
Social Security and the changing roles of women: A conference

The increasing entry of women, particularly married women, into the labor market has brought into question the implicit model of the family upon which much U.S. tax and transfer policy—and especially the Social Security system—is based. Forty years ago, when Social Security was enacted, the typical American family was seen as a husband, working full time, and a wife whose role was that of an unpaid houseworker and child raiser in a marriage that would last, in effect, for “life.” In 1939, when sweeping amendments to the original act established benefits for the dependents and survivors of primary earners, only one woman in four worked; in only three out of 20 households were both husband and wife in the labor force at the same time. By 1976, nearly one-half of all women aged 16 and over were in the labor force; in more than half of all families, both partners worked during the year. Yet the economic position of many women remains fragile: women head the largest number of poor families; and the aged poor are disproportionately female.

The extensive changes in the work life of women, coupled with almost equally sweeping changes in patterns of marriage and divorce, have generated serious imbalances and inequities in the Social Security system:

- The greater the extent to which one spouse earns all family income, the larger the retirement benefits; two spouses with equal earnings do worst of all.
- If the earnings of a marriage partner who is already working rise, so does the retirement benefit. If family income rises because the other partner goes to work, potential retirement benefits do not increase until the level of the dependent’s benefit that the second spouse would receive in any event has been reached and passed.
- Dependent’s benefits for divorced women are derived from the earnings of the former spouse, and do not become available until he retires; nor is the right to that benefit given to those whose marriages last less than 10 years—yet a hiatus of several years in one’s work history may result in a lifetime of lowered earnings.

In response to increasing demands for a fundamental rethinking of the Social Security system, Congress in 1977 mandated a study of dependency and sex discrimination in that system; a report was released in 1979 (*Social Security and the Changing Roles of Men and Women*).

The publication of this report is only the first round in what promises to be a major debate on the treatment of women by Social Security. The Advisory Council on Social Security is now preparing its own recommendations; the National Commission on Social Security plans to publish recommendations at the end of 1980.

Under these circumstances, the time seemed ripe for a conference that would bring together policymakers and researchers in a number of disciplines—economics, law, political science, women’s studies, aging—to examine the major alternatives for restructuring the Social Security system to take into account the many changes in women’s roles in society. Jointly sponsored by the Institute for Research on Poverty and the Center for Women’s Studies, the conference was held in Madison on April 15 and 16, 1980. (The papers presented, with their authors and discussants, are listed in the box.) One conference session took the form of a panel discussion with members of both Social Security advisory panels.

A critical focus of discussion emerged very early in the conference. It is perhaps most succinctly summarized by economist Barbara Bergmann, a discussant of the first paper:

If we were to ponder the list of major complaints which are currently being voiced concerning the present set-up of the Social Security system—the “inequity” in benefits between one- and two-earner couples, the treatment of the divorced spouse, the “wasted” social security taxes of the working wife—we would find that virtually all of them, in one way or another, involve the housewife. It is the System’s method of provision for the housewife—in some instances its lack of provision—that is at the heart of almost all of the complaints.

Whatever the attitude toward women who choose to become housewives rather than enter the labor force—and clearly the views of those attending the conference spanned a wide range from radical feminist to much more conservative positions—it was agreed that any reform proposal would be inadequate if it did not effectively meet the needs of the large minority of women who, now and in the future, do not work in paid employment, as well as treating equitably those working wives (the vast majority of them earning low wages) whose entire earnings history would entitle them to a lower benefit upon retirement than they could expect as dependents of male workers.

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Conference co-sponsored by The Institute for Research on Poverty and the Women's Studies Research Center.

April 11-12, 1980

The Future Politics of Social Security
Martha Derthick

Underlying Concepts and Institutions
Robert Lampman and Maurice MacDonald
Discussant: Barbara Bergmann

Women and a Two-Tier Social Security System
Alicia Munnell and Laura Stiglin
Discussant: Henry Aaron

The Distributional Effects of the Double-Decker Alternative for Eliminating Dependency in Social Security
Irwin Garfinkel, Jennifer Warlick, and David Berry
Discussant: Colin Campbell

Supplemental OASI Benefits to Homemakers Through Current Spouse Benefits, A Homemaker's Credit, and Child-care Drop-out Years
Karen Holden
Discussant: Edith Fierst

Earnings Sharing: Incremental and Fundamental Reform
Richard Burkhauser
Discussant: Virginia Reno

Disability Under Proposed Reforms
William Johnson
Discussant: Paul van de Water

Occupational Pension Plans and Spouse Benefits
Francis King
Discussant: James Hickman

Incremental Changes in Social Security Needed to Result in Equal and Fair Treatment of Men and Women
Robert Myers
Discussant: George Tolley

A second conclusion clearly pointed up at the Conference—and perhaps not generally enough appreciated—is that the private pensions system is battling the same problems as Social Security, and appears to be little closer to any answers. In both systems, inflation rates are making appalling inroads—into total costs for those systems that are indexed, or into individual standards of living where pensions are fixed. In both, the appropriate and equitable sharing of pension rights between husband and wife is unresolved; how are such rights to be valued upon a divorce, or a death, and whose responsibility is it to decide?

Conference participants canvassed the merits and defects of some potential alternatives to the current system of dependent's benefits. They include:

- The *homemaker's credit*, which would accrue to a wife independently of her husband's earnings and, by making housework and paid work more alike, raise the status of the former. A variant of this system—some provision for child care drop-out years in an individual's earnings record—was also discussed.
- *Earnings sharing* of all income equally between husband and wife in calculating Social Security benefits.
- Some kind of “*double-decker*” or *two-tier system*, which in effect would divorce the individual's basic right to a pension in old age from the earnings record, but would make provision for varying levels of benefits in accordance with earnings history.

The first of these does not benefit poorer married women as much as it does the better-off, and the second would leave one-earner couples rather worse off than they are under the present system: they would merely share 100 percent of earnings, instead of receiving, as at present, that 100 percent plus a 50 percent dependent's benefit. There was, perhaps, a wider consensus about some version of the third approach than about either of the others at this conference.

No such meeting, clearly, can offer definitive solutions to such difficult problems. But by its steady focus on all facets of one critical element in this nation's floundering Social Security system, this particular Conference should help establish useful baselines in a debate that will almost certainly generate as much heat as light over the next few years. ■