Our next panel will please step up. Carlyn McCaffrey, Nancy Seifer, Kathleen Peratis, and Marguerite Platt.

Could we identify you from left to right.

Ms. PERATIS. Kathleen Peratis.

Senator JAVITS. Next to Ms. Peratis is Ms. Seifer.

Ms. SEIFER. Nancy Seifer, director of community relations, American Jewish Committee.

Senator JAVITS. And Ms. Platt.

Ms. PLATT. President of Working Mothers for Fair Tax Treatment.

Senator JAVITS. And Ms. McCaffrey.

Ms. MCCAFFREY. Carlyn McCaffrey, assistant professor of law, New York University Law School.

Senator JAVITS. Would you proceed, Ms. Peratis.

#### STATEMENT OF KATHLEEN PERATIS, DIRECTOR, WOMEN'S RIGHTS PROJECT, WOMEN'S CIVIL LIBERTIES UNION

Ms. PERATIS Thank you.

I am director of the Women's Rights project of the Women's Civil Liberties Union. One of the goals of the project is to achieve equality

between the sexes through various means. One, unfortunately, is litigation, which is often necessary.

We have identified as one of our priority matters the elimination of unfavorable sex discrimination on the social security laws as well as the discriminatory effects of social security laws. Among the more obvious examples of sex discrimination in social security laws, is official sex discrimination which discriminates both against men and women.

The social security laws provide that husbands, fathers, divorced husbands, and widowers can often not obtain social security benefits on their wife's account even though they are identically situated to women who would be able to receive such benefits. The only reason that men in these positions are not permitted to receive benefits is because of their sex.

This not only discriminates against the men, it also results in discrimination against the women; women whose contributions to the fund did not purchase the same protection to the family as similar contributions by a male wage earner.

In addition to this sex discriminatory effect upon men and women, the system reflects a traditional and often inadequate attitude about the status of women and the role of women in the society. This attitude is that women are typically dependents and no heed is paid to the possibility and often the probability that women are not in that traditional role any longer.

There are a number of discriminatory effects of neutral policies in the social security laws. For one thing, the contribution structure of social security is regressive and, therefore, tends to fall more heavily on people who make less money. Contributions to social security are only made up to the first \$12,000 of earned income, and because women typically earn less than men, the burden of social security contributions falls more heavily upon them and other low-wage earners than people who make more money.

Another effect of the social security system is that benefits are based largely upon contributions. Women, because they earn less than men, end up being entitled to less social security benefits than they seek to recover under the system. Women often have a higher entitlement to social security benefits as wives and dependents than they do as workers, largely because they earn less money and work more sporadically than men do, as the system tends to encourage that kind of work.

Disability benefits under social security are also directed to male employment patterns. That is, disability benefits are based upon current employment, and because women tend to be employed more sporadically in order to serve the traditional function which many women often and continue to do, a worker who works for years, then drops out of the labor force for a while, and then becomes disabled is not entitled to disability benefits under the social security system.

Women tend to recover under social security as dependents if they recover at all. This dependent status of women has a number of negative effects.

For one thing, people recovering as dependents have no survivorship rights in their social security entitlement. And dependents are entitled to no disability benefits.

Finally, I'd like to mention that two-income families, families in which the husband and the wife both work, often end up receiving

less in social security benefits than a one-income family making precisely the same total amount of money, and having made precisely the same social security contributions.

Senator, I think the whole contribution system and the whole benefits system should be based upon need rather than based upon sex, as it currently is, and should be addressed to the needs of the people of this country, and not reinforcing and supporting a traditional notion of a family structure which does not exist for many people.

Senator JAVITS. Thank you very much.

Ms. Seifer.

### STATEMENT OF NANCY SEIFER, DIRECTOR, COMMUNITY RELATIONS, AMERICAN JEWISH COMMITTEE

Ms. SEIFER. Thank you very much.

Mr. Chairman, committee members, let me first express my appreciation for your invitation to address the Joint Economic Committee today on the issue of pensions for housewives. The concerted attention, which your committee is serving to bring to this issue, will help both to impress its urgency on the public mind and to lend added impetus for the passage of badly needed legislation—legislation embodying provisions such as those in H.R. 12645, introduced by Congresswomen Jordan and Griffiths in February of this year, which would amend the Social Security Act to assure that retirement income, disability insurance, survivor, and medicare benefits be provided to homemakers.

I speak to you today from a background in social policy. I am not an economist, and therefore cannot offer assistance in solving some of the many avowedly complicated economic problems which the need for pensions for housewives gives rise to. There is, however, clearly no dearth of economists, many of them women, who have already done significant work in this area. Several, I believe, have spoken before this committee in the past. If I may, I would like to address myself solely to the social policy aspects of this issue.

For the past 2 years, I have been on the staff of the National Project on Ethnic America—a project of the American Jewish Committee, designed in 1968 to explore means of depolarizing the growing tensions between minority and neighboring lower middle income white ethnic communities in our cities. I have concentrated much of my effort during this period on the problems of working class women in America—a group which constitutes between 40 and 50 percent of American women, whose problems have grown in severity over the past decade, but who until recently were quietly tucked away under labels such as the "Silent Majority."

Prior to joining the project staff, I was on the staff of the Lindsay administration in several capacities, the last of which was as aide to the mayor for ethnic affairs. I established a small office designed primarily to provide linkages between highly alienated white working class communities throughout the city, sorely in need of a variety of programs and services, and the agencies of government which could provide those services. It was in working with those communities, that I first became highly conscious of the needs of working class women.

My work at the project, which has involved travel throughout the country, meetings, and conferences, where the needs of lower income women have been focused, have reconfirmed the extent and the remarkable similarity of problems.

At several of these meetings, the discussion has revolved around a series of some 80 recommendations to government, educational institutions, corporations, labor unions, foundations, the media, and other institutions, listed in a booklet I wrote, entitled "Absent from the Majority: Working Class Women in America." Repeatedly, in Philadelphia and Dallas, in New York and Chicago, and elsewhere, the issue of greatest concern to the many working class women I have spoken with was pensions for housewives. Most had never thought it would be possible. Once they learned it might be—the intensity of support, enthusiasm for the concept, and willingness to do whatever had to be done to get such legislation passed was remarkable.

These are women who may have worked a few years in a factory, as a clerk or in a typing pool before getting married, and then spent the majority of their lives as housewives, unless, once the kids were in school, the added income that they could provide was absolutely essential to making ends meet. Abundant evidence now shows that particularly if they worked part time, they will receive no support from private pension plans in their own right, no matter how many total years they may have worked.

These are women who will suffer from the cruel inequities built into most pension plans, particularly those affecting their husbands who are blue collar and lower level white collar workers, and will most likely be among the 98 percent of women who never receive the survivors' benefits to which they should be entitled.

They are women whose lives are the pawns of the vicious cycle of inflation, who live in constant fear of not being able to pay their bills, who live with the knowledge that in the economic crunch, they, if they work, and their husbands are likely to be the first to be laid off.

Finally, they are women who, like the affluent and the poor, are increasingly affected by the social disintegration which has pervaded our society—and by divorce. They, like the poor, are unlikely to receive alimony, because they lack the funds to hire lawyers to press their case in court. They, like both poor and rich are not entitled to share in their husbands' social security retirement pensions, unless they have been married for 20 years—a law which is easily one of the most out-moded on our Federal books.

Whether they are in the labor force as presently defined or not, during much of their lives—and 9 out of 10 women spend about 25 years in the labor force, I think and hope that perhaps we have progressed as a society to the point where the work that women contribute as homemakers will finally have the chance of receiving due recognition.

It is true that homemaking as a full-time and life-time career is likely to become more the exception than the rule among all economic groups, given the likelihood that current trends towards fewer children, longer lives, and greater educational opportunities continue. But it is equally true that a large percentage of American women will continue to feel that homemaking and mothering are the most important contributions they can make to their family and to our society.

It is time that our society stop penalizing women for that choice and find the means of assuring them financial security for their later years, based on a lifetime of hard labor in the home.

The Chase Manhattan Bank was one of the first institutions to point out just how much that work was worth in terms of dollars and cents and the results were astonishing. I submit for the record, along with this testimony, an article excerpted from my booklet which appeared on the op ed page of the New York Times on this and related subjects. But I would like to point out that the figures I used have since been updated. According to Chase Manhattan, which is now in the process of again updating its figures, the monetary worth of the 12 or so different jobs performed regularly by the average housewife for nearly 100 hours each week is currently in the neighborhood of \$14,000 a year. If included in the gross national product, the total would increase by over 35 percent.

Regardless of which figures are eventually utilized by the Government as a base on which to calculate an equitable pension for housewives, it should no longer be a question in anyone's mind that the need is pressing. As social institutions, particularly the family, crumble around us, the anxiety and insecurity of lower income women about their old age is severely enhanced. I am not now talking about low self-esteem, and feelings of worthlessness experienced by so many older women due to the lack of value which society presently attaches to the housewife's contribution. I am talking about fear. Fear of lack of food and shelter. The fear of a mother having to burden and often move in with her children in difficult circumstances, but having no choice but that or taking welfare. I am talking about the fear of being left alone late in life, totally alone, with no pension, no savings, and perhaps even no social security. And I am also talking about pride—a great deal of pride in providing for a family for a life time which leads millions of women to say: "I won't go begging for handouts. I only want what is mine. But shouldn't I be entitled to some income in my own right, based on my own work all of these years?"

As for the Government's response and our economy as a whole, it seems to me there is little choice. The average income for women over 65 is less than \$1,800 a year. That is the average. Six out of every ten older women and widows have incomes well below the poverty level. They are the most destitute segment of the entire population. As long as we continue to ignore the monetary value of the work of homemakers as a rightful base for a pension later in life, we, as a society, will be straddled with a welfare system for the aged, which forcibly denies from large segments of our population, men as well as women, the kind of dignity they deserve.

Thank you.

Senator JAVITS. Thank you, Ms. Seifer.

Ms. Platt.

**STATEMENT OF MARGUERITE PLATT, PRESIDENT, WORKING  
MOTHERS FOR FAIR TAX TREATMENT**

Ms. PLATT. Thank you, Senator. And thank you for allowing me to testify on behalf of working mothers for fair tax treatment.

Our organization is composed of working or would-be working mothers opposed to the discrimination in the tax code which limits deduction for work-related child care expenses.

Section 214 of the current tax code limits deductions for all working mothers to some extent, but it totally excludes from any deductions for child care married mothers who work part time and married mothers whose incomes jointly with their husbands exceeds certain levels.

The hard facts are that without tax deductions for working related child care, it simply does not pay for most women to work.

This is easily documented and illustrated in a married couple's income statement which I offer herewith. It is that of a professional couple whose income is \$28,000, above the maximum for child care deduction. The husband earned \$16,000; the wife \$12,000, but subtracting from the wife's income taxes, the cost of child care and minimal other costs of work in New York City, the wife realizes no net gain for her labor.

The current tax law is wrong on three counts. One, it discriminates against women because they have the child care responsibility in society.

Two, it results in lost jobs, both for mothers and for the child care workers they would hire, and some of these are on welfare.

And, three, it results in lost tax revenues because of the lost jobs.

The laws now provide for equal opportunity in employment regardless of sex. Yet, the tax laws make these opportunities meaningless for married mothers.

We urge legislators to eliminate discrimination against working mothers in the current tax law by recognizing work related child care as a necessary and ordinary business expense.

Senator JAVITS. Thank you.

Ms. McCaffrey.

**STATEMENT OF CARLYN McCaffrey, ASSISTANT PROFESSOR,  
NEW YORK UNIVERSITY LAW SCHOOL**

Ms. McCaffrey. Thank you. I appreciate the opportunity of speaking to you today about one aspect of the economic problems confronting women. I have been asked to speak about the ways in which the income tax laws contribute to these economic problems.

The tax law has long provided different tax treatment for married and single taxpayers. Until the Tax Reform Act of 1969, this disparity in treatment generally worked in favor of married taxpayers. Married taxpayers were permitted to aggregate their incomes and file a joint return computing their tax liability at twice the tax that would be imposed on a single taxpayer who had half of their combined taxable incomes. This process primarily benefited the married couple that fell into the traditional pattern—a husband who earned the family income and a wife who remained at home caring for the children and performing housekeeping chores. It was of little, if any benefit, however, to the two-earner family, particularly if the spouses' incomes were approximately equal. Because of legislative changes in 1969 and 1971, the two-earner married couple now finds itself at a substantial tax disadvantage vis-a-vis single taxpayers.

At least 40 separate provisions of the Internal Revenue Code provide disparate treatment for married and single taxpayers. With the exception of the joint return, which continues to provide substantial benefits to the one earner married couple, the vast majority of those provisions work to the disadvantage of all married taxpayers. These provisions can be divided roughly into three categories: (1) those that alter the tax consequences of a particular transaction because it occurs between spouses or between one spouse and an economic entity such as a corporation or trust in which the other spouse has a substantial interest; (2) those that deny or limit deductions and credits; and (3) those that provide different tax rates.

The first category of provisions is the most easily justified because most of these provisions do not single out the marital relationship. They apply equally to transactions that take place between the taxpayer and other members of his family such as his children or his parents. Section 267 is an example; it disallows a loss deduction for sales between a taxpayer and his spouse and for sales between a taxpayer and his/her brothers, sisters, parents and children. The disallowance reflects a legislative determination that a taxpayer who makes a sale to a close relative does not actually terminate his economic interest in that asset because of his assumed close family ties with the purchaser. This assumption may or may not be true in a particular case but is arguably true in the majority of cases that fall within the provision. The other provisions in this category are based on the same kind of rationale. Since the spousal relationship is at least as likely to result in a close family tie as are filial and sibling relationships, the inclusion of spouses within the list of related taxpayers to which these provisions apply seems justifiable. The provisions within the other categories, however, apply only to spouses and are difficult if not impossible to justify.

In the second category, denial or limitation of deductions and credits, the two most important provisions are sections 141 and 214, the standard deduction and the child care deduction, respectively. Section 141 gives every single taxpayer, except certain dependents, the benefit of a \$1,300 low-income allowance or a 15-percent standard deduction up to a maximum of \$2,000. The same section goes on to provide that the low-income allowance of a married taxpayer filing a separate return is limited to \$650. Similarly such taxpayer's maximum standard deduction is limited to \$1,000. In addition, if one spouse uses the percentage standard deduction, the other is not permitted to use the low-income allowance; if one spouse chooses to itemize, the other is not permitted to use either the low-income allowance or the percentage standard deduction. These provisions alone can result in a loss to a married couple of up to \$200 worth of deductions.

Section 214, since its revision by the Revenue Act of 1971, permits a taxpayer to deduct up to \$400 per month for expenses for the care of certain dependents and, in some cases, expenses for household services, when these expenses are incurred to enable the taxpayer to be gainfully employed. This provision, I believe, goes a long way toward removing some of the tax disincentives many mothers face when deciding whether to remain at home and care for their families or to return to the labor force. Prior to the 1971 revision, the maximum deduction permitted by section 214 was \$900 and, it was unavailable to married taxpayers with combined adjusted gross incomes of \$6,900 or more.

As a result, if a wife stayed at home and produced services worth \$5,000 for her family, neither she nor her husband paid any tax on the value of these services. If she went to work outside the home, earned \$8,000 and paid someone else \$5,000 to perform the household services she had previously performed, she would have to pay tax on the full \$8,000 even though \$5,000 in a sense represented the cost to her of earning the \$8,000. Her problem of course can be seen as part of a much larger problem—the exclusion from the tax base of all types of imputed income. The ideal solution is perhaps to tax everyone on the value of services he performs for himself, but such a solution is probably unworkable in the real world. Section 214 attacks the problem from the other side; instead of taxing the housewife on the imputed value of her services, it gives some employed wives and husbands a deduction which is roughly equivalent to the replacement cost of home services.

Nevertheless, the availability of section 214 is significantly more limited with respect to married taxpayers than it is to single ones. A full \$400-per-month deduction is permitted to all single taxpayers whose adjusted gross incomes are \$18,000 per year or less. Above that point it phases out at a rate of \$.50 for each additional \$1 of adjusted gross income, disappearing completely at \$27,600. For a married taxpayer to get the full deduction however, the combined adjusted gross incomes of both the husband and wife must be taken into account in calculating the \$18,000 limitation. While you may not have much sympathy for taxpayers whose incomes reach this level, it does mean that the tax law continues to act as an economic barrier to a married woman's employment if her husband's earnings are much over \$18,000. Moreover, it may act as a disincentive to marriage itself. A woman with a small child and an annual income of \$15,000 a year who is contemplating marriage to a man earning \$13,000 or more might, I suppose, take into account the fact that marriage will result in the loss of a \$4,800 deduction.

Section 214 discriminates against marriage in another significant way. A single taxpayer is entitled to the deduction regardless of how many hours during the week he or she is employed. For a married taxpayer to get a deduction, both husband and wife must be employed on a substantially full-time basis.

The other provisions that fit within the second category are less dramatic but probably equally unjustifiable. Section 217 limits the deduction for certain kinds of moving expenses to \$2,500. Married taxpayers who both move to the same new principal place of employment are limited to \$1,250 each. Section 1211 gives single taxpayers the right to deduct \$1,000 of capital losses against ordinary income. Married taxpayers get only \$500 each. Section 1201(d) limits the rate of tax imposed on the first \$50,000 of a taxpayer's net long-term capital gain to 25 percent. A married taxpayer gets the 25 percent rate only on the first \$25,000. Similar kinds of limitations apply with respect to the investment credit, sections 46 and 48, the minimum tax on tax preference items, section 58, the credit provided for wages paid to work incentive program employees, section 50A and the deduction permitted for excess investment interest, section 163(d).

Once the married couple has computed their taxable income, they may find that the limitations imposed on the use of the rate schedules similarly work to their disadvantage; their tax liability may be equal to a greater percentage of taxable income than it would be if they were

single. The rate schedule differentiation is a fairly recent phenomenon. In 1969 Congress acted in response to complaints they had heard for years from single taxpayers. A single person with a taxable income of \$28,000 paid a tax of \$10,090, whereas a married couple with the same taxable income paid only \$7,190. The single person at this level paid 42.1 percent more than the married taxpayer. Congress felt that some differential was justifiable because the married couple's income had to support two people while the single person's income had to support only one. They decided, however, that the then existing discrepancy was too large. Their solution was to create a new, lower, rate schedule for single taxpayers which now appears in section 1(c) of the code. Under this schedule, single taxpayers pay a maximum of 20 percent more than the tax payable on a joint return showing the same taxable income. Married individuals were not given the privilege of using this rate structure. Nor are they permitted to use head of household rates even where there is a dependent in the household. Accordingly, if a married taxpayer wants to file separately, he or she must use the rate structure that applied to single taxpayers prior to the 1969 reforms.

Chart 1 illustrates the potential extent of the tax cost of marriage due to the combined effect of the rate tables and the limitations imposed on the standard deductions. The figure indicated is the amount by which the tax bill is higher because the two taxpayers are married. It is assumed that the husband and wife have no dependents and that they both use the standard deduction.

CHART 1

	Husbands adjusted gross income			
	\$5,000	\$10,000	\$15,000	\$20,000
Wife's adjusted gross income:				
\$5,000 .....	200	130	203	110
\$10,000 .....	130	350	633	780
\$15,000 .....	203	633	1,155	1,508
\$20,000 .....	110	780	1,508	2,055

Chart 2 illustrates the potential extent of the tax cost of marriage attributable to the combined effect of the rate tables, the standard deduction, and the child care deduction. The chart makes the following assumptions: (1) The husband and wife have one dependent child under 15; (2) they spend \$4,800 for child care; (3) in addition to the child care deduction, they have itemized deductions equal to 15 percent of adjusted gross income, if adjusted gross income is less than \$20,000; 18 percent, if adjusted gross income is \$20,000 or more. The figures indicated in the chart are the amounts by which the tax liability is higher because the two taxpayers are married. If the figure is in brackets, it represents the tax savings of marriage.

CHART 2

	Husband's adjusted gross income					
	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000
Wife's adjusted gross income:						
\$5,000 .....	(283)	117	268	821	595	80
\$10,000 .....	117	155	929	1,459	1,042	1,080
\$15,000 .....	268	929	1,363	1,621	1,815	1,904
\$20,000 .....	821	1,459	1,621	2,158	2,418	2,632
\$25,000 .....	595	1,042	1,815	2,418	2,370	2,711
\$30,000 .....	80	1,080	1,904	2,632	2,711	2,909

The provisions that provide differential tax treatment for married taxpayers work to the disadvantage of taxpayers with low incomes as well as to the disadvantage of middle- to high-income taxpayers. The limitation with the greatest impact on low-income taxpayers is probably the one imposed on the low-income allowance. Two single taxpayers with adjusted gross incomes of \$2,000 each pay no tax because of the combined effect of the \$1,300 low-income allowance and the \$750 personal exemption deduction. If these two individuals get married, their tax liability will increase from \$0 to \$170, because of the loss of one \$1,300 low-income allowance.

While the provisions dictating disparate treatment for married and single taxpayers have the potential for adversely affecting all married taxpayers, since the one earner family benefits substantially from the joint return, in reality, the adverse impact of these provisions is limited to the two earner family. This pattern of tax discrimination against two earner families appears to reflect the failure of Congress to recognize the economic characteristics which distinguish these families from one earner couples rather than a conscious decision to impose higher tax burdens on them.

The two earner family is probably closer, from the standpoint of ability to pay, to unmarried taxpayers than to one earner married couples. While married taxpayers may be more likely to enjoy the economies of shared household expenses than are single taxpayers, the two earner family and the single taxpayer generally do not enjoy the benefit of the household services performed by the nonemployed spouse in the one earner family. Nevertheless, the two earner family is treated for tax purposes not as if each spouse were single but as if only one spouse produced the income despite the extra work related expenses generally incurred by two earners and despite the loss to the two earner family of the economic value of services that the second member of the one earner family usually performs at home.

The principal justifications offered for the status quo stem from an arguably reasonable assumption that spouses perceive themselves as single economic units. The joint return is necessary because husbands and wives pool their resources and separate returns would represent an economically artificial allocation of income and deductions between them. The fact that a joint return and the other provisions described above may produce a greater combined tax liability than the husband and wife would have if single is justified because of the assumed economies of sharing a household. While the first point may have some validity, it is arguably possible to require husbands and wives with separate sources of income to maintain separate records not only in income but also of those expenditures that give rise to deductions. Such a requirement would impose little if any burden on the one earner family and would be a relatively minor burden for two earner families if it were imposed as the price for their attaining the right to be treated as individual entities for tax purposes. The second point seems to be less substantial. Although there are undoubtedly economies achieved by sharing households, the relationship of such economies to the scope of the higher tax burden imposed on married taxpayers is unclear. Moreover, a substantial number of single taxpayers do not maintain their own households but achieve these same economies by sharing their homes with other relatives or friends.

The solution to the problem depends on one's perception of its scope. If the increased tax burden on two earner families is seen as one aspect of the larger problem of the proper choice of the economic unit to be taxed and it is decided that the individual rather than the spousal unit is the proper unit, the solution to the problem would be to eliminate from the code all provisions which provide differential treatment because of marital status. Marriage would be neither a tax advantage nor a tax disadvantage. In my opinion, this is the appropriate long range solution. It recognizes the individuality of each spouse and eliminates the present tax disincentive faced by a second earner whose income is now effectively taxed at rates at or above his or her spouse's highest marginal rate.

Since, however, this would mean the elimination of the joint return and a rather substantial tax increase for all one earner families, this solution may be politically infeasible. An intermediate step, which I support, is to give married taxpayers the option of being treated for tax purposes as if they were single. This solution would eliminate the tax disadvantage of marriage and would also eliminate much of the second earner's tax disincentive. Taxpayers who so elect, however, should be required to conduct their financial transactions as if they were actually single. Accordingly, each should be permitted to take a deduction on his or her separate return only for his or her actual expenses.

There are three important exceptions to this broad option that I would also suggest.

First, all provisions which apply to other family members as well as to husbands and wives should continue to apply to married taxpayers whether or not they elect to be treated as single.

Second, residents of community property States who elect to be treated as single taxpayers should be required to report their own earnings.

Third, to eliminate tax-motivated interspousal property transfers, income from property gratuitously transferred from one spouse to another for the purpose of minimizing taxes thereon should be reported by the spouse who made the transfer.

Senator JAVITS. Ms. McCaffrey, that is very excellent testimony, and we are really grateful to you.

The Chair has some questions for the witnesses.

Ms. Peratis, earlier you said that social security tax was a regressive tax. I agree with that, and, as a matter of fact, one of the elements of the tax reform with which I am going to be concerned is the effort to make the social security tax progressive, like the income tax. And that, I gather, you would feel would be of considerable help, would it not?

Ms. PERATIS. Yes, Senator. It would be of considerable help, but it is only half of the economic problem. The other problem is that benefits are not keyed to need, but to the regressive contribution structure.

Senator JAVITS. We will look at that very carefully too, the benefit side, and when I come to Ms. Seifer, please break in if I say something that interests you.

Ms. Seifer, I was very interested in your presentation for this reason. I am the author, with Senator Williams of New Jersey, of the private pension reform bill. That bill is now in conference, and will undoubt-

edly result in law sometime within the next, oh, I'd say as little as 2 months. It is well along and looks very good.

Now, of course, that will go a long way toward dealing with the woman who has worked for short times, because vesting begins at 5 years.

And in view of the fact that there are also funding provisions and insurance, the situation for her brightens very considerably.

Now, under those circumstances; that is, with a material reform and private pension plans, it has, nonetheless, been charged that our legislation does not do all it should for women who worked in bits and pieces of time, much more than men do. I would like to tell you that we have strengthened the part-time aspects of the measure, taking the best out of House and Senate bills, so that in that regard it is improved.

Ms. SEIFER. In terms of pensions, are you dealing with any other benefits?

Senator JAVITS. We are dealing only with private pensions.

The real problem there, of course, is that essential conditions respecting private pensions are still made by employer-employee under collective bargaining, or even just by the employer alone, if it is, what, you know, we call a fixed benefit plan. But there is some improvement. And I would just like to suggest to you that there is no use in trying to do anything now. It is pretty late.

But when we come out with the law, if you would study it carefully and let us know what you see there which could stand additional legislation, this law will be constantly amended and changed because it is about the biggest thing that's happened since social security. So there will be an opportunity to strengthen the provisions respecting women as we go along.

But I will be the first one to tell you that it has been charged that we are not doing enough.

Ms. SEIFER. Can I ask you one question?

Senator JAVITS. Yes.

Ms. SEIFER. Does it address itself at all to women's work in the home, known as housework?

Senator JAVITS. No; it cannot do that, and I am coming to that in a minute.

Now, as to the 20-year proposition, you have to be married for 20 years, I am going to look into seeing what amendment is possible. I have just given those instructions. As a matter of fact, we will examine social security very carefully, and Professor McCaffrey, also taxes. I will see what amendments I ought to sponsor respecting that.

Ms. PERATIS. Senator, divorced husbands are not permitted to receive social security on the wife's account at all. So you can consider that problem.

Senator JAVITS. I'll tell you, we have to be realistic and practical. The Congress is not nearly as favorable toward buttoning this thing up for men—you know, they are not nearly as interested in the principles involved as we are. You and I and others like us.

But, nonetheless, let me look at that. I can only sponsor so many amendments, but I will look at it.

The question I'd like to ask you about pension plans is this: We are providing in the new pension reform bill the opportunity of each

individual worker not under a pension plan, that means half the workers—roughly 35 million—to build his own pension plan. This same right to have \$1,500 a year tax-free to build up a pension plan we now give the professional. That is, the so-called Keogh business.

Now, that will introduce a new equation altogether, a new opportunity for banks to aggregate these funds and invest them, a new opportunity for insurance companies to sell annuities on the same basis, conditioning the premium on the deductibility of the individual from his wages or salary.

That could be conceivably, Ms. Seifer, analogized to the housewife. Using your work and research, can you comment on the legal possibility and collectibility of these payments from housewives? This is critically important when you are dealing with such enormous numbers.

Ms. SEIFER. Unfortunately, as I said in my testimony, I was invited here as a social policy person and not an economist. I have read something about different proposals for plans which include the \$1,500 coming out of the husband's salary as the wife makes it possible for the husband to work. I really don't have any idea about what the possibilities for collectibility would be.

Senator JAVITS. How would husbands feel about it?

Ms. SEIFER. Obviously, a good percentage of them would be against it, you know, at first for obvious reasons, until they saw the benefits that might accrue to them and, obviously there would be benefits to them.

I could look into that and see if there is any work done on that.

But at this point I don't know anything that would indicate—

Senator JAVITS. Of course, the husband has the solace today of feeling that his wife will get social security benefits.

Ms. SEIFER. If she is married to him for 20 years, she can share as a dependent in his benefits. She gets nothing in her own right.

In other words, a woman who works, according to Chase Manhattan Bank, for 100 hours a week in her own home, at age 65, can end up with nothing that she can say she has achieved or accomplished.

Senator JAVITS. But she gets survivorship benefits.

Ms. SEIFER. Ninety-eight percent of women apparently don't, through private pension plans. Through the social security system, yes. But, then again, \$1,800 a year is the average income for women over 65. So, you know—

Senator JAVITS. Entirely inadequate.

Ms. SEIFER. Right.

Senator JAVITS. As I say, I will scrutinize this bill when it comes down as law. There is no use fussing with it now. It is just too far along.

And let me have your views on what could be done to amend it. That law will be like Magna Carta.

But beyond that, there will be changes, and I appreciate your letting us know what changes you feel would be helpful in this field. I am very sympathetic.

Ms. SEIFER. Thank you.

Senator JAVITS. Ms. Platt and Ms. McCaffrey, I think you really have dealt with two parts of the same problem. We have been frustrated in this effort. It was very hard to get the child care deduction, and the compromise on the whole was pretty fortunate.

It was so difficult to get it at the start. Now, I think it should be easier, progressively easier, although we have had a lot of trouble, to get a reform of the tax law as to women.

I really believe that the heavy discrimination comes in the areas which you have mentioned. I don't think too many citizens are going to lose too much sleep over the \$28,000 couple earners limitation of their child care deduction.

I don't say it is fair or unfair, but just the facts of life.

But I do think that you are absolutely right when you couple that contributing factor, with the real tax disadvantage of being married, and I have heard, and all of us in Congress have heard, people seriously discussing whether they should be married at all or just live together, because it didn't make any economical sense because of the tax laws.

That is a very countersocial stability factor. And so I really am deeply impressed with the clarity with which you have laid this before us, and I will do my best to see what we can do about it.

Now, do I gather correctly from you that the key two points are the standard deduction factor, which you feel is highly invidious, and the option for the married couple to take the single rate, if that works out better?

Ms. McCaffrey. I think that those two provisions coupled with the discrimination built into the child care deduction will do.

Senator JAVITS. Yes; I said that.

Ms. McCaffrey. They will probably do 90 percent of the job.

Senator JAVITS. Fine.

Ms. McCaffrey. There are 40 some-odd other provisions, however, in the law that provide the same kind of discrimination, with a smaller economic impact.

Senator JAVITS. But these are the highlights?

Ms. McCaffrey. Yes.

Senator JAVITS. Would you agree with that, Ms. Platt?

Ms. PLATT. I would.

May I ask you a question?

Senator JAVITS. Please.

Ms. PLATT. I am distressed to hear you say that not too many people would lose sleep over the couple that earns \$28,000.

In addition, is work a privilege for women? How about the women, such as I myself, who struggled through much education to become a professional, went through 12 years of a career, and now with a child finds that I simply cannot make enough money by going back to work. Is that something that you say, well, no one should lose sleep over it?

We need the money. This is the middle class that is always being squeezed out.

Senator JAVITS. Ms. Platt, if I may say so, I find this disadvantage always with me. If I lay a proposition before a witness to get that witness' reaction, I am always accused of being the author of the proposition, which is untrue in my case.

I told you to begin with that I am looking at the realistic facts of the Congress, not at me. I wouldn't be here if I didn't agree with you.

But to look realistically at Congress, what I have said is true, and, therefore, the case has to be extremely strong. And that is really what you and Ms. McCaffrey are asking me to take back to my colleagues, that you do make a very strong case. And I am just trying to get the highlights from both of you.

But what I told you about the normal outlook by my colleagues is correct. And that is why I was so tough to get this child care deduction to begin with.

So I appreciate what you say.

Ms. PLATT. Thank you very much.

Senator JAVITS. It doesn't apply to me. I am not insulted about it, but I just say that I cannot always remedy the difficulty. When you examine the witness, the witness always identifies you with the problem you put up to your witness.

Ms. McCAFFREY. Maybe some of your colleagues would lose some sleep if they took into account the fact that the same \$28,000 a year couple, instead of getting married, decided to live together unmarried so they could enjoy the benefits of these deductions.

Senator JAVITS. You are right. I have said that.

We are not children, and we understand that these things go on in this life. But it certainly should not be at the direction of Government policy.

One of my staff suggests also, which I think is very sensible, if we had more jobs like that available, they would tend to attract a higher level of compensation and a higher level of person and more people. That's an advantage based upon the testimony that we have heard about domestics.

We certainly thank you very much, and what you have done will be extremely helpful, and I will do my best to use it very well.

The committee will take a 5 minute recess, but it will be strictly 5 minutes.

Before we take the recess, may the Chair announce that we will not break for lunch. We are going to go right through and finish all of our work before we break, and then we will adjourn the hearing.

I have other problems of time in New York, so witnesses, please don't go away as you will be recalled.

[Whereupon, a short recess was taken.]

Senator JAVITS. The hearing will come to order.

We have now a panel on credit and insurance, and the members are Amalia Betanzos, Barbara Shack, and Carol DeSarem.

Would you proceed, Ms. Betanzos.

#### STATEMENT OF AMALIA V. BETANZOS, VICE CHAIRPERSON, NEW YORK CITY HOUSING AUTHORITY

Ms. BETANZOS. Certainly. Thank you.

Mr. Chairman, members of the Joint Economic Committee of the Congress, my name is Amalia V. Betanzos, and I am the vice chairperson of the New York City Housing Authority, the agency in New York which builds and maintains low-income public housing.

I am most grateful for the opportunity to testify briefly on the question of sex discrimination in the general area of housing. Most of my comments will be directed to the problems encountered by women in the private housing market.

Housing discrimination has many dimensions; it extends into such fields as credit, insurance and pensions, and raises some very basic questions as to whether this country seriously intends to alter the courtly bigotry that characterizes its public and private view of women.

Social movements in this country, particularly those which raise the question of group discrimination, have common histories. Regardless of the righteousness of the cause, these movements appear to be sharply limited in their duration. The classic example, of course, is the black civil rights movement which began in earnest in 1960 and was virtually extinct by 1966. The reasons for these limits appear historically to have something to do with the public's ability to sustain an interest in social tragedy and social change, and the attention-span of the public media. As far as government is concerned, all social movements are largely painful interruptions which must be waded through so that government can get back to the business of governing. The hope, of course, is that the social movements leave behind them fundamental changes, both in legislation and attitude, that will in the course of time set things right.

Another common characteristic of social movements in this country is that they begin on a highly unsubtle level in that much of the precious time we are allotted by history is consumed by the high drama of violence and confrontation. We are now almost 3 years into the current edition of the movement for women's rights. The incredible fact of the matter is that for all of the consciousness-raising, for all the high dudgeon about politics, stereotyping and abortion, virtually nothing is known in any systematic way and very little has been done in the field of housing discrimination. If history tells us anything, we have used up half our precious time already, and the deep substrata of sex discrimination as it manifests itself in housing, employment and education has been largely ignored.

Let me tell you how I know this. In preparing this document, I made inquiries at the appropriate human rights agencies and organizations. An analysis of the New York City Commission on Human Rights housing complaints in the year 1973 shows that there were exactly 11 complaints filed by women and adjudicated by the commission charging discrimination in housing accommodations. That in itself speaks volumes about the degree of consciousness that women generally have about their housing problems. The fact of the matter is that hundreds of thousands of single women are systematically discriminated against in New York City and State in a variety of ways.

Getting apartments in the first place is difficult and hazardous. Being treated fairly on leases is rare. This is to say nothing about the efforts of any single woman in actually purchasing an apartment or a house. Attempts at home ownership by single women are met with a barrage of discrimination that starts with the landlord (note that the second syllable is "lord" not "lady") and ends at the bank, where an affable official with courtly manners insists on a male cosigner. It is not too much to say that any woman over the age of 15—regardless of who she is, suffers some form of sex discrimination in the housing, credit and related fields.

Do you know, for example, that there is a Federal regulation which prohibits my own New York City Housing Authority from making federally-subsidized public housing available to single people until they reach the age of 62? Eighty percent of the impact of this regulation is on women.

Divorced and widowed women simply disappear into a kind of housing purgatory in this country. Regardless of their personal standing in the community, most divorced and widowed women are without

credit standing and are considered ipso facto poor risks. And this is only the tip of the iceberg.

Male oriented insurance handcuffs the widow. Employment discrimination ultimately lowers incomes and results in small pensions—if retirement benefits are provided at all.

When women try to deal with their problems of low income and low pensions in creative ways, they are often met by new and different obstacles. The Supreme Court's decision, upholding the village of Delle Terre's zoning regulations against more than two unrelated people living together was discussed in terms of communes, but will probably have its most substantial impact once again on women. Sometimes I wonder if the men who run this country believe that when they die or are divorced, their wives simply disappear from the Earth. Further, the housing and real estate industries employ a vast labor force that reflects the classic discriminatory pattern against women, and all of this is deeply ingrained into the American psyche. Think for a minute; the word "landlord" evokes a picture of ownership, while the word "landlady" evokes a boarding house matron serving cold soup.

Having painted this rather grim picture, let me amend my own argument to some degree by suggesting to the committee that they study local law No. 7 of the city of New York for the year 1973, which was passed unanimously by the New York City Council and signed into law on February 7, 1973. The law goes to some of the questions I have raised in this paper, namely, the very serious matter of direct discrimination against women, most specifically, single women, in acquiring apartments in the city of New York. It is a remarkably enlightened law which also addresses itself to discriminatory practices on the part of banks, trust companies, savings and loan associations, credit unions, and so forth.

I have, however, serious doubts as to whether or not this law constitutes a real force for change in the city of New York, and would warmly recommend that comparable, even stronger, Federal legislation be drafted and passed paralleling this document.

If I may, let me give you just a little chapter and verse about housing discrimination against women in the city of New York. A year ago, it was shown that over one thousand buildings on the East Side of Manhattan had a clear record of discrimination against women tenants and would-be tenants. There are even cases on record where a woman tenant who is divorced or widowed is refused lease renewal when her lease expires. Because of the complicated systems of maximum and minimum incomes used in much of the publicly subsidized housing in the city of New York, a host of discriminatory devices have surfaced to prevent women, particularly single women, from getting a decent home. And I could go on, but as I have said before, there simply isn't sufficient public attention being paid to these more subtle forms of sex discrimination in our society. I must say in all candor, that I believe that despite the current official vogue in women's rights, despite this excellent hearing, nobody is going to do it for us. No government official, no public agency is going to settle this question without enormous pressure from organized women. And the work we have to do is not all picket sign art and opening all male saloons. Right now, without a moment's delay, we need an army of analysts to identify our targets; and we must understand the subtle-

ties that centuries of mindless bigotry about the role of women in this society has produced.

I can only hope that you will respond.

Senator JAVITS. Thank you very much.

Ms. DeSarem, with your permission we will go right to Ms. Shack.

Ms. Shack is the assistant director of the American Civil Liberties Union.

**STATEMENT OF BARBARA SHACK, ASSISTANT DIRECTOR, NEW YORK CIVIL LIBERTIES UNION**

Ms. SHACK. New York Civil Liberties Union, Senator, and I direct the women's rights project of that organization.

The insurance industry, on its own and in conspiracy with employers, has systematically discriminated against women and denied women and their families the economic security that equitable and humane insurance practices should provide.

The protection of life and property that insurance provides is so fundamental to economic security and well-being that discrimination in its availability represents a serious deprivation.

In July 1973, I testified before this committee on the same subject and presented substantial documentation of discrimination in insurance. That full statement and exhibits appear in the record of the hearings. I will only summarize them today.

Two-thirds of the population have health, accident, and life insurance coverage through plans partially or wholly paid for by employers as a salary fringe benefit. Federal and New York law require that equal fringe benefits be provided regardless of cost and without discrimination because of race, creed or sex. Yet a recent survey of the 50 largest employers in New York State revealed that discrimination against female employees exists in each plan—that employers and insurers are accomplices in devising insurance plans that discriminate.

Much of the inequity in insurance coverage in group plans is the result of agreement between employers and insurers to formulate plans that cost less by reducing the coverage for women.

From complaints received by the NYCLU and other groups and agencies, it is possible to identify more than 30 common insurance practices that discriminate against women.

Since the hearings last summer, the problem has become noticeably more miserable and as a result women from all over the country have been contacting us and other agencies complaining that they are not getting a fair share, so we have been able to categorize them.

Senator JAVITS. Has there been any improvement?

Ms. SHACK. Yes. In one particular area, and I think that is the result of a lawsuit that was brought in New York and Pennsylvania, challenging the unavailability of disability income protection insurance to women on the same conditions as to men. So a lot of companies in the past few months have changed their policies dramatically and made available some of the coverage that was not available before.

That is the only area that I sense any real nervousness.

In the area of disability income policies, males are offered coverage to the age of 65, and females can often by policies that will only give

them benefits for 1 year or 2 years or 5 years, but many companies won't offer them coverage to age 65. Premiums for women in that area are often as much as three times higher than men.

Limits on the amount of insurance a woman may buy are lower than men of similar age and occupation and salary.

In the area of health insurance—I am just picking up a few samplers—females may be restricted from including husbands as dependents even though males are permitted to include their wives in many plans.

Maternity benefits are not provided on the same terms and conditions as the male employee spouses, and maternity related coverage is often sharply limited.

Prenatal and postpartum care is not covered by insurance in most instances. Maternity coverage may be subjected to a flat maximum benefit unrelated to true expenses while other conditions are covered on an indemnity basis.

Annuities and pensions, individual annuity programs are sex-segregated, leading to lower monthly benefits for women, based on the longer life expectancy of the female group, even when they have made equal contributions to those made by men.

In life insurance, the most dramatic discrimination is that in the one area where women would benefit from the actuarial benefits where they live 6 to 8 years longer, the average setback in rates is only 3 years.

In automobile insurance, women, divorced and widowed, often find it very difficult to purchase policies, and in New York are put in assigned risk pools, or their rates go up.

Senator JAVITS. What about no-fault, will that help?

Ms. SHACK. I don't think so. It doesn't seem to have helped. That is a more subtle kind of discrimination.

It is more the judgment of the individual broker than a divorced woman has, after he checks through his manual and discovers the warning, "Watch out for divorced folks."

The other problem is that married women are covered under policies that are owned by their husbands. If the husband dies or leaves the family, she goes out as a first time consumer with no insurance history, and since the policy was never jointly owned, she's treated almost as a new driver, so her rates go up.

Forty percent of all women over 16 hold jobs—41 percent of these are single, widowed, or divorced, and another 21 percent have husbands whose income is less than \$7,000. So, for a majority of working women and their families, health care costs and loss of earnings could mean financial disaster. Yet, the underwriting manual of the North American Re-Assurance Company warns:

\* \* \* women's role in the commercial world is a provisional one \* \* \* they work not from financial need, but for personal convenience. The subjective circumstances which create "convenience" tend to change, and if a woman has disability coverage, the temptation exists to replace her earnings with an insurance income once work loses its attractiveness.

The attitude that women are too risky or too expensive to insure prevails in the industry and underwriting manuals for many companies warn brokers about female risk. The insurance industry also reflects the societal view that a woman's anatomy is her own destiny

and that the risks inherent in childbearing are her own responsibility and not an insurable interest.

Maternity coverage is usually excluded from coverage or severely limited in most group policies, and so expensive in individual policies that the costs are prohibitive.

Insurance premiums excluding maternity coverage are usually higher for women, sometimes three times higher, than for men because the industry has the historical habit of using the convenience of sex-based actuarial tables to predict risk and set rates. Whether or not these tables are really accurate is a matter of great dispute. However, assuming their accuracy, I believe that the convenience of sex classification does not justify the resulting discrimination.

If, for example, 0.5 men and 1.5 women out of 1,000 claims disability benefits, it means that all women will be charged a premium three times higher than their male equivalent. It places the full cost of the statistical difference on every woman simply because she is a member of the female class.

Senator JAVITS. So you want the men to share the actuarial load really?

Ms. SHACK. Well, I am saying there are other criteria that more accurately predict disability or ill health, such as smoking, alcohol habit, weight, prior medical condition, family history.

I point out that in many States, historic concern for protecting racial minorities against insurance discrimination was not justified by permitting statistical differences between the races to justify different premiums. In 1970, the life expectancy of whites was 7.1 years longer than blacks. Yet it has been the public policy of New York since 1892 to prohibit different premiums for life insurance based on actuarial computations of black and white longevity. Therefore, just because sex classifications based on actuarial computations are statistically valid, it does not mean they ought to be legal. There is no business necessity that would be severely compromised if sex classifications were replaced with other classification schemes which do not compromise economic rationality.

Until now, there has been no Federal regulation of the insurance industry. The McCarran-Ferguson Act of 1945 exempts the insurance industry from Federal antitrust laws and leaves regulation entirely to the States. State insurance departments have been negligently lax in requiring fair treatment for women and are usually without any legislative mandate to do so.

For example, the New York Civil Liberties Union recently filed a class action in Federal court against the superintendent of insurance of the State of New York for systematically approving the sale of insurance policies that discriminate against women.

One insurance writer points out:

The social responsibility of insurance regulation, then, is to recognize that changes in and out of insurance are constantly altering the social responsibility of insurance regulation; that its goals should change accordingly; that sometimes it falls to government to lead the industry toward change; and that it always falls to government to make the conscious effort to order its own house by current thought and not by habit.

In closing, we would like to suggest that the Federal Government order its own house by at long last regulating an industry that obviously cannot regulate itself.

We urge the enactment of an Insurance Equality Act which would prohibit any discrimination or distinction because of race, religion, national origin, sex or marital status in the sale of insurance with respect to:

One, the availability of insurance; two, the scope of coverage or the terms and conditions of any policy; three, the cost of premiums.

This legislation should also spell out that equal coverage for women means that maternity-related care should be as fully covered as all other kinds of medical care and should include:

One, treatment associated with voluntary control of reproduction; two, normal obstetrical care; three, all complications of obstetrics; four, pre-natal care; five, labor and delivery; six, newborn care from moment of birth through first year of life.

Thank you.

Senator JAVITS. Thank you, Ms. Shack.

I gather you are late for an appointment and want to go, and I have asked you the questions I had in mind to ask you, so if you wish to leave, please do.

Ms. SHACK. Thank you.

Senator JAVITS. Ms. DeSarem, would you please proceed.

**STATEMENT OF CAROL DeSAREM, VICE PRESIDENT FOR EMPLOYMENT LEGISLATION AND EDUCATION, MANHATTAN NATIONAL ORGANIZATION OF WOMEN (NOW)**

Ms. DeSAREM. Mr. Chairman, members of the Joint Economic Committee, my name is Carol DeSarem, vice president of NOW. New York and National Task Force Representative on Credit for the New York City chapter. I will speak to you on discrimination against women in the extension of credit and employment.

Women are 40 percent of the work force and 53 percent of the population; therefore, we feel that women should have their own credit rating when they are employed or choose to do so. Discrimination in employment and credit makes the women of this country second-class citizens.

Denying credit prevents women from owning businesses or property therefore, becoming women of "no property."

I have received over 100 case histories from women across the United States on credit discrimination. Some illustrations how a female is discriminated against is as follows:

In the case of a married woman who was told by a bank her income would be counted if she produced medical papers to prove she had a hysterectomy. When she stated she could produce papers her husband had a vasectomy she was told she still could become pregnant, insinuating she would commit adultery. This attitude affects the lower-middle income class the most because with a combined income of husband and wife, a family can own a home, otherwise they are forced to live in lower income neighborhoods or slums.

The National Health Services were given a Federal grant to set up a clinic to help women in birth control, pap tests, and self-examination, et cetera. It is housed in the New York Stock Exchange. The banks and the brokerage firms have refused to notify the women in this area that these services are available by the U.S. Government at a

low cost of \$10 for a full examination and \$2.50 for pregnancy tests, the reason being that they consider this controversial. It is controversial to them to deny women in New York City this service given by the Government, but it is not controversial for them to give women mortgages or, say, a husband and wife.

Home improvement loans are denied to widows or divorced women which prevents them from maintaining their property, and in some cases lack of maintenance forces these women to sell their homes at a loss.

A female editor with an income over \$10,000 and a \$5,000 savings account applied for a car loan and was told her husband would have to cosign plus she would need another cosigner. They would not accept her sister-in-law who had a personal worth of \$900,000 because she was a woman, but they accepted her father whose income was \$15,000.

A woman was denied a loan to start a small business, while men offering the same amount of collateral were accepted. Most banks will not even offer to fill out an application.

A dean of a college whose income is \$30,000 plus, sought a home improvement loan of \$3,000, was given a runaround and insulted later when she found out they were waiting for her husband to return from vacation to approve the loan even though they were divorced.

These are just a few of the many ways a female is discriminated against in credit. This type of discrimination makes it impossible for women of this country to become financially independent. What we have now in this country is the select few deciding who should make it and who should not. Women receive the lowest paying jobs. They are hired last and fired first. Women and children make up the group of poverty in this country. A major department store in this country who, by the way, is under investigation by the EEOC leads women to think if they pay the outstanding bills their husbands left they can still keep their credit cards. After they pay the bill out of their small source of income their credit is canceled. This leaves these women who live in the rural areas of this country without the service of ordering from the catalog for inexpensive quality goods. Now they either do without clothing for their children or are forced to buy at high prices.

I request that this committee issue guidelines and regulations as well as enforcement provisions that will make it unlawful to deny credit to qualified women. There are no statistics that show women are credit risks. This whole attitude is based on myths that women's role is to bear children. This is not so today. Women have control over their bodies and on the average spend 43 years in the labor market, according to the U.S. Department of Labor.

Women have helped build this country from the sweatshops in New York to the building of the West. It was women who went to the factories during World War II. Yet they are denied free opportunity in employment and credit.

If you allow this system of discrimination to continue that excludes 53 percent of the population, then the United States can no longer be called a democracy—because democracy is the absence of arbitrary class distinctions or privileges.

I urge prompt action on this issue which subjects women to these demeaning standards.

Senator JAVITS. Thank you very much, Ms. DeSarem.

Ms. Betanzos, about the housing, your purpose in directing our attention to local law No. 7 of 1973, I gather, was as a model leading to possible amendment of the Federal antidiscrimination and housing laws; is that correct?

Ms. BETANZOS. It certainly is, Senator. We feel that this is something that should be done.

It was a grievous omission, and hopefully will be corrected as soon as possible.

Senator JAVITS. What precisely would this law do if followed on the Federal level?

Ms. BETANZOS. It would prohibit discrimination of renting, because of sex, which is something I alluded to in the testimony, and is just so prevalent in the whole State of New York and probably in the whole country.

Senator JAVITS. But mainly its impact will be on rental housing?

Ms. BETANZOS. Yes, it will be.

Senator JAVITS. What about the various cooperative programs which give some kind of subsidy, have you—

Ms. BETANZOS. Yes. The subsidy programs, of course, the regulation that single people under the age of 65 cannot be given apartments is particularly damaging to women. We would like to see this regulation done away with. It affects both men and women who are single, unless they are handicapped. But certainly women are the ones who suffer most by this regulation.

The State regulation, incidentally, provides for under 50 years.

Senator JAVITS. So we should check into that. Thank you very much. We will study that local law very, very carefully.

Ms. BETANZOS. Thank you, Senator.

Senator JAVITS. Mr. Shackeuer raises this question, Ms. Betanzos, maybe you could help us with it. Is the reason for the Federal housing discrimination against single people because there is not enough to go around, so, for example, would such an apartment be available to two single people living together?

Ms. BETANZOS. It would seem to me that whether or not an apartment is available in federally subsidized housing to single people under 65 should be determined by their housing priorities, which includes housing that they are presently living in, whether they are being displaced because of governmental action, and whether the housing is substandard rather than by the person's age.

Senator JAVITS. Rather than existing criteria which is strictly the physical standard?

Ms. BETANZOS. Yes, sir.

Senator JAVITS. Ms. DeSarem, there is a bill which passed the Senate relating to credit discrimination. I supported it and joined in it—the Fair Credit Billing Act.

Now, there is also a bill in the House of Representatives sponsored by Representative Griffiths, who was supposed to be here this morning with me. It is the bill of Mrs. Sullivan, of Missouri.

Have you studied those bills? Can you give us any views on them?

Ms. DESAREM. Yes. A lot of my documentation went down to Washington that aided in this bill with Senator Brock and Senator Williams from New Jersey, because the letters that I received from hundreds of women across the United States brought this type of problem to the surface.

Now, what has happened is, this bill has gone through the Senate 90 to 0 which everybody said was great. However, the rest has been tied up in committee. There have been lobbying groups exercising a great deal of pressure on this committee to water down this bill with amendments that make it totally unworkable, the lobbying groups being mainly businesses and banks.

This is what we could now consider a serious economic threat to women, because in New York State the credit bill was just recently signed by Governor Wilson. Already we are getting now complaints still in granting women loans and mortgages through banks. They have devised, now, a new system of discrimination. They will not come forward and say to a woman, "We will not give you a loan or count part of your income for a mortgage on a home because you are a woman." What a major bank in New York City that already has cases filed against them in the courts for this type of practice is doing is that they are counting only half of the husband's income.

Well, when we sat down and we figured out the total loan, we found out what they were really doing was counting the husband's income 100 percent and only half of hers.

This woman, by the way, happens to be assistant controller of one of the largest department stores in New York City whose income is well over \$25,000. So even with individual State laws we have what is commonly known in National Organization for Women a running battle against these financial institutions.

We are now equipped to handle this. We are not funded by anybody. This is all volunteer work. And, therefore, this legislation is extremely important to women in the United States because the women are the poverty group in this country.

And, OK, women in New York City can stand up and fight for their rights, but what about the women who live in Alabama, Texas, and in the ghetto areas of California? They are the ones that suffer the most. Because where it affects them is mostly their children.

Senator JAVITS. What really you want me to do is—

Ms. DESAREM. We have to have Federal legislation. As Barbara Shack pointed out, these industries will not police themselves. They will not do their own internal housecleaning on their own. The only thing they will listen to is Federal legislation.

Senator JAVITS. We will get the record of the hearing that you have just referred to, and we can try and use them in the House to push for action. And I will advise Representative Griffiths about your testimony.

Ms. DESAREM. Thank you.

Senator JAVITS. I am sure we can call that to your attention. And we will put in the record your testimony so as to form some kind of incentive to the House to move.

But your complaint now, really is not against us in the Senate; it is in the House.

Ms. DESAREM. Yes. I would be glad to supply any of these letters, by the way, if you are interested.

Senator JAVITS. Ms. Bander will discuss that with you.

Ms. DESAREM. Thank you.

Senator JAVITS. Thank you so much, ladies.

We now have a panel of parents mainly directed to the day care issue; would you mind coming up. Gertie Hodges and Dolores Radcliff, Lucille Williams will sit with the panel.

And, Ms. Hodges is the director of the Seabury Day Care Center. Ms. Hodges, would you proceed in your own way.

**STATEMENT OF GERTIE HODGES, DIRECTOR, SEABURY DAY CARE CENTER**

Ms. HODGES. Mr. Chairman, members of the Joint Economic Committee, I welcome the opportunity to appear before the committee. With me at the table is Ms. Lucille Williams, a parent whose child is in our school-age program.

This hearing, like others that have gone before and others that are sure to follow, demonstrates not only heightened public awareness to the needs of women and children, but also official awareness of Government's responsibility for meeting those needs.

The New York City day care program is the largest publicly subsidized program in the country. It is administered by the agency for child development whose fiscal year 1974 budget is \$124 million. Federal funds account for half of the budget, State and local funds each account for 25 percent.

The group day care program serves approximately 35,000 children in 426 centers; 25,800 are preschool children, 8,600 are school age and 360 are infants. Family day care serves approximately 6,000 infants, preschool and school-age children in approximately 1,500 family day care homes.

When you consider that in 1966 there were only 93 publicly funded day care centers in New York City serving only 6,700 children, the significance of title IV-A funding becomes obvious. Indeed, only the continued flow of Federal funds allocated under the Social Security Act has made this growth possible.

My day care center, Seabury Day Care, serves 85 preschoolers and 40 school-age children.

Traditionally, publicly subsidized day care in New York City has been provided as a service to the working poor for no fee or for a fee ranging between \$2 and \$25 graduated scale. The fees, as mandated by the New York City fee schedule established in 1965, are based on an analysis of a family's income, taking into consideration such costs as food, clothing, shelter, medical and other work-related expenses that are absolute necessities.

By basing the fee schedule on a family's disposable income after deductions for basic expenses, what the family pays reflects its real ability to pay. In this way, we maintain the priority of low-income families for day care services and, at the same time, do not penalize the upwardly-mobile family.

An analysis of the incomes of the families served and the fees they pay, indicates the following: 42 percent of families are public assistance recipients and pay no fee at all. Most of them work but still need supplemental assistance. Another 40 percent pay \$2 because they earn less than \$8,000; the remaining 18 percent pay anywhere from \$3 to \$25 a week, depending on their income which may go up to \$13,000.

In all, there are probably no more than 600 children out of the 42,000 served in the group and family day care program that are at the \$25 level and the State and city share the cost of their child care services.

Senator JAVITS. How many did you say? What was that last figure?

Ms. HODGES. 42,000 served in the group and family day care program.

Senator JAVITS. No, that last figure.

Ms. HODGES. Six hundred.

These are families where the child's need outweigh the family's financial status.

Of the 87 families Seabury serves, 73 are working, 6 are in training and 35 receive some form of public assistance. Of the remaining 6 families, 5 mothers are looking for work and one child was placed with us because the mother is an addict. In this case, as in most of the cases where the child is placed in the program because of social needs, day care is an alternative to foster care; a service which keeps families together instead of pulling them apart. As you know, day care is less expensive than foster care, often one-fifth the cost.

At Seabury, most of our families pay \$2 per week. The highest fee paid is \$13.75.

The average cost of child care in the private market is about \$95 to \$105 per week under the minimum wage requirements. In most cases child care in the private market in New York City can be defined as being in-home care of the child by a neighbor or relative, or outside care in an unlicensed facility that provides little more than custodial or babysitting services. In the latter case, it must be noted that most privately-funded child care centers are not open for the full work day. At present, there are only about 20 privately-funded, licensed child care centers open from 8 a.m. to 6 p.m.

The problems we face here in New York City, and I am sure every woman faces, with regard to day care, concern the following: One, assuring an adequate supply of day care service; two, determining who is going to be eligible for publicly-subsidized day care; and, there, assuring child care services provided are quality services.

In New York City there are approximately 300,000 children that are currently eligible for the day care program, but with the ceiling that was placed on title IV-A funds in October 1972, the City's efforts to expand the program beyond the current level of enrollment has been curtailed.

Senator JAVITS. What was that figure, of how many needed?

Ms. HODGES. 300,000.

Senator JAVITS. 300,000 as against 36,000 spots?

Ms. HODGES. Right.

Senator JAVITS. About 1 to 10?

Ms. HODGES. Right.

Senator JAVITS. Where do you get the 300,000 figure, Ms. Hodges?

Ms. HODGES. Well, from the different day care centers.

Senator JAVITS. You mean to the number of applicants, et cetera?

Ms. HODGES. That is right. Those who have applied.

Senator JAVITS. OK.

Ms. HODGES. Last year the State gave the city \$10 million to make up for the loss of Federal dollar. This year Governor Wilson refused to reappropriate the special appropriation. The city, unlike the State which has a budget surplus, is strapped for funds.

In view of this and the need for publicly subsidized services for those mothers who cannot afford it in the private market, I recommend

that title IV-A be exempt from the funding ceiling on social services spending.

Day care is an essential service, especially for women who want to go to work. In fact, it is as much an income maintenance program as public assistance itself in that New York City day care offers publicly subsidized health, nutrition, educational, and social services as well as child care to families who cannot otherwise afford them.

Though many mothers will not be able to go to work if they cannot get child care, some mothers who have to work because they are the sole support of the family or because their family income is below the minimal level needed to survive, will have to go to work anyway, and may leave their children in inadequate child care arrangements or home alone. This in itself is discrimination against women. As you know, most poor families are headed by women. One-half the families using publicly subsidized child care services in New York are one-parent families.

This brings us to the second problem, who should be eligible to receive publicly subsidized child development services. Though most of us would agree that the Government should provide subsidy for the poor, there seems to be a wide disparity as to how you define poor.

As you know, HEW, and in fact New York State department of social services as well, have proposed regulations that would severely limit the access of poor women to child care services. The financial eligibility criteria they established was nationwide and this did not take into account the differences in the cost of living in different parts of the country. The income cutoff levels were so low that in New York City where the cost of living is high, many working women, especially the upwardly mobile families, would be penalized. In many cases, a woman who had received a job and thus gone off welfare as a result of day care would then become ineligible for day care services under the proposed HEW guidelines. We won the battle temporarily against HEW; the regulations were postponed. But we've not been so fortunate vis-a-vis the State department of social services. As of July 1, 1974, the State has mandated that the city will have to conform to the state-wide fee schedule.

The day care community as a whole in New York has been fighting this because the State eligibility criteria, unlike the city's, does not take into account the cost of living in the city. About 13 percent of the current families would be ineligible for Federal and State reimbursement.

Therefore, I would recommend that eligibility for publicly subsidized day care be based on the families' true ability to pay and thus take into account the cost of living in the area.

Senator Javits, with your permission, Ms. Williams, a parent at Seabury Day Care, would like to take a minute to tell you what day care has meant to her.

Senator JAVITS. Please.

**STATEMENT OF LUCILLE WILLIAMS, SEABURY DAY CARE PARENT,  
BRONX, N.Y.**

Ms. WILLIAMS. My name is Lucille Williams and I am a mother of a school-aged child.

Senator JAVITS. Where do you live?

Ms. WILLIAMS. I live at 1555 Seabury Place, in the Bronx.

Senator JAVITS. Go ahead.

Ms. WILLIAMS. And I am the mother of a school aged child enrolled in the Seabury Day Care Center.

My daughter's name is Cheryl Williams, and when she was admitted to Seabury on December 1970, she was 4 years old—not exactly 4.

I must say that I can truly be proud of the progress that Cheryl made as a result of being in Seabury. When she graduated from the kindergarten at Seabury, she was reading on a first grade child's level. Now Cheryl is in the second grade at P.S. 61 in the Bronx, and receiving above average grades.

She still attends Seabury Daycare after school. She will attend after that for the summer program. She is also receiving tutorial services from the teachers there.

Before Cheryl was admitted to Seabury, I was unable to work as a result of not having anyone to care for her. I was completely supported by the department of social service.

After receiving proper child care service for Cheryl, I applied to the board of education for a job and got it. I am now employed by the board as a paraprofessional at the early learning center number 2, also in the Bronx.

After a short training period, I am proud to say that I am now the main source of income for my family.

If day care had not been available, I am sure I would not have been able to work.

Knowing there are many other mothers in New York faced with the same sort of situation, I have more friends that would be able to be available for the day care program. Without the Government subsidy, many mothers like myself would not be able to afford day care.

Finally, I feel that day care is to all mothers who use it and the ones that should have the use of it been allowed—if allowed to use it, I am sure it would be like light is to darkness, what water is to thirst and, last of all, what food is to hunger.

Senator JAVITS. Thank you very much, Ms. Williams.

Ms. Radcliff, you have been patiently sitting by. We don't want to deprive you of the chance to say a word if you want to.

#### STATEMENT OF DOLORES RADCLIFF, EAST HARLEM DAY CARE PARENT

Ms. RADCLIFF. My name is Dolores Radcliff, and I live in the East Harlem area, and we are not as fortunate as the people in the Bronx because I am here to testify about more money for day care facilities in Harlem which we need desperately.

When a child becomes 8 years old, or in the third grade, day care no longer provides service for that child. We are saying in east Harlem that an 8-year-old needs some kind of supervision because he cannot carry a key around his neck, and he is not old enough to take care of responsibilities such as opening a door, and taking care of himself, until the parents come home.

We are in desperate need of day care money for an extensive comprehension after school program for children from 8 to 12 years old. East Harlem does not have that, and we need it so desperately.

Because when I came home 2 weeks ago, I had to go to the nearest police precinct to pick up my kids from wandering around the street, whereas if I had day care service for my 8 year old, I wouldn't have had any need to do this.

We need extensive day care planning immediately for the children of east Harlem, and this is what I would like to see in the next session of the Congress and the Senate.

Senator JAVITS. Thank you. I will be back to you with a question or two if you will just stand by.

Ms. HODGES. do you have any official responsibility for all the day care centers? You testified to some broad figures. I just wondered how you came by those figures.

Ms. HODGES. Well, I got this from different sources and from the agency for child development.

Senator JAVITS. But really you are confined to your particular center as far as official responsibility is concerned; isn't that true?

Ms. HODGES. Right.

Senator JAVITS. My office tells me that I am on the board of your center.

Ms. HODGES. That is right. You are.

Senator JAVITS. I am an honorary member.

Now, the main question I'd like to ask you, Ms. Hodges, is this: There are two types of day care centers now. One you have described. That is, it is partially supported by social security. The other, a community action agency center which get their support under the poverty program.

Do you have any acquaintance with those at all?

Ms. HODGES. No. I think you are referring to the head start programs.

Senator JAVITS. Well, the head start and other community action agency programs.

Ms. HODGES. No. I work with the "Day Care."

Senator JAVITS. So that your program is a social security program essentially?

Ms. HODGES. Yes.

Senator JAVITS. And you are not oriented to the other?

Ms. HODGES. No.

Senator JAVITS. There is another program, and we are now engaged in an enormous effort to be sure that the community action agencies which conduct day care centers are kept alive.

Now, the \$25 that is the maximum pay that centers like your own, that is, \$25 a week—

Ms. HODGES. That is right.

Senator JAVITS. Does that pay the cost fully?

Ms. HODGES. No; it doesn't.

Senator JAVITS. Within that group. I am talking now not of what you said about \$95 to \$100 a week if you brought somebody in your home, minimum wage, et cetera. I am talking now only about a group operation.

Will \$25 a week per child pay for a group operation with, let's say, the same number of children you have, roughly a hundred?

Ms. HODGES. No; I wouldn't think it would.

Senator JAVITS. What do you think it would cost to really pay its way?

Ms. HODGES. I would not be able to say offhand. But the services that we offer, we have certified group teachers; that is, the person with a B.A., maybe an M.A. and this person would have to consider the salary of these teachers by three per class.

We have a group teacher, assistant, and aide. Then you have all of the other staff like family counselors and bookkeepers, cooks, janitors, besides the services that the children get, which includes one hot lunch, three snacks, including breakfast, and materials to work with in the classroom.

I would say that the \$25 would not—

Senator JAVITS. What would you think it would be? What's your estimate?

Our figures show that it would be \$3,300 a year, in round figures, to look after a child in a day care center.

Ms. HODGES. Well, I would hate to give a figure not being sure of myself, but I know the \$25 would not cover it.

Senator JAVITS. You see, the figure we have would be a very sizable figure, you know. Almost three times that. But you are not prepared to give us a figure?

Ms. HODGES. No.

Senator JAVITS. Do the parents take kindly to the sliding scale?

Ms. HODGES. Yes.

Senator JAVITS. The figures you gave us were 1965 fees. And, of course, the dollar is worth probably 50 percent of what was in 1965. Shouldn't those fees now be readjusted?

Ms. HODGES. Well, if you consider who is paying those fees, and what they are making, you know, their income, I don't know if it would be worthwhile to have it.

Senator JAVITS. Then it is a fact, is it not, Ms. Hodges, that fees which are the result of political decisions, you find it very hard to increase, and people complain?

Ms. HODGES. Right.

Senator JAVITS. That is a very real problem for us, it really is. Because if we could get more money, we could take more children and have a bigger operation. But somebody has to have the courage to do it. For those who could afford to pay.

Are you a professional yourself?

Ms. HODGES. Yes, I am.

Senator JAVITS. And this is your sole job?

Ms. HODGES. Yes, it is.

Senator JAVITS. You are a very intelligent woman and we should all be very grateful to you for undertaking it.

Will you have any suggestions for Federal legislation aside from the increase in coverage?

Of course, the key to it is, you know, one slot for 10 children.

Ms. HODGES. Well, that is the main thing. If we could get this increase and maybe if—more of you were really aware of what's going on in the day care centers and the services that are being provided, then maybe we'd get this in right away.

Senator JAVITS. So it is the increased number of slots or places that you feel is the key?

Ms. HODGES. Right.

Senator JAVITS. Ms. Williams, you raised a very interesting question. Could you calculate for us how much per week, per month, or per year you were getting when you were on welfare?

Mr. WILLIAMS. Oh, I could—

Senator JAVITS. Just give us an approximate figure.

Ms. WILLIAMS. A rough figure?

Senator JAVITS. Yes.

Ms. WILLIAMS. What I was getting from social services when I started was around \$56 for myself and a child when I first started.

Senator JAVITS. Then what has that grown to?

Ms. WILLIAMS. Then it went up to \$64. And from \$64 to \$86, and at the top scale, it went from \$100 and—I think it was \$120 to \$134.

Senator JAVITS. That was the most you got, \$134?

Ms. WILLIAMS. That's the most.

Senator JAVITS. That was \$134 what?

Ms. WILLIAMS. Dollars, biweekly.

Senator JAVITS. Every 2 weeks?

Ms. WILLIAMS. Right.

Senator JAVITS. And what year was that?

Ms. WILLIAMS. It started I'd say in 1961.

Senator JAVITS. What year did you get the \$134?

Ms. WILLIAMS. Two years ago.

Senator JAVITS. Now, then you got a job?

Ms. WILLIAMS. Yes.

Senator JAVITS. Plus day care made that possible. What do you earn on the job?

Ms. WILLIAMS. With getting my high school equivalency diploma last year, I go now to \$96 biweekly.

Senator JAVITS. You get \$96 every 2 weeks?

Ms. WILLIAMS. Right.

Senator JAVITS. Does that have to be supplemented now by any kind of public welfare?

Ms. WILLIAMS. Yes.

Senator JAVITS. How much do you get in public welfare?

Ms. WILLIAMS. \$138 biweekly.

Senator JAVITS. So you are getting about the same as you did before?

Ms. WILLIAMS. Right.

Senator JAVITS. Except that if you had only that to depend on, you couldn't live on it?

Ms. WILLIAMS. No.

Senator JAVITS. So that with the improvement of your situation you didn't have to get an increase over the last 2 years and, still with your job, you can live on what you have; is that correct?

Ms. WILLIAMS. Well, I am managing on what I have.

Senator JAVITS. I realize that. No one says you live opulently. But I am just trying to figure out, so it is fair to say, therefore, that day care has helped you to the extent of \$50 a week which, otherwise, would have to come from welfare?

Ms. WILLIAMS. Right. And which I couldn't get from welfare.

Let me say this: With as much as I make as do other people, I can see that unless people are taught how to use the money, they are not surviving. I see it every day.

Senator JAVITS. Your high school equivalency you got in the adult education program?

Ms. WILLIAMS. Right.

Senator JAVITS. You will be interested to know that I am the author of that program, and just the other day, after a terrific struggle in the conference committee on this subject, which finally will make the law, we succeeded in getting what New York needs and what more rural areas of the country didn't want to let us have.

Ms. WILLIAMS. Thank you. We need more people to be encouraged to get into it now.

Senator JAVITS. You encourage me too.

Ms. Radcliff, about the situation in east Harlem, aren't the schools open after hours for exactly the purpose that you named?

Ms. RADCLIFF. Certain schools. But, again, a child must be recommended to go there for one reason or another, such as if he's a slow reader or if he is a slow learner, but that's an after school program. But if a child is used to being in day care, from age 3 until 8 years old, I think some provision should be made in that same day care center to give adequate service. Because I have seen many after school programs which are good, and I am not knocking them. It is other teenagers who need this service in reading, writing, and so forth.

But I think younger children need a much more sophisticated kind of supervision.

Senator JAVITS. Than they would get in the after school program?

Ms. RADCLIFF. Right. More than a more mature kind of child.

Senator JAVITS. Are you acquainted with any community action agency operation of that kind in east Harlem?

Ms. RADCLIFF. Yes. The church has one. The Protestant Parish Church.

Senator JAVITS. And what about joining into that?

Ms. RADCLIFF. They are always overcrowded.

Senator JAVITS. Too few of them?

Ms. RADCLIFF. Right.

Senator JAVITS. In other words, it is a good idea, but there is just not enough of them?

Ms. RADCLIFF. That is right. They don't have the space.

They have the space; they don't have the teachers. There is always some problem. They don't have the money.

It is something that they just don't have to make this service—and this is a most needed service.

Senator JAVITS. And when you had to go to the police station to pick up your 8-year old you probably shuddered thinking that would happen to him as he got older.

Ms. RADCLIFF. Well, when I got there, an hour later, they were on their way to the shelter, and I wanted to know what for. You know, I am a neglected mother who when I was sent to work, an assistant knew that I had these difficulties, because they knew I had these children, but I was still forced to go to work.

There are many mothers that are still forced to go to work, but there are no kind of provisions made for them.

I was home, but I was told I had to go to work at this point. Now that I am working, they don't make the provisions for the children's need.

Senator JAVITS. Do you still get any welfare?

Ms. RADCLIFF. No; I do not.

Senator JAVITS. You are fully employed?

Ms. RADCLIFF. Yes.

Senator JAVITS. Do you do fairly well?

Ms. RADCLIFF. Not really. I go to school part time. I am the mother of three and I work full time.

Senator JAVITS. You are quite a girl.

Well, thank you very much, ladies. We greatly appreciate your testimony. You have been very helpful.

Our final witness of the day, to conclude the hearing, is Ms. Brenda Feigen Fasteau.

Will you take the stand, please.

### STATEMENT OF BRENDA FEIGEN FASTEAU, DIRECTOR, AMERICAN CIVIL LIBERTIES UNION

Ms. FASTEAU. I would like to just present some, more or less random points mostly by way of summary of the hearings and also because there is really no coherent way to tie together some of the things I would like to touch on.

One of the issues I have been working on as a lawyer and as director of the women's rights project of the American Civil Liberties Union, has to do with a man who suffers discrimination on the basis of sex and employment. The reason I'd like to mention it briefly to you is because I think it highlights the kind of damage that sex role stereotyping can produce for both women and men, and how it really is two sides of the same coin and really a double-edged sword.

The man is Gary Ackerman who applied for a child care leave. He was a schoolteacher in the New York City school system. The board of education informed him, through its officials, that he was ineligible for such a child care leave because he's a man.

We went into Federal court here in the southern district to try to get the court to make a statement that such a policy by the board was unconstitutional.

Meanwhile, we also filed a complaint with the Equal Opportunity Commission and determined that there was probable cause for sex discrimination.

The regulation which the board has originally provided for a 4-year leave for women, up to 4 years for women who had children and wanted to stay home with the child; men couldn't take any such leave.

Now, the value of that was they could come back to their jobs with the same tenure and seniority that they had before and lose nothing.

I emphasize this because I think it shows that society has decided that men should not stay home with their children even if they want to, or even if their wives work or the women in their lives work, and what we are saying is these kinds of opportunities have to be made available to men as well as women, and it cannot be assumed that because a woman has a child she will be less employable.

Too many employers take the position when a woman has a child she isn't as easily employable.

The ACLU has produced a book on public pregnancy, and it is quite a comprehensive book on all kinds of discrimination that arise vis-a-vis women.

Senator JAVITS. Would you give us the exact title of that book?

Ms. FASTEAU. "Public Pregnancies."

Senator JAVITS. By the American Civil Liberties Union?

Ms. FASTEAU. It is written by Trudy Haven.

It is quite comprehensive. I think that this reads well into what has to be, I guess, the focus for all of us, still, and that is the equal rights amendment. Most people are of the opinion that the equal rights amendment won't have much of an impact on employment and various other areas that have been covered somewhat at least by legislation. The first thing to recognize is it will affect any employment by State or Federal agencies of governments.

I think that much more significant, perhaps, than the direct effect it will have of the impact on the country of a national mandate passed by Congress and ratified by all of the States, or by 38 of the States.

I raised this because I don't think any of us, and that includes people who have voted the right way in the Congress, can afford to sit back and wait until the States ratify. There is a really rather vicious, in my opinion, campaign by the—I don't know what, happiness of womanhood and, God knows what else they call themselves, to try to distort the truth and to essentially prevent women and men, to the extent that men are discriminated, from getting equality.

I would like to, rather than go into any more about it, say that we simply have to begin once again a national campaign that will hopefully end by the time of the Bicentennial that will draw leaders in both parties, and that will draw men as well as women into the leadership role for ratification of equal rights amendment.

It is not adequate to say that because there are only five States to go and those States are working on it, or 17 States have not yet ratified, and they are working on it, that we can just sit back and wait. I think it is something that all of us, even though we live in States that have ratified, have to turn our attention. And as a man, and a Republican, I think your participation in that fight and in a leadership role would be extremely valuable.

One other matter. Again, somewhat unrelated, but very important to what's happening right now in Congress, is the Tower amendment to title 9, with which I know you are familiar. That amendment, as I understand it, has now been deleted at least temporarily, but that amendment essentially prevents coverage of title 9—title 9 prohibits discrimination in educational programs. It is my understanding that the guidelines to title 9 will be coming out tomorrow.

I also understand—I am not sure what kind of coverage there will be for athletics, but our concern is that the Tower amendment will essentially make title 9 not cover athletic programs which bring in revenue. And that would essentially mean that there can continue to be rampant discrimination by women in athletics, by colleges and universities, that continues to go on.

I think it is important to observe that the excuse given by the Tower amendment, or the statement essentially that they have to be able to go on so that they can continue to make revenue to pay for themselves.

We have to ask ourselves what is the purpose of educational institutions, what is the purpose of the educational program. It certainly is not supposed to be a moneymaking proposition. And I think that

the prospective in sports is totally distorted, not only for women, but for men as well.

Finally, I'd like to conclude with yet another issue that really is quite separate from what I have just been talking about, and that is abortion. There is no way that any of us can talk about ending discrimination in this country against women unless we recognize that cutbacks on the Supreme Court decisions in *Row v. Way*, and *Row v. Bolton*, which provided that a woman has the right to an abortion, unless such cutbacks are prevented, already leaves very serious setbacks.

As you probably know, the medicaid bill has amendments floating around, one of which would not allow medicaid funding to be used for abortions. Another is an amendment to the legal services bill, which would not allow any legal services lawyers to help women get abortions. Women who need legal services.

I think it must be underscored, if we are going to consider the kinds of issues that the women before me were talking about, if we are going to address ourselves to the problems of women who are barely able to earn a living and on welfare, we must recognize that if we prevent those women from getting abortions if they want them, then we are doing nothing more but putting us back to where we were before, making abortions for the rich, and not at all available to women who cannot afford to get them.

I think those were abhorrent and very disturbing, unconstitutional bills or amendments that have been attached to those bills, and I think that it is fair to say that we will be challenging such amendments and any others that come.

But I cannot understand the complete lack of regard for the Constitution, for the Supreme Court decision that has so far been evidenced by the Congress on this very serious issue. Suffice it to say my point on abortion is we cannot talk about any discrimination unless we recognize that discrimination goes much farther than the simple, economic issues which are very important, but not the end-all or be-all of what we are talking about.

Senator JAVITS. Thank you, Ms. Fasteau, for your testimony.

I might say by way of comment that I am a member of the conference committee—indeed, I am the ranking member of the committee, on the minority side, on the Tower amendment—and that problem has been dealt with already on my motion, and I think satisfactorily, to women's groups.

Ms. FASTEAU. I understand on Friday, I got a call in the afternoon, that that was accurate, but there was a chance that there would be an attempt made to put that back in.

Senator JAVITS. It is perfectly proper to raise it. Because in a conference, until everybody signs, and this conference will go on for at least 6 weeks, it could be changed.

But at this time it is tentatively settled, and we will do our best to hold it.

The other thing which I think is of interest, is these various abortion amendments, I think it should be said, just in illustration for yourself, that it is one thing to endeavor to interfere with women's rights to which the Supreme Court has found validated and certified—and an amendment was just rejected the other day, made by Senator

Helms, of North Carolina, endeavoring to do that. It was decisively tabled.

There are some amendments that have crept into affirmative programs of the Congress on this subject, dealing with various types of medical care, including hospital operations. Mostly they have been amendments dealing with the right of conscience of the individual doctor, nurse, of the client, if it is a welfare client, to refuse to have an abortion. I don't think anybody can quarrel, or hope—

Ms. FASTEAU. If you will forgive me for interrupting, that I can quarrel with, the statement that a hospital, and that includes, I might add, in the Church—

Senator JAVITS. That is in hospitals?

Ms. FASTEAU. But the Church amendment to the Hill-Burton Funding Act, which is now law, and since last July specifically says "in the hospital." It does not say any private or denominational hospital. It implies a public hospital can have a religious belief.

Senator JAVITS. It is any hospital which has Federal aid.

Ms. FASTEAU. That's right.

Senator JAVITS. That's the pattern. But it is a constant struggle, and I appreciate your point of view, and I am glad to have it.

We certainly appreciate very much, Ms. Fasteau, your views on the law, and I assure you I am one Senator that will be very vigilant on those subjects.

The Chair wishes to sum up by saying the hearing has been tremendously useful, and that the record of the testimony will, of course, be published. But I will call the most important elements as emphasized by the different witnesses to the attention of my colleagues, both in the House and Senate, as the Joint Economic Committee is a joint committee, and I am sure that both by action of the committee, which will undoubtedly make legislative recommendations on this score, and other committees, which are concerned, like Labor and Public Welfare, in both the House and Senate, that very serious weight will be given to this testimony. And I wish to thank all the witnesses and all who have participated, and to note for the record that Ms. Liz Robins, who served on the staff of the Senate Committee on Labor and Public Welfare is present today, has been familiar with these problems and has been a diligent advocate of increased federal funding for day care programs, and has helped us in the city as a volunteer in putting this hearing together, producing the witnesses and preparing it.

The hearing will stand adjourned.

[Whereupon, at 1:05 p.m., the committee adjourned, subject to the call of the Chair.]













