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ABSTRACT

The aims of this workbook for delegates to the White House Conference on Families are (1) to focus attention on the themes of the conference, (2) to provide brief background information on the issues to be discussed in the conference workgroups, and (3) to summarize recommendations which were part of the state issue reports. The workbook is designed to be used with the Hearing Summary and the summary of state reports for the White House Conference on Families. The workbook contains briefs (arranged under the general topic of Families and Well-Being) on five themes of the conference. These briefs are economic pressures, family and work, tax policies, income security for families, and status of homemakers. The Issue Briefs, which attempt to provide basic information for further discussion and decisions, are organized into four sections: Introduction; Background Information on Major Issues (demographic and other data); Current Programs and Policies (where appropriate); and Recommendations from the States. (Author/SS)

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White House Conference on FAMILIES

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FAMILIES
and
ECONOMIC WELL-BEING

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Delegate Workbook

BALTIMORE • MINNEAPOLIS • LOS ANGELES

CONFERENCE TOPICS AND WORKGROUPS

A. Families and Economic Well-Being

1. Economic Pressures (inflation, unemployment, poverty, economic discrimination)
2. Family and Work (work in home, increased participation in paid workforce, personnel policies, flexible schedules, leave policies, discrimination, employer support for child care, other workplace issues)
3. Tax Policies (the "marriage tax," deductions for children, tax credits, tax reform, other tax issues)
4. Income Security for Families (welfare, social security, pensions, other forms of financial assistance)
5. Status of Homemakers (recognition, tax policies, social security, employment, other issues

B. Families: Challenges and Responsibilities

6. Preparation for Marriage and Familiy Life (family life education, preparation for marriage, parenting)
7. Specific Supports for Families (two-parent families, single-parent families, extended families, military families, migrant families, other specific families, definitions)
8. Parents and Children (families with children, foster care, adoption, youth, adolescent parents, parent-child relations)
9. Family Violence (child abuse, spouse abuse, abuse of the aged)
10. Substance Abuse (alcoholism, drug abuse)
11. Aging and Families (older families, long term care, services, independence other needs and strengths)

C. Families and Human Needs

12. Education (quality, home-school relations, parental involvement, other education issues)
13. Health (cost, quality, availability, prevention, family planning, maternal and infant health, health education, abortion, mental health, other health issues)
14. Housing (cost, availability, discrimination, displacement, other housing issues)
15. Child Care (availability; affordability; quality; choices: family, community, private, publicly supported)
16. Handicapping Conditions (families with handicapped members, independence, services, other issues)

D. Families and Major Institutions

17. Government (sensitivity to families; sensitivity to racial, ethnic and cultural differences; family impact proposals; citizen participation)
18. Media (TV, movies, advertising, accountability, other media issues)
19. Community Institutions (religious organizations, community and neighborhood groups, social services, self-help groups)
20. Law and the Judicial System (family law; marriage, divorce and separation; custody; other legal issues)

FAMILIES AND ECONOMIC WELL-BEING

DELEGATE WORKBOOK

Table of Contents

White House Conference on FAMILIES

INTRODUCTION

This Delegate Workbook is a resource for the delegates to the White House Conference on Families. It is intended to perform three basic functions:

1) focus attention on the themes of the White House Conference on Families.

2) provide brief background information on the issues to be discussed in the Conference Workgroups.

3) summarize recommendations which were part of the state issue reports from a significant number of states.

We hope these four workbooks will help delegates focus on the challenging task of developing an "action agenda" to strengthen and support families.

These workbooks and the issues which they cover are drawn directly from the state activities and hearings of the WHCF. Unlike previous efforts of this kind, the National Advisory Committee did not pre-select the issues for the Conference, but waited until the majority of states had identified their priority topics and issues. The NAC directed that these workbooks draw their recommendation from those developed at state conferences. This meant that the books were produced under enormous time pressures and include recommendations from state reports available to us by May 5.

These workbooks are designed to be used with the Hearing Summary and the summary of State Reports which will also be made available to you. These workbooks are brief. They are not intended to be a comprehensive treatment of issues or an exhaustive listing of state recommendations. We are hopeful that these workbooks will help delegates respond to the overwhelming concerns for families voiced throughout WHCF activities.

Conference Themes

At its first meeting last July, the National Advisory Committee adopted six themes to guide the White House Conference on Families.

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These are crucial starting points for the discussion of issues.

- <u>Family Strengths and Supports</u>

  Families are the oldest, most fundamental human institution. Families serve as a source of strength and support for their members and our society.

- <u>Diversity of Families</u>

  American families are pluralistic in nature. Our discussion of issues will reflect an understanding and respect of cultural, ethnic and regional differences as well as differences in structure and lifestyles.

- <u>The Changing Realities of Family Life</u>

  American society is dynamic, constantly changing. The roles and structure of families and individual family members are growing, adapting and evolving in new and different ways.

- <u>The Impact of Public and Private Institutional Policies on Families</u>

  The policies of government and major private institutions have profound effects on families. Increase a sensitivity to the needs of families is required, as well as on-going action and research on the specific nature of the impact of public and private institutional policies.

- <u>The Impact of Discrimination</u>

  Many families are exposed to discrimination. This affects individual family members as well as the family unit as a whole.

- <u>Families with Special Needs</u>

  Certain families have special needs and these needs often produce unique strengths. The needs of families with handicapped members, single-parent families, elderly families and many other families with special needs will be addressed during the Conference.

It is very important that these themes be part of your consideration of recommendations. They raise important questions which touch every issue area. They cannot be ignored or isolated in just one or two specific workgroups. For example, these questions might be raised in the workgroup on housing:

Family Strengths and Supports:	How can housing efforts in both the private and public sectors build upon and enhance family strengths?

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Diversity:	How does the cultral and racial diversity of American families influence housing policies and programs?
Changing Realities:	What effect does the rise in divorce and single-parent families have on housing needs and programs?
Public and Private Policies:	How do public policies such as high interest rates affect housing? How successful are current housing programs in meeting family housing needs?
Discrimination:	How can we combat housing discrimination against Blacks, Hispanic, Asian and Native American families. Families headed by women? Families with children?
Special Needs:	What are the special housing needs of families with handicapped members, elderly families, low income families?

Similar questions should be asked in each workgroup. These themes cut across the boundaries of all the workgroup issues and topics. They are the philisophical pillars of the Conference.

Issue Briefs

Drawing on the concerns expressed in national hearings and state activities, the WHCF has prepared 20 Issue Briefs as background information for delegates. The 20 topics come from the most frequently mentioned concerns in the hearings and state reports. This workbook contains 5 issue briefs under the topic of Families and Economic Well-Being. They are:

1. Economic Pressures
2. Family and Work
3. Tax Policies
4. Income Security for Families
5. Status of Homemakers

These briefs are an attempt to provide some basic data on the topic and limited information on public and private efforts in dealing with that topic. The Issue Briefs are organized into four sections:

I. Introduction
II. Background Information on Major Issues (demographic and other data)
III. Current Programs and Policies (where appropriate)
IV. Recommendations from the States.

These issue briefs attempt to provide some basic information without an overwhelming volume of material. The issues briefs are in no way intended to serve as a substitute for the expertise and insights of delegates. Rather, we hope to provide some basic facts and background information for your discussions and decisions.

In preparing these materials we received invaluable assistance from the papers delivered at the WHCF National Research Forum as well as papers prepared for the WHCF by key Federal agencies, organizations and individuals.

Recommendations

At the close of each issue brief is a summary of recommendations which received support from a significant number of states. States were to submit 10 priority topics and three recommendations for each topic. Despite WHCF guidelines, the format of the state reports varied widely and this complicated the difficult task of organizing and summarizing the recommendations. The recommendations included in this summary are from final state reports received by May 5. Some states have still to submit final reports.

The state activities for the WHCF involved well over 100,000 Americans in a unique process of listening and involvement. Fifty-five of 57 states, territories, other jurisdictions carried out WHCF activities. This performance was particularly gratifying in light of the fact that no Federal funds were available for WHCF state activities, and that guidelines for state activities were adopted less than six months before the close of state activities. These remarkable efforts are the result of hard work and extraordinary commitment by state coordinators and their committees, as well as strong support from many Governors.

In complying with WHCF guidelines, states adopted a variety of plans to involve families in the selection of both delegates and issues. Many states went beyond minimum requirements and developed elaborate listening processes and innovative delegate selection methods:

- Thirteen states held both regional hearings or forums and a statewide conference.

Delaware	North Dakota
District of Columbia	Ohio
Georgia	Oregon
Illinois	South Dakota
Iowa	Virginia
Minnesota	Utah
Missouri	

(South Dakota, Utah and Ohio held meetings at the county level. D.C. held hearings in each ward.)

- Seventeen states held a series of regional conferences or hearings:

Arizona	New Jersey
California	New York
Louisiana	Pennsylvania
Maine	Puerto Rico
Maryland	Rhode Island
Massachusetts	South Carolina
Missouri	Texas
Nevada	Washington
New Hampshire	

- Sixteen states held statewide conferences:

Alaska	Nebraska
Arkansas	New Mexico
Colorado	Oklahoma
Connecticut	Tennessee
Hawaii	West Virginia
Kansas	Wisconsin
Kentucky	Wyoming
Michigan	Vermont

- Four states combined previous efforts with a random selection process or developed a unique peer election process:

Florida	Montana
Idahoa	North Carolina

- The five territories participated:

Guam	Northern Marianas
American Samoa	Virgin Islands
Pacific Trust Territories	

- Two states are not participating:

Indiana	Alabama

In compiling this summary, state recommendations were divided by topic and issue. Similar recommendations were grouped together and a sample recommendation was selected for purposes of illustration. Recommendations from only one or two states were not included in this summary for reasons of length. However, every state recommendation is included in the resource volumes Summary of State Reports. These recommendations should serve as starting points for discussions in workgroups and topic groups.

In evaluating these recommendations, I would urge you to look for areas of potential agreement and consensus. Progress for families is most likely on issues where support crosses racial, economic, geographical and ideological lines. Likewise, I would urge you to avoid using the WHCF as a forum for resolving intense and polarizing issues which already have a momentum, passion and forum of their own. There are many issues affecting families which lack the visibility, strength and focus which the Conference could provide. It would be a shame if such issues were overlooked in a battle over more controversial and politicized proposals.

Working together, I'm convinced we can come up with concrete, specific and achievable recommendations to strengthen and support families. This Workbook is an important resource in that task.

Jim Guy Tucker

Jim Guy Tucker
Chairperson
White House Conference
on Families

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White House Conference on FAMILIES

FAMILIES AND ECONOMIC WELL-BEING

AN OVERVIEW

American families are struggling to cope with a variety of economic and work-related pressures. High inflation, rising unemployment, tax policies and income security programs profoundly influence the fabric of American family life. Only the insensitivity of government toward families was more frequently mentioned in the national hearings than economic pressures. Issues related to work, financial assistance to families, tax policy and the status of homemakers also ranked high among the concerns at the hearings.

In the Issue Briefs which follow this overview, you will find that many states made recommendations in these areas. As the hearings and state reports make clear, one cannot deal with families without dealing with the economic policies which affect them so directly.

American families today don't need to be reminded of the devastating impact of inflation running at 18 percent. In addition to stripping them of purchasing power, inflation robs families of an essential ingredient -- hope for the future. It discourages savings and throws doubt onto long-term investments such as savings for college educations and adequate retirement income. When interest rates rise in an effort to curtail inflation, increases in unemployment are almost always the result. Thus in times of spiraling costs, the twin enemies of inflation and joblessness work against families simultaneously.

Unemployment and the poverty which accompanies it undermines and destroys families. The twin burden of joblessness and inadequate income works against family stability. They fall most heavily on those subject to discrimination -- Black, Hispanic, Asian and Native American families and families headed by women.

Another area of interest to growing numbers of Americans is the workplace and its relationship to families. While workers today are as concerned about job opportunities and advancement as ever before, many workers and employers are looking for new ways to reconcile conflicting family and work responsibilities. Some parents would like to see implementation of on-the-job policies such as sick leave that would permit them to stay home with a sick child or flextime. Others have suggested the possibility of tax credits for employers to support child care.

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A growing number of companies are re-examining their personnel policies in light of the needs of families and are implementing new concepts sensitive to the families of their employees.

A range of other issues round out the area of economic well-being. Many family members are concerned about reform of tax policies, including the so-called "marriage penalty" which taxes two working married people at a higher rate than two working single people who live together. Others question deductions for children that return more money for high-income taxpayers than for those who earn less.

Other questions are being raised about welfare programs and other forms of financial assistance of families. Are they breaking up families? Are they providing adequate support? Still another priority is the status of homemakers. Does our society recognize the importance of work in the home? Do social security and other laws recognize the economic and other contributions of full-time homemakers?

At a time of high inflation, rising unemployment, and increased economic pressures, we need to examine how national economic policies, tax structures, government assistance programs and personnel practices can be more sensitive to the needs of American families.

White House Conference on FAMILIES

FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Economic Pressures on American Families

I. INTRODUCTION

In this century, the rapid industrial and economic growth of the United States has had an important role in shaping the quality of family life. Today, there is increasing uncertainty about the nation's economic future and even less certainty about its effects on the well-being of families. Given the vulnerability of families to economic forces, it is important for the White House Conference on Families to examine current and projected economic problems and their effect on families.

In American society, the family is a dynamic, decision-making, problem-solving unit, capable of adapting to changing economic and social pressures. The principal economic goal of most families goes beyond satisfying the essential needs of individual family members; it is to achieve or maintain a standard of living which is among the highest in the world.

Economic well-being in the United States is largely measured by income, and for most Americans, income is derived from work--the average family's primary economic activity. As the issue briefing paper on work noted, work may contribute to the economic well-being of the family, or, if unavailable, unstable, or low-paying, it may threaten a family's social health.

Economic stresses on families take different forms and depend on many conditions, particularly on the level of income. For example, for a family in which the wage earners are professionally trained, job titles and other symbols of status may have great importance. But for the very poor, simply finding a job can be a major problem.

Nothing is probably more destructive to families than the loss of a job or the inability of a family to provide for the basic economic needs of its members. Unemployment, inflation and poverty directly undermine families.

Many families experience unusual financial strain at two stages: first, when the household is being set up, and then when there are adolescents in the family. Young families are especially vulnerable to these stresses because the primary wage earner's work career has usually just begun. Even in those families with two wage-earners, the increasing cost of child care can cause hardship, especially if the income of one wage earner is not substantially higher than the cost of the child care.

The median income of U.S. families in 1978 was $17,640, according to census data. Also in 1979, the poverty line for a family of four was $7,410, for a couple was $4,880, and for an individual, $3,770. Obviously, factors such as structure, race, region, rural-urban location, and sex influence family income.

With regard to family structure, from 1970 to 1979, the number of families maintained by a female householder with no husband present rose from 11 to 15 percent. This change exerted a downward influence on the overall median family income because families maintained by women tend to have lower incomes. In 1978, one-half of the nation's 57.2 million families included one or more children under age 18. The women maintaining families in 1978 were generally younger, likely to have additional children, more likely to be divorced or never married, and more likely to be black than female-headed families in 1960.1/

With regard to race, white families had a median income of $18,370 in 1978 while that of black families was $10,880. The 1978 median income for Hispanics was $12,570. 2/ Compared with all families, fewer Blacks and Hispanics reported income in the middle and upper ranges; more fell in the lower and moderate income categories.

Considering region, in 1978, median income of families in the South was $15,940. Median income in the Northeast was $18,190; in the North Central Region $18,600, and in the West $18,410. 3/

With regard to rural-urban location, the 1978 median income for farm families was $15,280 and for nonfarm families, $17,730. 4/

With regard to sex, in 1978, about 65 percent of men and 43 percent of women worked year-round, full-time. Median earnings for year-round, full-time work were $15,730 for men and $9,350 for women. 5/

Many other factors relate directly to the economic well-being of families, including the type and availability of work, family buying habits, tax policies, government assistance, as well as insurance and pension plans. However, the primary economic pressures identified by participants at White House Conference on Families national hearings and by state activities are: inflation, unemployment/underemployment, and poverty/inadequate income.

II. BACKGROUND ON MAJOR ISSUES

The issues of inflation, unemployment, and poverty are isolated for discussion because they are the primary factors affecting the overall economic well-being of families. It is difficult to separate these factors. Long-term unemployment for most families leads to poverty; and high inflation affects poor families disproportionately because they have little purchasing power to begin with.

In addition, inflation, unemployment and poverty have been identified as important contributors to family violence, juvenile delinquency and runaways, alcohol and drug abuse, and, separation and divorce.

Inflation

Many consider inflation as this nation's most serious economic problem, and there is no doubt that the rising cost of living has a tremendous impact on families. Inflation was a concern expressed very frequently by those who testified at White House Conference on Families natonal hearings.

The current inflationary period began in the middle 1960s and over the last decade averaged over 6 percent a year. However, in the past several years, prices and costs began to increase disturbingly, spurred in no small degree by energy costs. By November, 1977, consumer prices had risen by an annual rate of 12.6 percent, and thus far in 1980 the inflation rate has reached 18 percent.

Inflation is threatening the prospects of continued economic health: it undermines consumer confidence, raises interest rates, weakens the value of the dollar in exchange markets, reduces the future purchasing power of savers, and upsets business plans for investing in new plants and equipment needed to foster economic expansion.

And by now, inflation is imposing severe hardships on many families whose incomes have not kept up with rising prices. Those who suffer the most are the poor and the elderly.

Consumer economists suggest that inflation and energy costs have created within families the feeling of a loss of control over their finances and a reduced sense of financial responsibility. For example, an estimated 82 million Americans carry credit cards which they use for 16 million purchases a day.

Each cardholder has an average of 7.1 cards, for a total of 600 million credit cards. Because of increased use of credit cards, total consumer debt rose 17 percent in 1978 to $1.2 trillion. 6/ By the end of the year, the average person owed $5,512.

Unemployment

Unemployment was cited at the White House Conference on Families national hearings as a key factor in the disruption of family life. Unemployment occurs at all economic levels, but the resulting income loss is an economic problem felt most heavily by low-income workers. The proportion of poor or near-poor workers who face extended unemployment is more than double the proportion of middle-income workers who become unemployed.

Probably nothing is more destructive to a family member than the loss of a job. This does not fall equally on the various segments of our society. For the past two decades, blacks have been twice as likely to be jobless than whites. Hispanic, Asian, and Native American families suffer far more unemployment than white families. Women are more likely to be unemployed than men. Female heads of household were three times as likely to be out of work than men (2.7 percent to 8.3 percent in April of 1980.) And, approximately 14 percent of young people aged 16-21 are actively looking for work and cannot find it. Over 30 percent of black youth are jobless (April 1980 figures).

Unemployment generally refers to persons actually seeking work as opposed to those who are not part of the labor force. There are different types of unemployment: cyclical, frictional, or structural.

Cyclical unemployment results from an economy-wide downturn in the business cycle, such as a recession or depression. Major layoffs are an example of this type of unemployment. Frictional unemployment generally occurs during a period of high employment and is short-term. Seasonal unemployment is a common example. And structural unemployment is generally of long-term duration, sometimes characterized by infrequent or discontinued job searches. The causes of structural unemployment may be discrimination, lack of training, a major dislocation in a particular sector of the economy such as the movement of textile mills from the North to the South, sharp reduction in governmental spending in a certain area, as happens when a major defense supplier loses a contract, or elimination of particular jobs because of automation. From the perspective of the unemployed worker, the problem is an inability to make the transition to a new situation because of geographical location, insufficient education, old age, or discrimination.

Basically, a group is said to face economic discrimination when its members receive lower pay or receive less remuneration in the form of authority, opportunities, and so on than members of its counterpart group who possess the same productive skills. Economic discrimination can be attributed to several sources: sex, race, age or unequal access to education and training.

Unemployment or low wage rates can mean hard times for families, especially those with only one earner. Thus, a growing factor in the economic security for American families is the presence of secondary earners. A family's adaptability or response to changing economic pressures depends on the resources at its disposal. A single-parent family, for example, has less adaptability than a two-parent family. A family that has been making ends meet for years with two earners has less adaptability to new forces than a family where a spouse can enter the workforce at a time of economic need. The family response is also conditioned by factors such as the availability of alternative sources of income, employment opportunities for other family members, and the "costs" of employment. For women with preschool children, for example, the costs of going to work may outweigh the benefits because of the high costs of child care.

There are also psychological factors related to work that often contribute to the economic pressures on families. Work can be a source of dissatisfaction and despair as well as of satisfaction and self-esteem--its psychological value depends on individual experiences. Studies have found not only consistent differences in health and self-esteem by occupational level, but changes in health and self-esteem as individuals move up (or down) the occupational ladder.

Although we know that economic factors affect different families differently, we also know that basic family essentials--food, clothing, shelter, health care, education and mobility--all require a level of income above a minimal level for an average family to enjoy the American standard of living.

Poverty

While most American families are self-supporting, inadequate income is a major problem for many. Those families most prone to poverty are those headed by men with little education or marketable skills, and those headed by women who have entered the labor force. A large percentage work in relatively low-paying jobs. In 1973, a nationwide survey found that women heading families were consistently paid less than men with comparable education and training. 7/ Over half these families would have risen above the poverty level if the female heads of household had been paid wages equal to those paid men with similar skills and experience. Many elderly women are also poor. In 1977, among the elderly poor, 19 percent were men and 81 percent were women. 8/ This means that nearly half of aged American women lack the income to live in comfort in their senior years.

In addition, racial discrimination in the labor market results in a type of underemployment which yields on the average relatively lower economic status for families headed by minorities of color.

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From the perspective of families with children, poverty and economic stress were crucial concerns expressed by many who testified at the White House Conference on Families national hearings. Individual witnesses presented impressive evidence which supports the position that the poor are finding it increasingly difficult to acquire such basic human necessities as food, housing, and medical treatment. Witnesses spoke of the destructive effects of poverty on the maintenance of family life.

The concept of poverty is complex, but the measure most commonly used is a poverty index or "unofficial living standard" developed by the Social Security Administration which defines poverty in financial terms--a lack of command over resources. 9/ This definition does not include the reasons for families being poor. The index is based on the U.S. Department of Agriculture's measure of the cost of temporary, low-budget, nutritious diets for households of various sizes. The poverty index is this food budget multiplied by three, reflecting a determination made by USDA that food typically represents one-third of a low-income family's expenses. This figure is considered the minimum income needed to buy a subsistence level of goods and services. Approximately 5.2 million families have incomes classified as poor by this index. 10/

Consider other characteristics of families below the official poverty level: 11/

- About 16.4 million whites and 7.7 million blacks had incomes below the poverty level in 1977. In proportion to their numbers, the poverty rate for whites was much lower than the rate for blacks and persons of Hispanic origin;
- There were 3.2 million persons age 65 years and over below the poverty level in 1977;
- In 1977, some 21.5 million poor persons were below age 65. Nearly half (10 million) were children under age 18;
- In 1977, 15 million poor persons (about three-fifths of all the poor) lived in metropolitan areas, 60 percent of these in central cities.
- There were 5.2 million unrelated individuals (persons living alone or with nonrelatives) below the poverty level in 1977.

- Almost 80 percent of the poor families living in publicly owned or subsidized housing were families with a female householder; nearly all had children living with them. Of these families, about half were headed by black women with children.

- Females also accounted for a large proportion of poor primary individuals (a primary individual is a householder who lives alone or with nonrelatives) living in public housing. This is partly due to the fact that women make up a large majority of all primary individuals below the poverty level.

Equally debilitating are the less-obvious effects of poverty on families. For example, many poor families must do without many things that families with an average income take for granted, such as a car, an adequate number of beds, school supplies, or an occasional movie. Nothing is budgeted for medical care or insurance. Other serious effects of poverty on families are nutritionally inadequate diet and overall poor quality of family life.

Unemployment and underemployment are major causes of poverty. Families with jobs but with inadequate incomes are often referred to as the "working poor" and the underemployed. 12/ This groups includes those who are working part-time but desire full-time jobs and those--both heads of families and individuals--under age 65 working full-time but earning poverty-level wages. Workers in these categories are classified as employed and do contribute to the economic well-being of their families. However, their unstable or low-paying jobs can threaten their financial security.

III. POSSIBLE DIRECTIONS FOR FUTURE ACTION

Critical economic issues such as inflation and unemployment will have to be resolved by large-scale monetary and fiscal policies within the context of domestic and international developments. In addition, there is also need for specific income security programs for families, several of which have been discussed in the issue briefing paper, "Income Security for Families."

Inflation

Because inflation has many causes, its reduction requires concentration on a balanced program that addresses the crucial problems. Three broad approaches to reverse inflation have been suggested:

- o Monetary and fiscal policies must guard against the emergence of excessive demands and economic overheating that inevitably lead to accelerating inflation.
- o Legislative and regulatory actions to achieve social objectives must be carefully screened to minimize the effects on costs and prices.
- o Ways must be found to break the self-perpetuating cycle of price and wage increases that has become entrenched in the private sector after ten years of inflation. 13/

A balanced approach to the problem of inflation must address all three of these concerns. Trying to solve the problem of inflation by concentrating on any one alone would lead to policies that would be either ineffective in maintaining the well-being of families or damaging to the American economy over the long-run.

Unemployment and Poverty

Viewing unemployment as the root cause of many family and social problems, presenters at the White House Conference on Families national hearings were concerned about a number of issues: dependence on welfare, increase in the crime rate, and loss of self-esteem which often accompanies unemployment. Possible remedies suggested include:

- o A national policy to achieve full employment;
- o Vocational training programs;
- o Revitalization of small business support activities;
- o More aggressive affirmative action programs; and
- o Expansion of the Comprehensive Employment Training Act program.

Other suggestions to combat unemployment applied to groups of workers with special needs include:

- o Provision of tax credits or other compensation for persons of either sex who desire to arrange to stay home for some period of the day to care for their children; or make low-cost quality day care available to working parents.
- o Improve the use of tax laws and child support policies to make more equitable the economic lives of families divided by divorce.

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- Provide more and better benefits and tax laws to protect the economic status of handicapped persons in families.

- Protect the income of retirees from inflation so that they do not become financial strains on their children.

Finally, the connections between work and families cannot be viewed apart from the economic, cultural and occupational environments in which family members must survive. An important mediator of these environments is government. Governmental policy directly affects the accessability of jobs and income. It can help solve the problems of unemployment by altering tax policies, and by providing public service jobs or other incentives. Legislation concerning discrimination, minimum wages, and the safety and quality of work environments also affects the availability of jobs. By providing employment and training opportunities, government at all levels can help to improve "human capital" and, therefore, the economic status of families.

The United States does not have an official family policy. But if we define such a policy as the things government does to and for the family, than government is very much involved with the economic factors which affect family life.14/

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SUMMARY OF STATE RECOMMENDATIONS: ECONOMIC PRESSURES

Thirty-one states made recommendations which addressed economic pressures and their effects on familes.

INFLATION

- Twenty-two states addressed inflation and its effects on families.
- Seventeen states called for various government actions to combat inflation.
- Eleven states recommended balancing the federal budget.
- Five states urged stricter credit limits.
- Four states supported wage and price controls.

EMPLOYMENT

- Twenty-three states made recommendations in the area of unemployment and job opportunities.
- Fourteen states proposed additional job creation efforts
- Twelve states called for increased job opportunities for particular groups - youth minorities, aged, displaced homemakers.
- Eleven states addressed job training and counselling.
- Nine states recommended tax credits to businesses to create employment opportunities.
- Eight states recommended the development of a national full employment policy.
- Five states urged greater efforts against discrimination and for affirmative action.

CONSUMER AWARENESS

- Ten states recommended expanded consumer education and counselling opportunities.

ECONOMIC PRESSURES

Inflation

Connecticut proposed:

"We believe it essential that government institue a permanent program to control inflation."

Iowa proposed:

"Steps must be taken to curb inflation which is one of the most destructive elements affecting families. Uncurbed inflation is causing women with young children to work outside the home when they would rather not. It is negatively affecting young families, elderly families and destroying savings of all families."

Similar recommendations were made by: Kansas, Kentucky, North Dakota, Oklahoma, Texas and Wyoming.

Balanced Budget

Mississippi proposed:

"For the purpose of promoting the American Family and the future of the nation, Federal taxes should be reduced and the Federal budget balanced. We should encourage everyone to become less dependent on Federal help."

Oklahoma proposed:

"Gear government spending to the gross national product so that increase in government spending are limited to a proportion of the increase in GNP."

Similar proposals came from: Minnesota, Nebrask, North Carolina, North Dakota, South Carolina, Tennessee, Texas, Washington and Wyoming.

Credit Limits

Delaware proposed:

"o It should be the policy of us all to become less dependent on credit.
- It should be the policy of the federal government to limit the individual and industry borrowing power.
- Strict limits on borrowing by large businesses and subsidiary holdings.
- Limit personal credit that can be extended to any person.
- Tighter control on use of credit cards."

Similar proposals were made by: District of Columbia, Oklahoma, South Carolina and Tennessee.

Wage/Price Controls

Minnesota proposed:
"The Federal Government should establish wage-price controls."

Similar proposals came from South Carolina and Wyoming. Montana expressed misgivings about such controls.

Employment

Twenty states addressed employment in their recommendations.

Full Employment

Connecticut proposed:
"Each person should have the opportunity to obtain a job which provides a feeling of usefullness and dignity at wages sufficient to support a decent standard of living. Full employment can be greatly assisted through government policy as enuniciated in the Humphrey-Hawkins Act."

Iowa proposed:
"Steps must be taken to ensure full employment opportunities for all, as stable employment is one of the most important elements in family stability. We must guarantee full employment opportunities for all members of the work-force."

Similar recommendations were made by: Illinois, Maryland, North Carolina, New York, Washington and West Virginia. Utah addressed the issue.

Job Creation

Maryland proposed:
"Increase public service employment and provide tax incentives for employment of disadvantaged persons in the private sector."

Proposals on public service employment came from: Virginia, West Virginia, Delaware, and Maine.

Oklahoma and South Carolina proposed:
Job creation efforts in preivate sector rather than public sector.

North Carolina proposed:
Government efforts as a "last resort"

Similar proposals for incentives to private employers to provide job appointments came from: California, Illinois, Missouri, North Carolina, New York, Oklahoma, Oregon, Vermont, and Washington.

Job Training and Education

South Carolina proposed:

"Career planning in schools, beginning with early education and continuing into adulthood, should be available. Coordination of employment services are needed. Counseling, regardless of race, sex, age, etc., should be made available."

Similar recommendations on job training and career education were made by: Alaska, California, Delaware, Connecticut, Maine, Maryland, North Carolina, New York, Oklahoma, and West Virginia.

Jobs for Special Groups

Oklahoma proposed:

"Provision should be made for expanded employment opportunities for special groups: teenagers, recipients of public assistance, and the handicapped. It should be the policy of government to more strongly enforce laws against age and sex discrimination in employment rather than enact new laws."

Other recommendations and job training counselling and education were made by: Alaska, California, Hawaii, Illinois, Maryland, North Carolina, North Dakota, Oklahoma, Rhode Island, South Carolina, West Virginia and Wisconsin.

Consumer Awareness

Eleven states made recommendations focusing on consumer awareness.

North Carolina proposed:

"Programs of consumer credit counseling and money management need to be instituted at various points.

a. within the schools for young children and as a public service to all citizens.
b. through neighborhoods at churches, through voluntary organizations.
c. by the establishment of consumer credit counseling services for those in financial difficulty.

Consumer credit counseling and money management courses need to be readily available to everyone, including the individuals from the grade school to the retiree."

Similar recommendations were made by: District of Columbia, Iowa, Kansas, Nebraska, North Dakota, Oklahoma, South Carolina, Utah, and Wisconsin.

RECOMMENDATIONS	NUMBER OF STATES MAKING SIMILAR RECOMMENDATIONS	STATES
INFLATION	22	
o Government Action to Combat Inflation	17	AK, CT, DE, IA, KS, KY, ME, MN, MS, MT, ND, OK, SC, SD, TX, WA, WY
o Balance Federal Budget	11	MN, MS, NB, NC, ND, OK, SC, TN, WA, WY
o Credit Limitations	5	DE, DC, OK, SC, TN
o Wage/Price Controls	4	DE, MN, SC, WY
EMPLOYMENT/UNEMPLOYMENT	23	
o Job Creation	14	CA, DC, IL, ME, MD, MO, NC, NY, OK, OR, SC, WA, WV, VT
o Job Training, Counseling Education	11	AK, CA, CT, DE, MD, MD, NC, NY, OK, SC, WV
o Job Opportunities for Specific - Youth, Minorities, Aged	11	CA, HI, MD, NC, ND, OK, RI, SC, WV, WA
o Full Employment	5	CT, IL, NC, NY, OK
o Non-Discrimination & Affirmative Action	10	DC, IA, KS, NB, NC, ND, OK, SC, UT, WI
CONSUMER AWARENESS	10	DC, IA, KS, NB, NC, ND, OK, SC, UT, WI

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Issue Brief: Economic Pressures on American Families

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White House Conference on FAMILIES

FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Families and Work

I. INTRODUCTION

Work and American culture go hand-in-hand. Inside and outside of the home, work is crucially important to the maintenance and sustenance of the family.

In preindustrial society, parents and children worked together in their homes and fields. Housework was considered an integral part of the work endeavor and was given equal value to other forms of work. With the advent of industrialization, however, the work center was transferred to institutions outside the family, and family economic activities became primarily focused on consumption and child care. Tamara Hareven describes this transition as follows:

> New systemized work schedules led to the segregation of husbands from wives and fathers from children in the course of their workday. In middle class families, housework lost its economic and productive value. Since it was not paid for, and since it no longer led to the production of visible goods, it had no place in the occupational hierachy. Differentiation, and specialization in work schedules significantly altered the daily lives of men and women who worked outside the home.1/

Work activities today are likely to be outside of the home. Consequently, it is important how work and leisure time are spent because of the impact they can have on the family.

The amount and scheduling of time consumed by work strongly affects family events and routines.

Employment is the key to economic family well-being and, due to today's high cost of living, more families include husbands and wives who work full-time. Between 1950 and 1975, dual-income families rose from 36 to 49 percent. Work policies such as fringe benefits and schedules directly affect family economic security, household production, job satisfaction,

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and relationships among family members. Many of the participants in the White House Conference on Families (WHCF) hearings expressed the view that workplace policies which provide people with greater flexibility and more options may be a real step in helping families.

This issue brief seeks to help White House Conference on Families delegates address questions such as:

- o How can government and industry be more responsive to family-related leave-time needs?
- o What is the potential for flextime?
- o How do the overtime demands of government and industry affect families? What are the current restraints on overtime reform?
- o How can job opportunities be improved for single-parent families?

II. BACKGROUND ON MAJOR ISSUES

The major issues to be explored in the area of families and work include work outside the home, work within the household, work and single-parent families, and the impact of work on family life.

Work in the Marketplace

When both parents work, they usually face problems of child care as well as stress in trying to meet occupational and family responsibilities. Participants in the seven national hearings sponsored by the White House Conference on Families repeatedly identified a need for changes in the workplace to improve the quality of life for one- and two-income families. Specific concerns focused on the need to pay greater attention to how mothers and fathers schedule their work careers and the benefits of more flexible scheduling of work.

Others addressed the need for quality day care and the role that the business community should play in responding to this need. One women from Topeka, Kansas said:

> Large, private industries should be confronted with establishing day care centers so that parents could take their kids with them to and from work, eat lunch with them...Then the children would know their parents were close at hand.

A recent report by Human Resources Network entitled Corporations and the Family in the 1980s notes that some day-care centers have been established by businesses. For example:

- o Stride Rite Corporation organized and subsidizes a day-care center on their premises. The center, incorporated as a nonprofit agency, The Stride Rite Charitable Foundation, is open to the public.
- o Control Data Corporation of Minneapolis helped form the Northside Child Development Center with help of other companies, community leaders, and parents. Approximately 75 percent of the costs were supplied by funds appropriated by Title IV of the Social Security Act (now covered by Title XX of the Equal Employment Opportunity Act of 1974). Business contributed the remaining 25 percent. The center is open for use by employees and community residents.
- o Polaroid Corporation contracts with local centers where the children of its employees are enrolled and helps to pay the bills.
- o Hoffman LaRoche funded and organized the Roche/Mountaintop Pre-School Learning Center and Kindergarten for use by employees and community residents.

Constraints of work on families include occupations that make time demands well beyond the 40-hour week and thus limit the time left for personal or family pursuits.

Flexible working hours have been found to enhance other alternatives to the standard workweek. Combined with part-time work, schedules may be individually arranged to provide work opportunities for people in school, for mothers with young children, and for older people who want to slow down or partially retire.

For working mothers, flexible hours are a particular boon, giving them the possibility of arranging child care, staying home to see children off in the morning, or getting home in time to greet them from school.

Several variations on scheduling of work have been discussed, among the more frequently mentioned are:

- o Compressed time - Full-time work with more hours per day but fewer days per week. Example: four ten-hour days.

- Flextime - An employee has some choice about starting and stopping times. Example: Eight hours, starting anytime between 6:30 a.m. and 9:30 a.m.

- Staggered hours - Similar to flextime, but the employee's choice of hours remains the same over a period of time.

- Regular part-time - Employees are regularly employed on a pre-scheduled job but work less than full-time. Arrangements may be part-day, part-week, part-month, or part-year.

- Job-pairing - Two or more people become jointly responsible for completion of a full-time job.

- Variable Working Hours - No core hours. The employee "contracts" for a given amount of time on a daily, weekly, or monthly basis and has the option of working long hours on one day to make up for short hours on another.

- Task Contracting - The employee is responsible only for the completion of a particular task; the particular hours worked are not of primary importance.

Many public and private organizations are experimenting with more flexible scheduling and other nontraditional approaches to work scheduling. To date, it appears these efforts generally have been successful. In 1979, an estimated 14 percent of private employees, in about 1,000 firms, worked flextime programs. Some examples:

- For eight years, Smith Kline Corporation has had a "core-hours" based program in its Upper Merion, Pennsylvania facility. Every phase of this program and its implementation was researched and pilot-tested before its introduction.

- Beral Corporation in Danbury, Connecticut has instituted a flextime policy that covers all employee levels.

- Massachusetts Mutual Life Company has a flextime program at its headquarters. Employees can, within the dictates of operational requirements, set their own arrival times.

- DuPont's Florence, South Carolina plant operates on a system of irregularly occurring twelve-hour shifts instead of the standard eight-hour shift. This allows employees to have up to four day's straight work interspersed with periods of up to eight days off. Studies of this new schedule reveal that there is less fatigue; more time for families and leisure activities; higher job satisfaction; and stable safety, turnover, and absenteeism levels.

- o Rolm Corporation of California has a "continuous service leave" policy that allows employees with six consecutive years of employment to take up to twelve weeks off with pay.

- o Pitney Bowe's headquarters has had a successful flextime program for six years.

Studies reveal the following disadvantages in more flexible work scheduling programs:

- o Difficulties in administering lost-time pay policies.

- o The tendency of some employees to abuse the program.

- o Difficulties in supervising large groups of employees who work at different times.

- o Difficulties with car-pooling arrangements.

During the WHCF hearings and other activities, other proposals to make the workplace or personnel policies more sensitive to families included:

- o Extension of sick leave to cover serious illness of the child or other immediate family member.

- o Reduced emphasis on frequent transfers in corporate or military personnel policies.

- o More extensive maternity or paternity leave policies.

- o Counseling for employees on family problems. Thirty-three of the 500 companies offer alcoholism counseling. AFL-CIO community services offers a variety of counseling services.

III. POSSIBLE DIRECTIONS FOR FUTURE ACTION

The Congress has enacted legislation, the Federal Employees Part-Time Career Employment Act, which encourages all government agencies to create career part-time positions at every level. In addition, state legislatures - specifically, California, Michigan, Oregon, Pennsylvania, Rhode Island, and Washington - are considering bills prohibiting forced overtime.

There also are legal restraints on some working arrangements currently being suggested. The Walsh-Healy, Public Contracts, and Davis Bacon Acts affect a large number of employees under contract to the Federal government and require the payment of overtime for over eight hours of work in one day to employees directly involved in manufacturing goods and providing services under the contract. The Fair Labor Standards Act, which requires the payment of overtime for forty hours of work in one week, applies -- with minor exceptions -- to the balance of the work force.

Although legislation has been introduced in the Congress to overhaul the wage and hour laws that apply to Federal employees, its passage is uncertain. However, increasing public awareness of the need for flexibility in coping with work and lifestyle problems may eventually provide the leverage needed to produce legislative changes.

More study is needed to determine the pluses and minuses of alternative work schedules. However, one thing is certain: issues of work time affect family functioning. Often, families meet the rising costs of living by working overtime or getting a second job. These alternatives take their toll in the time and energy of parents, with stresses highest in the early years of childrearing, when time demands for child care also are greatest.

The Home as Workplace

The homemaker gains family appreciation and satisfaction from the fulfillment of personal needs and needs of family members. Homemakers devote themselves to family activities full time and consider it their chosen career -- at least for a large part of their lives.

Today, most homemakers are women who are not paid for their services. In 1976, 40 percent of all women over the age of 16 reported that their full-time activity was keeping house. Contrary to popular belief, older women -- especially those over 55 -- are most likely to report homemaking as their primary occupation.

Today, many parents continue to desire to be full-time homemakers. Some feel that the high costs of child care make it economically unsound for both spouses to work. Others, feel that child rearing is too important a function to surrender to outsiders. These feelings, coupled with the increase of women entering the labor market, have created the need for reassessing programs such as the social security system, the income tax structure, welfare, child support, and alimony rules.

Key factors related to this reassessment process include:

- o The fact that, the work of the homemaker has no dollar value and is not part of the gross national product.

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- o There is need for more sharing of household tasks by family members, especially in two-earner families.

- o More policy attention should be given to the income, educational, and supportive service needs of the growing number of female heads of households who must assume full-time responsibilities in the labor market and in household production.

Regarding long-term homemaker security, concern focuses on their lack of protection in the social security system. Female homemakers are entitled to benefits only as their husbands' dependents. They have no claim on the system as individuals, and, if they are divorced or widowed without children before age 60, they receive no retirement or survivor's benefits. This situation has been a direct factor in the growth of a group of women known as the "displaced homemaker." The National Advisory Council on Women's Educational Programs describes the displaced homemaker as "a woman in her middle years (generally 35 to 64) who has been deprived of her traditional role by the loss of her spouse through separation, divorce, abandonment, or death." 2/ Under the Vocational Education Act of 1976, the states were encouraged to recognize displaced homemakers and address their needs. In 1978, amendments to the Comprehensive Employment and Training Act (CETA), Title III were introduced that would provide funds to assist displaced homemakers with counseling, training, job search, and placement services. Approximately $5 million is allocated during the current fiscal year to fund demonstration projects across the country.

More women are entering the work force, and the homemaking tasks still must be performed. Women -- whether they work outside the home or not -- continue to perform these tasks, which can be very time consuming. Several studies indicate that the total number of hours of household work time has not decreased, and working married women receive little household help from husbands or other family members. The studies have found that only a small percentage of families with working women can expect regular, free help with household tasks from relatives, friends, or neighbors. If they get such help, they generally receive little or no help from their husbands. Evidence in these studies indicates that working wives, especially if their jobs take 40 or more hours a week, face extremely long hours. Much has been written about the stressful situations that result and the adaptation difficulties that arise in family life under these conditions.

Single Parent Families

An issue of growing concern is single-parent families and work opportunities. In 1978, approximately 19 percent of all families were headed by a single-parent. Of this group, 2 percent were headed by males and 17 percent were headed by females.

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Female-headed families are more likely than any other to have low incomes. In 1977, the median income of female-headed families was one-half that of husband-wife families. Female-headed families are also more likely to have children under 18 years of age than husband-wife families.

Three-fifths of the women who head families are in the labor force, and are solely responsible for their family's economic well-being. Their work generally is concentrated in relatively low-skilled, low-paying jobs. The majority are in clerical, operative, and service occupations, including jobs as cleaning women, cafeteria workers, waitresses, and nurses' aides. In addition to having less desirable jobs, these women perform most of their own household tasks.

Male-headed families do not face the severe problems that female-headed families do. They have less than 2 percent of the children, and incomes that are two-thirds higher than those of female-headed families. While there is a growing number of male-headed families it appears that they are more able to afford the outside help required for the well-being of their members.

In the past, families were viewed as entities unto themselves. Today, people are considering how public policy and employment affect what happens to family life. In the last decade, numerous public and private experiments with alternative work schedules have attempted to overcome the constraints of traditional work schedules on families.

Major changes in the world of work and its structure may turn out to have more profound effects on the quality of family life than all the attempts to influence individual behavior.

SUMMARY OF STATE RECOMMENDATIONS: FAMILIES AND WORK

Thirty states made recommendations on work policies. Of these recommendations:

PERSONNEL POLICIES

- Twenty-six states made recommendations in support of flex-time policies.
- Sixteen states made recommendations encouraging part time employment.
- Eighteen states made recommendations in support of job sharing efforts.
- Ten states made recommendations encouraging employers to provide or subsidize child care services and an additional seventeen states made proposals regarding business and child care. (See Families and Human Needs, Child Care Section.)
- Thirteen states made recommendations about leave policies.
- Five states made recommendations about transfer policies.

TAX POLICIES

- Six states made recommendations in support of tax incentives to promote families work policies.

EMPLOYMENT PRACTICES

- Six states recommended support of affirmative action policies.
- Six states recommended enforcement of fair employment practices.
- Four states recommended equal pay for equal work.
- Two states proposed recommendations on the elimination of age discrimination.

FAMILIES AND WORK

Flex-time

Hawaii proposed:

"Flexi-time, shared time, part-time, and release work options should be available to employees of industry, labor, federal, state, and municipal governments, and private agencies."

Several states made similar all inclusive recommendations, and others suggested specific policies.

Iowa proposed:

"Flex-time policies must be developed in the workplace to meet the needs of today's working families."

Similar recommendations were made by: Alaska, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Illinois, Kansas, Kentucky, Maryland, Maine, Minnesota, New York, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

Part-time Jobs

Arkansas proposed:

"Encourage part-time jobs."

Recommendations for part-time jobs were made by: Alaska, Connecticut, Delaware, Illinois, Iowa, Kansas, Kentucky, Maryland, Minnesota. New York, North Dakota, South Dakota, Texas, Vermont, and West Virginia.

Job Sharing

Minnesota proposed:

"Business and government should seriously attempt to implement job sharing options were appropriate."

Similar recommendations were made by: Alaska, Connecticut, Delaware, Georgia, Illinois, Iowa, Kansas, Kentucky, Maine, New York, Oregon, South Dakota, Vermont, West Virginia, Wisconsin, and Washington.

Child Care

Minnesota proposed:

"Employers should be encouraged to provide or subsidize, individually or cooperatively, quality child care."

Similar recommendations were made by: Alaska, Arkansas, Georgia, Kansas, Maine, Nevada, North Dakota, South Dakota, and Washington.

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In additon to these states, Texas, Illinois, Vermont, Kentucky, Colorado, Iowa, Oregon, Wisconsin, California, Montana, Connecticut, Hawaii, Nebraska, New York, West Virginia and Utah also made related recommendations regarding employers and child care.*

Leave Policies

South Dakota proposed:

"1) That employers have approved leave time for family needs. a) when children are sick; b) school conferences; c) medical appointments for children. 2) The employers establish alternatives regarding maternity and paternity leave. 3) Community support for day care centers."

Similar recommendations were made by: Alaska, Arkansas, Georgia, Iowa, Kansas, Minnesota, Nebraska, New York, North Carolina, North Dakota, Oregon, Vermont, and West Virginia.

Transfer Policies

Minnesota proposed:

"Companies should minimize the transfer of families."

Similar recommendations were made by: Connecticut, North Dakota, New Hampshire and New York.

Tax Policies

Kansas proposed:

"Tax incentives should be used to promote positive family policies"

Similar recommendations were made by Illinois, North Dakota, Vermont, Montana (flex-time) and Oregon.

Employment

Illinois proposed:

"Continuation of development of affirmative action to alleviate employment problems on both public and private levels."

Similar recommendations were made by Connecticut, Delaware, New York, North Carolina and Vermont.

* For complete discussion of child care issues, see Families and Human Needs, Child Care Section.

Georgia proposed:

"Closer monitoring of existing laws concerning fair employment practices be effected and that emphasis be given to improving federal enforcement procedures against discrimination in employment practices."

Similar recommendations were made by Alaska, Oklahoma, (enforce existing laws rather than enanct new ones) Washington and West Virginia.

New York proposed:

"Amend federal, state, local laws to require equal pay for comparable work."

Similar recommendations were made by: Illinois, North Dakota and Maryland.

RECOMMENDATIONS	NUMBER OF STATES MAKING SIMILAR RECOMMENDATIONS	STATES
o Flex-time	30	AK, AR, CO, CT, DE, GA, HI, HI, IA, IL, KS, KY, MD, ME, MN, NY, ND, OK, OR, SD, TX, VT, WA, WV, WI, WY
o Part-time Work	15	AK, CT, DE, IL, IA, KS, KY, MD, MN, NY, ND, SD, TX, VT, WV
o Job Sharing	17	AK, CT, DE, GA; IL, IA, KS, KY, ME, MN, NY, OR, SD, VT, WV, WI, WA
o Child Care	10	AK, AR, GA, KS, ME, NV, ND, MN, SD, WA
o Leave Policies	13	AK, AR, GA, IA, KS, MN, NB, NY, NC, ND, OR, VT, WV
o Transfer Policies	5	CT, MI, ND, NH, NY
<u>TAX POLICIES</u>		
o Tax Incentives	6	IL, KS, ND, OR, MT, VT
<u>EMPLOYMENT PRACTICIES</u>		
o Discrimination, Affirmative Action	11	AK, CT, DE, NY, VT, IL, GA, NC, WA, WV
o Equal Pay for Equal Work	4	IL, NY, ND, MD
o Elimination of Age Discrimination	2	HI, WA

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FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Tax Policies

I. INTRODUCTION

Participants in White House Conference on Families activities were concerned about taxes, their impact on families, their fairness, and their treatment of marriage, children, and family expenses.

Taxes take a major proportion of the average worker's pay check, and the added factor of inflation has made the tax pinch even more painful. When the dollar bought more, workers were less concerned about the portion of their wage dollar that went to taxes; but today, taxpayer groups are growing and citizens are questioning the amount of taxes they must pay and how tax dollars are being spent.

Many policy analysts and citizen groups advocate increased tax credits for the average worker to defray employment related costs such as education and training, child care expenses, and the like. They are asking such basic questions as:

- Does the tax code discriminate against marriage?
- How do tax deductions and tax credits affect families?
- How can tax provisions assist families?

II. BACKGROUND ON MAJOR ISSUES

Since establishment the income tax in 1913, there has been controversy over whether individuals or families are the proper unit of taxation and over recognizing different family situations, such as families with one wage earner, families with two earners, and single persons.

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The controversy revolves around four principles of taxation, each of which is widely accepted in the United States:

- Progressivity. The higher the individual income, the higher should be the rate of tax.
- Aggregation. A married couple's income should be aggregated for computing their tax, and no distinctions should be made among married couples according to amount of income earned by each spouse.
- No penalty for marriage. Two people who marry should not pay a higher tax as a result.
- No penalty for remaining single. A single person should not pay more tax than she or he would pay if married to a person with no income.

The problem in developing an equitable, uniform tax policy is that these principles are sometimes in conflict. Except for the first, each of the principles listed above has been violated at one time or another in the history of the Federal income tax.

Balancing the Penalties on Married and Single Persons

The Marriage Penalty

If two persons with independent incomes marry, they usually have to pay higher total income tax. The marriage penalty has been one of the most widely recognized weaknesses in our income tax system and may even become a threat to the institution of marriage as some couples, across all age groupings, are deciding either not to marry or to seek divorces and continue to cohabitate to avoid large tax penalties. This is especially attractive to two-wage-earner couples with incomes of $40,000 and above, a bracket where the tax penalty on marriage is often enormously high.

For example, assume two persons each have taxable incomes of $15,000 (after subtracting their exemptions) and assume they do not itemize their deductions. If they file as single individuals, each must pay $2,605 in tax; their combined tax is therefore $5,210. If they marry and file a joint return, their taxable income is $30,000 and their tax (from Schedule Y) is $6,238; --- a marriage penalty of $1,028.

The Internal Revenue Service has estimated that as many as one quarter of the nation's taxpayers may be victims of this tax on marriage.

Married persons may file separately if they wish, but they must use the highest of the four rate schedules. And, other special provisions throughout the Tax Code prevent them from saving on their taxes in this way.

The Single Penalty

A single taxpayer often pays more tax than a married couple with the same income because of personal deductions. For example, a single person with a taxable income of $15,000 pays $2,605 tax. But if a married couple has the same taxable income, even if it is all earned by one spouse, their total tax is $2,055. In this case the single person pays 27 percent more tax.

As long as the first two principles -- progressivity and aggregation -- are adhered to, the marriage penalty cannot be reduced without making the situation for single taxpayers even worse.

Tax policy reform, with the goals of marital stability, must challenge these first two principles. It is unlikely that progressivity will be abandoned. Therefore, any proposal which alleviates both the marriage penalty and the single penalty must violate the aggregation principle: that is, there must be some distinction in the tax law between one-earner and two-earner married couples.

Among respondents to a recent Organization for Economic Cooperation and Development (OECD) survey, every major democratic nation with an income tax, except the United States, distinguishes between one-earner and two-earner couples.

Opponents of the aggregation principle argue that one-earner couples have the benefit of a full-time homemaker. Because the homemaker's services in the home are not measured in dollars, they do increase a couple's economic well-being and ability to pay. Two-earner couples have no such advantage, and, it is argued, should have a lower tax liability.

It is ironic that the marriage tax was created in 1969, when the Congress attempted to remove the tax advantage that married couples then had over single persons.

Tax Credit for Child Care and Household Services

The Tax Reform Act of 1976 allows a credit of 20 percent of expenses for dependent care, provided the expenses are actually paid during the taxable year and are incurred to enable the taxpayer to be gainfully employed. The maximum allowed for such expenses is $2,000 (a $400 credit for the care of one dependent) and $4,000 (an $800 credit for the care of two or more qualifying dependents). The $800 credit is the maximum which can be claimed regardless of the number of dependents. The credit is a direct dollar deduction from taxable income up to 20 percent of the actual amount paid to someone to care for a dependent.

The credit limitation is primarily at issue. Families which must pay for child care for more than two children find this limitation discriminatory and insensitive to the actual costs of quality child care. In addition, the cost of child care is increasing and the 20 percent credit of $2,000 a year per child is seen merely as a "drop in the bucket" by many taxpayers with dependent children. In addition, female-headed households where the family head is also the wage earner find the child-care credit a very minimal allowance for actual child-care costs. The low tax credit allowance, coupled with high costs of quality care, have been identified by some child-care advocacy groups as major contributors to the perpetuation and expansion of custodial and unlicensed child care.

National child-care advocacy groups have made a variety of proposals for improving the tax credit provision, ranging from 100 percent tax credit on actual child-care expenses to universal day care which would provide day care free for low-income families and at a reduced rate for middle and upper-income families.

Another issue related to the child-care tax credit is the "grandparent penalty." IRS policy with respect to child-care services by relatives such as grandparents is that such services performed in the taxpayer's home or in the grandparent's home generally do not qualify as eligible expenses for the child-care tax credit.

This means that the traditional practice of extended families through which the grandparents as primary members care for the children is jeopardized. Many grandparents are able and willing to care for younger children in the family home. But, parents cannot claim tax credits for such care and may seek child-care services from nonrelatives, often in arrangements outside the home taking young children out of their homes during their parent's work day which often extends to 10 hours.

Exemptions for Dependents

Over the years there has been a steady increase in the amount of the exemption for dependents. However, most taxpayer interest groups argue that the exemption is consistently too low. For example, during this period of high inflation, the dependent exemption is said to have no significant relationship to actual costs of caring for dependents.

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Several leading family policy analysts say the lack of child-care incentive allowances or higher dependent exemptions have been direct factors in decisions by young American families to limit the number of children or to remain childless.

Current United States Income Tax Policies

The Federal income tax system was established in 1913. Until 1948, people were taxed as individuals, and there was only one rate schedule for both married and single persons. A married couple could file a joint return if they wished, but if both spouses had income, they could reduce their tax by filing separate returns. Because the rate schedule was progressive, the combined tax on two incomes of, say, $10,000 was less than the tax on one $20,000 income. Since one-earner couples could not benefit from separate returns, couples with the same total income paid different amounts of tax.

The difference in tax depended not only on the share of income earned by each spouse, but also on the states in which the couples lived because some states had community property laws. In 1930, the Supreme Court ruled that in states with community property laws, a husband and wife could file separate returns with half of the combined income on each return, regardless of which spouse had actually earned the income. However, this automatic "income splitting" was unavailable in other states.

1948; Income Splitting

In 1948, the law was revised to embrace the income splitting principle for married taxpayers in all states. This meant that a couple -- even a one-earner couple -- paid the same tax as two single persons, each with half the combined income.

This represented no change for spouses who lived in community property states or whose income actually were evenly divided; they simply received the same benefit on their joint returns as was already theirs if they filed separately. But for other couples, the automatic income splitting resulted in substantial savings. For example, consider a couple in which the husband's taxable income was $32,000 and the wife had no income. If they filed a joint return their tax was $8,660. But if the husband had paid tax as a single person on the same taxable income, his tax would have been $12,210. In this case, income splitting saved $3,550.

This was the state of the income tax for the period 1948-1970. The aggregation principle was completely satisfied, since a couple paid the same tax whether both spouses or only one spouse had income. However, in order to make the tax law conform to this principle, one of the other principles had to be sacrificed. The 1948 tax reforms compromised the principle of "No penalty for remaining single". After the 1948 Act, a single taxpayer generally paid substantially more tax than a married couple with the same income. If a single taxpayer had the same taxable income as the couple in the above example, he paid $3,550 or 41 percent more tax than the couple.

1951-1954: Special Cases

This "single penalty" was especially conspicuous in the case of single taxpayers with children--typically, widowed or divorced parents. Such taxpayers are hard to classify fairly as single individuals or as married couples. The Congress recognized the special status of this group in 1951 by classifying them as "unmarried heads of households" and allowing them half of the benefits of income splitting. A special rate schedule is provided which puts the tax for a qualifying taxpayer about halfway between the amounts paid by a single person and a married couple with the same taxable income.

Persons made single by the death of a spouse suffered. Even if the widow (or widower) was able to maintain the income previously received by the couple he or she lost the benefit of income splitting and thus paid a higher tax.

In 1954, the Congress provided that a surviving spouse who maintains a household for a dependent child may continue to use the joint rate schedule for two years after being widowed. This provision is still in effect; it is the only circumstance in which an unmarried taxpayer may use the joint rates.

As of 1977 there were many more "heads of households" (5.8 million) than "certain surviving spouses" (147,000). Both groups were small, compared with the total of over 86 million returns filed.

1971: New Single Rates and the End of Income Splitting

In spite of the special provisions for these small groups, most single taxpayers still faced a large tax penalty. Until 1971, the tax burden for a single taxpayer without dependents remained up to 41 percent higher than for a married couple with the same taxable income. Because the Congress considered the disparities to be too large, it enacted a new, lower rate schedule for single taxpayers as part of the Tax Reform Act of 1969. Under the new schedule, which became effective in 1971, a single person's tax on a given taxable income could be no more than 20 percent higher than a married couple's tax on the same taxable income. For example, in 1971 a single person's tax on a taxable income of $32,000 was reduced from $12,210 to $10,290, which was 18.8 percent more than a married couple would pay on the same taxable income.

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However, the Tax Reform Act of 1969 prevented two-earner married couples from taking advantage of the new single rates. They were required to use the pre-1971 schedule if they filed separate returns.

Although the rate schedule for joint returns was not changed in 1971, it could no longer be described as an "income splitting" schedule. A married couple paid a smaller tax than a single taxpayer with the same taxable income. However, the couple's tax was not as small as it would be if they could split their income equally and use the new single schedule.

Reducing the single penalty was an improvement according to one of the four principles, but it could not be obtained without a price in terms of one of the other principles. The 1969 Act sacrificed the "no penalty for marriage" principle by actually introducing a substantial marriage penalty into the tax law.

Since the 1969 Act, the Congress has attempted to strike a balance between the single penalty and the marriage penalty. As long as the first two principles are honored--as long as the tax remains progressive and no distinction is made between one-earner and two-earner couples--it is mathematically impossible to abolish both penalties. Instead, the tax law has sought a compromise between them.

1970-1979: Striking a Balance

In this decade the compromise has found expression in several other tax provisions, as well as in the rate schedules. The most important of these was the standard deduction, which was a feature of the tax law until 1977. Any taxpayer could elect to give up most of his or her personal deductions, such as medical expenses or charitable contributions, and claim the standard deduction instead. Most low- and middle-income taxpayers did so because the standard deduction was limited to a fairly narrow range by minimum and maximum amounts.

The minimum standard deduction was greatly increased by the Tax Reform Act of 1969, in order to remove tax burdens from most persons below the poverty line. At that time, the minimum was the same for single and joint returns. This added to the marriage penalty, since two single persons could claim two minimum standard deductions, but if they married, they could claim only one. Increases in the standard deduction after 1974, however, were twice as large for married couples as for single persons, so that these increases in themselves did not add to the marriage penalty.

A temporary contributor to the marriage penalty in 1976-78 was the general tax credit. Based on income and family size, the credit was limited to $180 for most tax returns, single or joint. Single persons could each qualify for a $180 credit; a married couple had to share one.

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In 1977 the Congress repealed the standard deduction. When the standard deduction was repealed, a "floor" was imposed on itemized deductions. This means that a taxpayer may not subtract all deductible expenses from income, but only the excess of these expenses over the "floor." The amount of the floor is $2,300 for single persons or $3,400 for those filing joint returns. The floor has nearly the same effect as the standard deduction and has generally been regarded as a mere change in form.

In all of these actions, the continuing problem before the Congress has been to strike a balance between the marriage penalty and the single penalty.

The Income Tax in 1979

In 1979, the tax is progressive, and no distinction is made between one-earner and two-earner married couples. The last two principles are violated, however. A single person generally pays more tax than a married couple with the same income, and two wage earners who are married usually pay more tax than they would if they were single.

The Internal Revenue Code contains four different rate schedules applicable to individuals: single persons; married couples filing joint returns; married persons filing separate returns; and single persons with dependents who qualify as heads of households.

1976 - Child-Care Tax Credit

The Tax Reform Act of 1976 allows a credit of 20 percent of expenses for dependent care. This is a credit taxpayers can take if they paid someone to care for their child or dependents so that they could work or seek employment. Taxpayers can also take the credit if they paid someone to care for their spouse. Child and dependent care expenses are the amounts paid for household services and care of the qualifying person. Household services are services performed by a cook, housekeeper, governess, maid, cleaning person, baby sitter, etc. The services must have been needed to care for the qualifying person as well as run the home.

Care for the purposes of this credit includes cost of services for the well-being and protection of the child or dependent. Care does not include expenses for food and clothes. However, if the costs of care includes these items and cannot be separated a taxpayer can claim the total payment. For example, a working mother pays a day-care center to care for her child and the center gives the child lunch. Since she cannot separate the cost of lunch from the cost of the care, she can claim the entire amount paid to the center.

The expenses must be for services in the taxpayer's home, except that the credit may be taken for out-of-home care for dependent children under age 15. The Act extended the credit to all eligible taxpayers regardless of the gross income of the family, whether or not deductions are itemized, and regardless of which tax form is filed. The credit is available to married couples if either or both spouses work full or part-time, to single working parents, and to full-time students with working spouses. However, to claim the credit, married couples must file a joint return. In the case of part-time workers, the amount of qualified expenses (those on which the 20 percent credit is figured) is limited to the earnings of the spouse with the lower income. The earned income limit is equally applicable to unmarried taxpayers.

III. POSSIBLE DIRECTIONS FOR FUTURE ACTION

Marriage Penality Tax

- One approach would be to abandon joint returns, requiring separate returns from married persons with no income splitting. Most experts agree that the Congress can require that each married person pay tax on his or her own income, determined without regard to state community property laws. Such legislation would eliminate both the marriage penalty and the single penalty. Only the aggregation principle would be violated, as was the case before 1930. The administrative convenience of joint returns could be retained by allowing married couples to file their "separate" returns on two parts of the same standard form, as is now done in some state income tax systems.

- A second approach would be to allow couples the option of filing jointly under present law, or filing separate returns as single persons. This is the simplest and most straightforward way to eliminate the marriage penalty, but it would not affect the single penalty. In any system in which married couples are encouraged to file separately, there is a significant technical problem of deciding how a husband and wife will be allowed to divide their deductions and nonwage income (such as interest or business profits). However, this very option is currently before the Senate in a bill that would allow married persons to file separate returns and compute their tax at the same rate as single persons. Several similar bills have been introduced in the House. Hearings on the bills have been held in both Houses of Congress.

- Another alternative would be to consider joining returns in their present form, but distinguish between one-earner and two-earner couples by allowing a special deduction or credit based on the wages of the second earner.

SUMMARY OF STATE RECOMMENDATION: TAX POLICY

Thirty states made recommendations regarding tax policies, which would provide for more equitable treatment for all families including married couples, single parent heads of households, extended families, farm families, and families where a dependent member is being cared for in the home.

TAXES AND FAMILIES

- Nineteen states recommend elimination of the marriage penalty.
- Nineteen states called for tax incentives such as tax credits to care for an elderly or handicapped family member or a dependent child.
- Eight states called for "indexing" the income tax for inflation.
- Seven states called for greater equity and tax reform.
- Six states recommended tax changes to aid middle and working class families.
- Six states recommended that there be no inheritance tax between spouses.
- Many other individual recommendations were made.

TAXES AND EMPLOYERS

- Ten states urged tax incentives to employers to provide child care services for employees.
- Five states emphasized tax credits for employers to provide services and employment opportunities through job training programs, developing alternative work patterns, hiring the handicapped and locating in areas of high unemployment.

Marriage Penalty

Alaska urged:
Repeal the "marriage tax"

North Carolina proposed:
Amend the tax rates in the tax tables for the Internal Revenue Code so that a married couple with dual incomes will pay federal income tax in an aggregate sum no greater than the aggregate sum which two single individuals with corresponding adjusted gross incomes and deductions will pay.

Similar recommendations were made by Arkansas, California, Connecticit, District of Columbia, Hawaii, Illinois, Iowa, Kansas, Maine, Minnesota, Missouri, Nebraska, New Hampshire, Oregon, South Dakota, Texas and Wisconsin.

Tax Credits

Delaware proposed:
Legislate a tax credit for persons in a family unit staying at home providing child and/or adult care and other home services.

California proposed:
Tax credits and benefits should be allowed for families that maintain and care for senior citizens or disabled members of their family within their homes.

Similar recommendations come from: New York, Oregon, Arkansas, Alaska, District of Columbia, Hawaii, Illinois, Iowa, Maryland, North Carolina, New Hampshire, South Dakota, Utah, Nebraska, North Dakota, and Wisconsin.

Working Class and Middle Class Families

West Virginia proposed:
The tax structure should be reviewed and revised so as not to penalize the poor working family.

Maryland proposed:
"Government should change tax laws to relieve the unfair burden on middle income families."

Similar recommendations were made by: Arkansas, Kansas, New Hampshire, Washington, and Wisconsin.

Inflation Indexing

Connecticut proposed:

"We recommend that the Federal income tax rates and brackets be adjusted to avoid the inflation penalty. With the current level of inflation and high prospects of a long-term inflation trend, this adjustment must be substantial. Such action would also correct the unlegislated increase in tax burden on families."

Similar recommendations came from: California, Connecticut, Nebraska, North Carolina, North Dakota, Oklahoma, Vermont.

Greater Equity and Tax Reform

Kansas proposed:

"The tax code should be made more equitable e.g... elimination of loan holes at higher income brackets...."

Similar recommendations came from: Connecticut, District of Columbia, Iowa, Kentucky, Maryland, and New York.

Inheritance Tax

South Dakota proposed:

That neither spouse be required to pay inheritance tax.

Similar proposals came from: Alaska, Iowa, Nebraska, Oklahoma, and Wisconsin.

Child Care

Georgia proposed:

That the government provide tax incentives to industries to allow for on-site day-care facilities.

Other states including similar recommendation are Californi, Vermont, North Carolina, Oklahoma, North Dakota, Washington, and Maryland.

RECOMMENDATIONS	NUMBER OF STATES MAKING SIMILAR RECOMMENDATIONS	STATES
o Tax Credits for Home Care of Elderly, Young and Disabled	20	AK, AL, CA, DE, DC, GA, HI, IL, IO, MD, NB, NC, ND, NH, NY, OK, OR, SD, VT, WI
o Eliminate the Marriage Penalty	19	AL, AR, CA, CT, DC, HI, IL IO, KS, ME, MN, MS, NB, NH, NC, OR, SD, TX, WI
o Tax Credits to Business for Support of Child Care	10	CA, DE, GA, MD, DC, ND, OK, SC, VT, WA
o Tax Reform and Tax Equity	7	CT, DC, IA, KS, KY, MD, NY
o Indexing Income Tax	7	CA, CT, NB, NC, ND, OK, VT
o Abolish Inheritence Tax between Spouses	6	AL, IA, NB, OK, SD, WI
o Fairness for Middle and Class Families	5	AR, KS, MD, NH, WV

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FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Tax Policies

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White House Conference on FAMILIES

FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Income Security for Families

I. INTRODUCTION

Since the beginning of the century, the government has had an increasing role in protecting the economic well-being of families. Since passage of the Social Security Act in 1935, with its provisions for retirement income and welfare assistance, there has been a steady growth of financial assistance programs for families.

Social Security provides retirement and death benefits as a kind of publicly financed pension for older workers and their dependents.

The public welfare system, as it currently exists, is a complex mixture of income assistance programs diversely administered by Federal, state, and local agencies. Income assistance programs include: Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI) for the elderly, Medicaid, food stamps, child nutrition, and general assistance. All of these programs seek to provide subsistence-level support to the very poor and indigent and also to give the general society some protection against one or more major hazards that affect the economic status of families.

The Social Security Act was a direct result of the high unemployment and widespread poverty generated by the Great Depression. Established as a long-term economic security system, the Social Security Act has been amended many times over the past 45 years to expand or revise several of the Act's original programs.

The 1935 package was divided essentially into three categories of programs: social insurance, public assistance, and health and welfare services. All the nation's workers and their families are potentially eligible for the social insurance programs; thus, they have been less controversial. On the other hand, the public assistance programs were initially seen as short-term programs which would go out of existence as poverty was abolished in the nation.

However, poverty has not vanished and public assistance programs have grown some believe to alarming proportions. Over the years, the public assistance programs have received the most criticism as efforts which have threatened rather than strengthened the viability of many families and perpetuated rather than alleviated poverty. There have been public outcries for welfare reform for decades.

Welfare reform proposals usually become major political issues, particularly during Presidential election years, as is currently the case. The Administration's welfare reform proposal seeks to coordinate Federal income-assistance programs into a comprehensive system consisting of a job component, provisions to raise the income of the poorest families in all states, improved administration of state welfare programs, and provisions for fiscal relief to state and local governments.

This issue brief presents a range of questions for consideration, including:

- o Must millions of older Americans continue to exist at or below the poverty level?
- o How do we achieve adequate support for retired, often widowed homemakers?
- o How should the nation address the economic, employment, and training needs of AFDC families?
- o Should unemployment insurance be standardized and revised?

II. BACKGROUND ON MAJOR ISSUES

The major issues differ with each of the programs and with the particular conditions of the families the programs serve, namely: the aged, female-headed families, families with unemployed heads, single women with special needs, and minority families.

Needs of the Aged

Millions of retirees, surviving spouses, and families who receive social security benefits live at or just above the poverty line. Many of these families were accustomed to a higher standard of living when the principal wage earner was in the labor market. Women find themselves in particularly difficult situations. They frequently must choose between receiving benefits as dependents or as covered workers. No provisions are made for payment to disabled homemakers, and widows are not entitled to benefits during the period immediately after widowhood if they have no dependent children and are younger than age 60. Divorcees receive benefits only if the marriage lasted ten years or longer.

Since women make up 51.3 percent of the population and live an average 7 years longer than men, they constitute a much larger percentage of the elderly. Among persons 65 and older, there are 146 women to every 100 men. In 1976, only 12 percent of women 65 and older received payments from private pension plans, and women tend to be employed in jobs and industries which have lower pension coverage.

Many women are former homemakers who have not worked long enough to earn either a public or private pension. Despite the increasing number of women in the labor force, some choose to remain homemakers for much of their lives only to face a lack of financial security in old age.

Homemakers married to Federal employees are not covered by social security unless they have earned separate entitlements and if they receive no survivor benefits are often left without any source of income. Also under the Federal employee pension plans, women who are divorced are ineligible for survivor annuities, and those who are not divorced often do not receive annuities because their spouses did not elect the joint, or survivor option.

Families With Dependent Children

AFDC benefits are extremely low, opportunities for employment and training for heads of single-parent families are limited and inadequate, and benefits in many states are denied to families where the father is in the home but unemployed. In addition, benefit grant levels vary widely from state to state, from an average per case of $385 per month in Hawaii to about $80 per case per month in Mississippi.

All of these problems suggest that single-parent families will probably constitute the most severe and widespread problem of income maintenance and security in the next decade. There are a growing number of these families, both among minority groups and in the larger population, most headed by women, and women's income on the average is two-thirds that of men's. In 1977, half of all single parent families were at or under the poverty level. Contributing factors to low income for women include discrimination, concentration in low-wage and low-status occupations, and the restrictions created by household responsibilities.

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The bottom line of this national situation is that disproportionate numbers of the aged, women, and children live in poverty, and that welfare and social security programs established decades ago do not adequately meet their current economic needs. Many observers feel that failure to correct current conditions will see the growth of a large underclass of children, mothers, and grandparents in the 1980s.

III. CURRENT POLICIES AND PROGRA'IS

Even in this nation's market economy, government is the major institution which effects the economic wellbeing of families. Policies and programs of government directly or indirectly affect every American family group through tax policies, direct transfer payment programs, social insurance, and health and human service programs.

Policies for the Aged

Supplemental Security Income (SSI) and Old Age, Survivors, and Disability Insurance (OASDI), more commonly known as social security, are the two major income security programs for the aged.

The SSI program, a 1972 amendment to the Social Security Act, provides income to the aged, blind, and disabled whose income and resources are below a federally determined level. SSI is financed from general Federal revenues (with supplementation by some of the states) and is federally administered. SSI recipients are also eligible for Medicaid, which provides for the payment of medical bills for welfare recipients and the medically indigent. The Medicaid program is federally financed and is administered by states.

About 90 percent of all employed persons, including those in the armed forces, are in jobs covered by OASDI. The only major exceptions are Federal employees who have their own retirement system, employees of many state and local governments, domestic and farm workers who are irregularly employed or who have earnings that do not meet the minimum requirements for coverage, and self-employed persons with less than $400 in annual net earnings. To qualify for benefits, a worker (if born after 1928) must work in covered employment for ten years (40 quarters). Workers achieve insured status after one and one-half years of covered work and coverage for disability after five years (or less, if disabled before age 31).

OASDI benefits are payable to retired workers at age 65 but reduced benefits may be paid to individuals as early as age 62. Family payments may also be made for the retired workers' dependent spouse aged 65

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and over; for the workers' children under age 18 (or 22 if full-time students), for a child who becomes disabled before age 22; and for a wife of any age caring for a child under age 18 or disabled adult beneficiary.

The OASDI law has a retirement test to ensure that benefits are paid only when the individual has substantially retired. This test exempts a basic amount of earnings without reduction in benefits and reduces benefits by one-half of earnings above the exempt amount. Benefits are not reduced for earnings after age 72.

Some income protection is given the sick and disabled. However, payments to the disabled and blind under SSI are currently below the poverty level. Questions to consider include: the increase of payment amounts; expanded coverage under the social security system, especially for shorter term disabilities; broadened eligibility for disability for persons aged 55 or over; and Federal standards for worker's compensation.

Unemployment insurance provides valuable assistance to those out of work. However, because of the complex and general Federal/state structure, it is uneven in the extent of coverage, the provisions of eligibility, and the level of benefits, and benefit periods. Many feel that basic revisions in the unemployment insurance system are necessary.

The Aid to Families With Dependent Children Program (AFDC)

Written into the 1935 Social Security Act, AFDC currently provides income support to more than 3.5 million families (about 10.5 million persons) at an annual cost of about $1 billion. AFDC is a program for families with needy children who meet certain income and asset limitations. The vast majority of recipient families are headed by women (only about 4 percent of the total families are headed by men). A family's eligibility is strictly dependent upon the presence of needy children. Most AFDC families also receive various social services, such as child care for working mothers, and homemaker services.

One of the aims of the AFDC program is to assist recipient families to become financially independent. Recipients with children over 6 are required to work unless there is some compelling reason not to do so. Approximately 15 percent of AFDC families earn income in varying amounts, and several work incentives exist to encourage this. For example, the first $30 and one-third of the remainder of monthly earnings can be kept by families without their grants being reduced. The average duration of welfare for a family is about two and one half years.

The availability and quality of child care has become a major issue in considering work incentives and opportunities for heads of AFDC families. Child care is a support service necessary to both male and female working parents. However, child care allowances for poor parents who are participating in training and searching for jobs are extremely limited.

The AFDC program has historically presented major policy issues in terms of costs, coverage, administration, and the impact of many administrative policies on the stability of families. In almost half the states benefits are withheld or reduced until and unless the father leaves his family.

Two related programs are the Emergency Assistance Program (EAP) and the Child Support Enforcement Program (CSE). EAP, an elective program for states, provides one month of emergency cash benefits to destitute families with children. CSE helps divorced or separated parents assigned child support payments by the courts but who have difficulty receiving these payments. In effect, welfare departments support the parent and children, locate the parent responsible for payment, and collect the child support.

Unemployment Insurance

The unemployment insurance system is a cooperative Federal state program. Benefits and contributions are determined primarily by state law, but Federal law sets minimum standards and financial arrangements that determine the program's major characteristics. There are substantial variations among states because the Federal law does not determine the actual amount or duration of state benefits or the minimum or maximum contributions to finance the program.

The inadequacies of the state-by-state system of benefits resulted in the establishment in 1970 of a permanent Federal state extended program, under which the Federal government finances half the cost of an additional 13 weeks of regular benefits.

The Federal government levies a payroll tax for unemployment insurance purposes, pays Federal and state costs of administering the program, and makes loans to states when their benefit funds run low. The regular state system is financed almost entirely from employer payroll contributions, which vary from state to state based upon the "experience rating" of the employer.

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Worker's Compensation (Industrial Accident Insurance)

Worker's Compensation provides protection for workers injured on the job and for their survivors in case of fatal injuries. The predominant form of coverage is through state laws that require employers to purchase private insurance or assume self insurance; there are no Federal standards or Federal financing of state benefits; and supervisory responsibility is usually vested in a state agency not directly connected with the state unemployment or social service agency.

Food Stamps

The food stamp program is limited to helping low-income individuals and families buy food at subsidized prices. Food stamps are available to everyone who meets the definition of need without regard to other categorical requirements. The program is federally financed and administered through state welfare agencies under the supervision of the U.S. Department of Agriculture. Only families having monthly net incomes below specified amounts are eligible to receive food stamps.

Hospital Insurance Benefits (Medicare)

Medicare is financed through contributions paid while the individual is working, and provides protection against the costs of inpatient hospital services and related post-hospital care for individuals who are eligible for any type of OASDI monthly cash benefit when they reach age 65, whether retired or not.

Medicare pays for the first 60 days of hospitalization, after a deductible paid by the patient. Medicare also pays a large part of the cost of care in an extended-care facility such as a skilled nursing home for up to 100 days, after a hospital stay of at least three days. The cost of up to 100 home visits is also covered.

SUMMARY OF STATE RECOMMENDATIONS: INCOME SECURITY

Twenty-two states addressed income maintanence and social service programs in their recommendations.

WELFARE

- o Fourteen states recommended reform of the welfare system.
- o Eight states recommended that the welfare system provide a basic adequate minimum income for families.
- o Seven states recommended that welfare policies be reformed and educational opportunities be provided to encourage welfare recipients to work towards independence.
- o Six states suggested that welfare and income maintanence programs should focus on prevention and removal of the stigma associated with receiving public assistance.
- o Five states urged revision of welfare regulations and policies to remove requirement which penalize two parent families or individuals wishing to marry.

SOCIAL SERVICES AND INCOME SECURITY

- o Six states addressed social services funding and recommended a revision of the present system of categorical funding in order to better coordinate and deliver a variety of services
- o Five states specifically stated that welfare should be seen as a social tool to keep families together..
- o Three states proposed local social service delivery.
- o Three states urged more citizen and client participation and more cooperation between the public and private sectors.

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WELFARE SYSTEM

Welfare Reform

Washington proposed:

Reorganize federal welfare and other support programs to provide adequate income to recipients in a non-punitive way to enable them to participate in community life including work.

Similar recommendations were made by: Arkansas, Connecticut, Illinois Kentucky, Nebraska, New York, North Carolina, Rhode Island, Tennessee, and West Virginia, Nevada mass selected this as a priority issue.

Kentucky proposed:

"Public assistance programs should be designed so that adequate financial assistance is available to all families who do not have enough income with which to live at a level deemed acceptable in our society."

Similar recommendations for a minimum income were made by Alaska, Iowa, Illinois, Kentucky, Hartford, New York, North Carolina and Rhode Island.

Oklahoma proposed:

"The welfare department should provide means for families to work for their assistance in order to enhance the recipient's dignity."

Nebraska proposed:

"Provide education so that low income families get off welfare."

Similar recommendations were made by: Connecticut, District of Columbia, Illinois, Oklahma, Tennessee and West Virginia.

Connecticut proposed:

"Remove work disincentives from the system and encourage aspirations for better conditions."

Similar recommendations were made by: District of Columbia, Illinois, Tennessee and West Virginia.

New York proposed:

"Income maintence programs should not penalize two parent families and those individuals wishing to marry."

Similar recommendations were made by: Connecticut, Kentucky, Maryland, and Vermont.

SOCIAL SERVICES AND INCOME SECURITY

Oklahoma proposed:

"Existing social services should be evaluated to prevent duplication and provide coordination of services."

Similar recommendations were made by: Kentucky, Oklahoma, South Dakota, Tennessee, and West Virginia.

Connecticut proposed:

"Consider all programs from the perspective of how they can interrupt, or prevent, such a cycle of successive generations on welfare."

Similar recommendations were made by: Arkansas, Illinois, North Dakota Oregon and West Virginia.

North Carolina proposed:

"The Federal Government and the Congress should review the present structure of categorical funding and consolidate all funding for public assistance and social services into a single unit, with State an local structure determining their levels of need, so that administration, regulations, and paperwork are streamlined, simplified, and understandable."

Similar recommendations were made by: Illinois, Kentucky, Oregon, Maryland, and West Virginia.

Other states made recommendations on citizen participation, revision of medicaid and other income security issues.

RECOMMENDATIONS	NUMBER OF STATES MAKING SIMILAR RECOMMENDATIONS	STATES
WELFARE SYSTEM		
o Reform welfare system.	14	AR, CT, IL, KY, MA, MO, NB, NC, NV, NY, RI, TN, WV, WA
o Adequate income for families receiving benefits.	8	AK, KY, IL, IA, MD, NC, NY, RI
o Work and education opportunities for welfare recipients.	7	CT, DC, IL, NB, OK, TN, WV
o Prevention and removal of stigma for clients.	6	AR, CT, IL, ND, OR, WV
o Revise welfare rules which encourage absent fathers and disrupt families	5	CT, KY, MD, NY, VT
o Administration and funding of welfare programs.	4	KY, MD, OR, WV
SOCIAL SERVICES AND INCOME SECURITY		
o Coordination of Services.	6	KY, MD, OK, SD, TN, WV
o Local Service Delivery	3	AR, NB, OK
o Citizen involvement and cooperation between public and private sectors	3	IL, OK, WV

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FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Income Security for Families

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White House Conference on FAMILIES

FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Status of Homemakers

I. INTRODUCTION

Throughout the White House Conference on Families hearings and state activities many people voiced concern for the role and status of homemakers, particularly women who choose to stay home and work full-time as wives and mothers. Many homemakers expressed the view that their contribution to their families and society as a whole is not adequately recognized. They pointed out that their work is sometimes ignored and frequently discounted by government, media, and economists. There was also concern about the status of homemakers within Social Security, tax policies, and retirement programs as well as the effects of increasing divorce on homemakers.

The Industrial Revolution produced significant changes in the work roles of men and women. Husbands and fathers were removed from the home to a separate workplace, changing the structure of families as they had existed in earlier agrarian cultures. Wives and mothers were removed from their earlier partnership in farming and in family economic activities and became more and more specialized as homemakers. 1/

During World War II, millions of homemakers entered the workforce, primarily to replace men mobilized for the armed services. When the war was over, however, returning servicemen gradually resumed places in the workforce and women were encouraged to return to full-time homemaking.

In the Sixties, women began another movement out of full-time homemaking and into the labor force - a movement which is still ongoing. Economic pressures contributed to this movement. Increased inflation and reduced purchasing power have led many women to go to work in order to make ends meet for their families. We also observed the growing phenomenon of the "displaced homemaker" -- the woman who is forced into the labor force without marketable skills or training by divorce or death of a spouse.

Increasing numbers of women, and particularly young women, have been passing up the choice of a full-time career as a housewife and mother to enter the labor force for a variety of reasons. This choice ought to

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be made by women on the basis of their desires and the needs of their families, not forced on them by economic and other pressures.

This raises important questions:

- What contributions do full-time homemakers make to their families and society?
- Do we adequately recognize these contributions?
- Should homemakers be economically disadvantaged because full-time homemaking has declined in social favor?
- How are homemakers treated under our tax laws and social security system?
- What can be done to support women choosing to be full-time homemakers and mothers?

These questions have not yet been thoroughly explored. But we have already seen that women moving into the labor force still perform double-duty as homemakers. Our nation overwhelmingly favors homes and families as its central institutions and it is going to have homemaking one way or another. However, one key issue is whether we are going to reorient our policies to make the choice of full-time homemaking and mothering an attractive option for women.

II. BACKGROUND ON MAJOR ISSUES

Using figures on women in the labor force, it is possible to develop approximate measures of the number of full-time homemakers. In 1900, about 95 percent of the married women with husbands were full-time homemakers. 2/ In 1950, approximately 76 percent of such women were full-time homemakers, and in 1978 the figure had shrunk to about 52 percent. 3/ Full-time homemakers still represent more than half of the married women with husbands present, although the percentage is falling.

Most issues concerning the status of homemakers have their roots in the ancient tradition that a wife was always the economic dependent of her husband -- a tradition still embodied in law in at least 42 states. Economic dependence 4/ means that a wife who does not earn a salary outside the home is regarded in law as having no income. 5/ From this fact flow the difficult consequences when a woman's marriage ends, either by divorce or by the death of her husband. If a woman has had no legal income (as a result of being a marriage partner), then those who write inheritance tax laws find it perfectly logical to force her to pay a heavy inheritance tax when her husband dies. A husband, does not pay an inheritance tax if his homemaking wife should die first, since she is regarded by law as having nothing which he could inherit.

Likewise, a homemaker does not have a social security account. Ironically, a homemaker and her husband pay taxes on their "joint income" - a joint income which a nonemployed married woman cannot presently use to gain social security or other benefits if the marriage is ended.

To this day, a Federal employee who makes paycheck deductions into a retirement system may elect NOT to name his dependent spouse as a survivor beneficiary. This means that a homemaker can be widowed at the end of many years of marriage with no pension benefits whatsoever.

Until the beginning of the 20th Century the consequences of dependency laws were not as important as they have become since then. Women now live longer then men. Divorce is more common. Women have a much greater chance of being left alone at the end of a marriage.

Economic data reflecting the status of homemakers is relatively unavailable. The Gross National Product takes no account of the productive work of homemakers. We do know, however, that in 1978 the median income of women from all sources (including insurance, rentals, alimony, dividends, as well as employment) was $4,068. The comparable median income from all sources for men was $10,935. 6/ Again, the 1978 figures showed that if one were to consider all the people in the United States having an income of $10,000 a year or more, only 23% of them would be women. 7/

At divorce, which occurs at an ever-increasing rate, a wife will find that many of the benefits taken for granted in marriage will go to the husband. She will usually find that even if she helped maintain a superior credit rating for the couple, at divorce she may have to start over to build her own credit rating. If a wife was not employed and had been married fewer than ten years, she will have no entitlement to Social Security old-age benefits. She will most likely be cut off by divorce from any rights in her former husband's pension plan. The former husband is almost certain to remove her name as beneficiary of any of his life insurance policies.

For these reasons, it is sometimes said that a major aspect of poverty in this country focuses on older women. Paul Nathanson, executive director of the National Senior Citizens Law Center, told the House Select Committee on Aging that 50 percent of the women living alone over the age of 65 were subsisting on incomes of less than $1,800 a year in 1975. 8/

III. CURRENT POLICIES AND PROGRAMS

To date, efforts to reform marital law by removing its dependency doctrine for married women have made little headway. Even the relatively few state jurisdictions which have initiated "community property" laws have included a provision that the husband is the manager of the "community". There have been recent efforts to examine this situation and propose changes to recognize and enhance the status of homemakers.

The law now holds that a woman will not be cut off from her former husband's social security benefits if she was married to him for at least ten years. Her entitlement, however, will still depend on his retirement, death or disability.

Senator Paul Laxalt has introduced "The Family Protection Act", S. 1808 (96th Congress.) 9/ While this legislation deals with many issues, it provides that a non-income earning spouse may contribute to an IRA account as if she had the same income as the wage earner in the family.

The 1979 Advisory Council on Social Security report 10/ has recommended "earnings sharing" as a new approach to Social Security's treatment of married women. The earnings-sharing approach is based on the idea that marriage is an economic partnership. Under this approach, if one spouse is a wage earner, half of the earnings would be credited to the social security record of each spouse (just as if the nonemployed spouse had "income"). Both spouses, even if there is only one wage earner, would be in the social security system with no additional taxes; each would build eligibility for disability benefits; each would be entitled to retirement benefits based on half the couple's earnings during marriage. There would even be additional benefits in the case of a couple where both were employed but one spouse earned less than the other, in that each would receive social security credit for 50 percent of the combined earnings shown on a joint income tax return. Legislation to accomplish these results was introduced by Representative Mary Rose Oakar (D-Ohio) early this year. 11/

Previously, if a widow on full social security benefits resulting from her first marriage were to remarry, her status changed from the widow's benefit from her first husband (payable at 100 percent) to a spouse's benefit (payable at 50 percent of the second husband). When it became obvious that elderly widows were choosing to live together with a second partner rather than marry and lose social security benefits, the Congress changed the law. Public Law 95-216 provides that the widow will receive either the widow's benefit (based on the first marriage) or a spouse's benefit (based on the second), whichever is higher, thus eliminating the financial penalty to a widow who remarries.

There has been increasing attention to the question of credit ratings for dependent spouses. The law now provides that in the case of a one-earner family, the non-earning spouse is entitled to have a credit rating in her own name, based on the couple's credit rating. This benefits dependent spouses at the time of widowhood or divorce. But a dependent spouse is still required to initiate setting up a rating file. 12/

In the past ... the plight of the displaced homemaker, who has literally lost her job as a result of divorce or the death of her husband and the departure of her children, has received more attention. CETA now provides services for displaced homemakers, emphasizing their retraining for entry into the labor market.

The Department of the Treasury has recommended the elimination of taxation on all transfers of property between spouses at death and on all gifts between husband and wife during their lifetimes. The inheritance tax, in particula[illegible] serious problem in farm communities where widowed wives ha[illegible] farms on which they had worked over a lifetime in order to pay inheritance taxes. The Congress has enacted a new tax credit and raised the marital deduction so that some of the hardships for surviving widows has been reduced. 13/

In 1974, the Employees Retirement Income Security Act 14/ required that private and other pension plans "offer" survivor annuities. The law has so far failed to require that the survivor annuity be complusory, even for a dependent spouse, and requires that the marriage exist for the year prior to death. If the wage earner died or became divorced prior to retirement, the spouse could be unable to collect pension benefits. There are Congressional efforts to change this provision.

SUMMARY OF STATE RECOMMENDATIONS: HOMEMAKERS

Twenty-four states made recommendations regarding the status of homemakers.

ECONOMIC SECURITY

- Twelve states recommended changes in the Social Security System to recognize the economic contributions of homemakers and to treat homemakers more equitably.
- Eleven states proposed tax policy revisions to reflect the economic contributions of homemakers.
- Seven states suggested changes in marriage and divorce laws to reflect the economic and other contributions of homemakers.

SUPPORTS FOR HOMEMAKERS

- Eleven states recommended greater recognition and support for homemakers.
- Eleven states called for programs and services to meet the needs of "displaced homemakers."
- Five states recommended an end to discrimination against homemakers.
- Numerous other states made individual recommendations addressing homemakers.

Social Security

South Dakota proposed:
"That social security benefits be equal for persons choosing homemaking as a career."

Connecticut proposed:
"Adjust Social Security taxes/benefits to:
a. reward the economic contribution to the family made by the homemaker's work at home;
b. prevent two-earner married couples from having to pay twice for the same benefits;
c. provide equity in benefit rights for displaced homemakers."

Texas called for action:
"So homemakers can become eligible for participation in the Social Security system."

Similar recommendations on social security and retirement were made by: Hawaii, Illinois, Kentucky, New York, North Carolina, New Hampshire, Washington, West Virginia and Wisconsin.

Arkansas and Mississippi expressed opposition to changes in Social Security.

Tax Policy

Texas proposed:
"It should also be the policy of the government to recognize the economic contribution of the homemaker by revising the tax structure."

Similar recommendations for tax incentives were made by: Alaska, Connecticut, North Dakota, Texas and West Virginia.

Mississippi proposed:
"Support the Family Protection Act which gives a tax credit for non-working mothers."

A similar recommendation was made by Texas.

Nebraska proposed:
"Marriage is an equal financial partnership. Tax laws should acknowledge this intent and insure that property goes to the surviving spouse at death without tax."

Similar recommendations were made by: Alaska, Oklahoma, South Dakota and Wisconsin.

Legal Changes

Georgia proposed
"Universalize laws governing joint tenancy so that homemakers rights are protected and thus not penalizing those individuals who remain in the home."

West Virginia proposed:
"Change laws so that the value of the homemaker is recognized by IRS, Social Security and the Department of Labor and state divorce codes."

Illinois proposed:
"Nationwide policies relating to families should work toward the concept of equal partnership marriages where benefits, responsibilites, financial assets and liabilities are equitably shared by both partners in a marriage. Whenever possible legislation conerning the homemaker's equitable rights should be explored and implemented on the state level."

Kentucky proposed:
"State laws regarding the division of property upon the termination of marriage should be equalized, counting the non-monetary contributions of the homemaker and considering the earning ability of the homemaker."

Similar legal recommendations were made by: Delaware, Iowa Kentucky and Rhode Island. Arkansas opposed "homemakers bill."

Supports for Homemakers

Iowa proposed:
"There must be programs and training available for the displaced homemaker. Women who for many years were full-time economically dependent homemakers whose career is closed to them as a result of death, divorce or desertion of their spouses so they may continue to be productive members of society."

Connecticut proposed:
"All helping agencies should develop an awareness of displaced homemakers as a group and of the special array of services they need. Local communities should be encouraged to inventory and coordinate existing services which are useful to displaced homemakers. Plans should be made to fill the gaps in the services identified."

Minnesota proposed:
"Recognize the economic and social value of the role of the homemaker as a career choice"

Similar recommendations were made by: Alaska, Arkansas, Connecticut, Georgia, Illinois, Iowa, Kentucky, New York and West Virginia.

Arkansas proposed:

Families of persons who stay at home should not be penalized for the homemaker choice.

Similar recommendations were made by: Alaska, Arkansas, Georgia, and North Dakota.

Other recommendations on displaced homemakers came from: Alaska, California, Connecticut, Illinois, New York, New Hampshire, Oklahoma, South Dakota, Vermont and West Virginia.

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RECOMMENDATIONS	NUMBER OF STATES MAKING SIMILAR RECOMMENDATIONS	STATES
ECONOMIC SECURITY		
o Revised Social Security treat Homemakers more fairly	12	CT, HI, IL, KY, NC, NH, NY SD, TX, WA, WV, WI
Opposed to Change in S.S.	2	AK, MS
o Revision of Tax Laws to Provide Credits, Incentives, for Homemaking or Change Inheritance taxes	9	AK, AR, CT, IA, MS, NB, [illegible] SD, TX, WV
o Change Laws to Reflect Contribution of Homemakers	7	DE, GA, IL, IA, KY, RI, W[illegible]
Reject Homemakers Bill	1	AK
SUPPORTS FOR HOMEMAKERS		
o Job Training, Services, Programs for Displaced Homemakers	11	AK, CA, CT, IL, IA, NH, [illegible] OK, SD, VT, WV
o Recognition and Support of Homemakers	11	AK, AR, CT, GA, IL, IA, [illegible] KY, MN, NY, WV
o Don't Discriminate Against Full-Time Homemakers	5	AK, AR, GA, ND, SD

FAMILIES AND ECONOMIC WELL-BEING

Issue Brief: Status of Homemakers

FOOTNOTES

1. Hareven, Tamara K. American Families in Transition: Historical Perspectives on Change, a paper prepared for the Research Forum on Family Issues, White House Conference on Families, April 9, 1980, page 10.

2. U.S. Department of Commerce, Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1970, Table, Series D 49-62, "Marital Status of Women in the Civilian Labor Force 1890-1970", Washington, D.C.: Government Printing Office, 1975, page 133.

3. U.S. Department of Commerce, Bureau of the Census, American Families and Living Arrangements, Washington, D.C.: Government Printing Office, 1980, Chart 19, page 12.

4. See Webster's Third New International Dictionary, Merriam Company, 1965.

5. "The law presumes that...services (of a wife) are gratuitous". Hull v. Hull Bros. Lumber Co., 208 SW 2d, 186 Tenn. 53, 1948.

6. U.S. Department of Commerce, Bureau of the Census, Current Population Report, Series T-60, No. 120, "Money Income and Poverty Status of Families and Persons in the United States: (Advance Report)", Washington, D.C.: Government Printing Office, 1978.

7. Ibid.

8. Pension Problems of Older Women, Hearing before Subcommittee on Retirement Income and Employment of the Select Committee on Aging, House of Representatives, 94th Congress, 1st Session, October 21, 1975.

9. No hearings or other action has been scheduled on this bill.

10. Report of the 1979 Advisory Council on Social Security, Washington, D.C.: Government Printing Office, January 2, 1980.

11. H.R.'s 6646, 6647, 6648, 6649, 6650 and 6651, February 27, 1980.

FAMILIES AND ECONOMIC WELL-BEING

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FOOTNOTES

12. For information on Public Law 93-495, The Federal Equal Credit Opportunity Act, and on Regulation B to implement it, write to the Division of Consumer and Community Affairs, Federal Reserve Board, Washington, D.C. 20551.

13. Tax Reform Act of 1976.

14. Public Law 93-406.

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White House Conference on Families

THEMES

The National Advisory Committee on the White House Conference on Families adopted the following six themes as starting points or principles for discussion of issues.

Families: Foundation Of Society

- **Family Strengths and Supports**

  Families are the oldest, most fundamental human institution. Families serve as a source of strength and support for their members and our society.

- **Diversity of Families**

  American families are pluralistic in nature. Our discussion of issues will reflect an understanding and respect of cultural, ethnic and regional differences as well as differences in structure and lifestyles.

- **The Changing Realities of Family Life**

  American society is dynamic, constantly changing. The roles and structure of families and individual family members are growing, adapting and evolving in new and different ways.

- **The Impact of Public and Private Institutional Policies on Families**

  The policies of government and major private institutions have profound effects on families. Increase a sensitivity to the needs of families is required, as well as on-going action and research on the specific nature of the impact of public and private institutional policies.

- **The Impact of Discrimination**

  Many families are exposed to discrimination. This affects individual family members as well as the family unit as a whole.

- **Families with Special Needs**

  Certain families have special needs and these needs often produce unique strengths. The needs of families with handicapped members, single-parent families, elderly families and many other families with special needs will be addressed during the Conference.