ECONOMIC INDEPENDENCE FOR WOMEN

The Foundation for Equal Rights

Edited by

JANE ROBERTS CHAPMAN

Volume 1
Sage Yearbooks in WOMEN'S POLICY STUDIES

ECONOMIC INDEPENDENCE FOR WOMEN

The Foundation for Equal Rights

Sage Yearbooks in WOMEN'S POLICY STUDIES

Series Editors

Jane Roberts Chapman and Margaret Gates
Center for Women Policy Studies
Washington, D.C.

Editorial Board

Volume 1
Sage Yearbooks in WOMEN'S POLICY STUDIES

ECONOMIC INDEPENDENCE FOR WOMEN

The Foundation for Equal Rights

Edited by
JANE ROBERTS CHAPMAN

SAGE Publications Beverly Hills / London

For information address:

SAGE PUBLICATIONS, INC.
275 South Beverly Drive
Beverly Hills, California 90212

SAGE PUBLICATIONS LTD
St George's House / 44 Hatton Garden
London EC1N 8ER

Printed in the United States of America

International Standard Book Number 0-8039-0444-4 (cloth)
0-8039-0517-3 (paper)

Library of Congress Catalog Card No. 75-11129

SECOND PRINTING

CONTENTS

Dedicated to

ANN LONDON SCOTT

1930-1975

PREFACE

Economic Independence for Women is the first volume of the Sage Yearbooks in Women's Policy Studies. This series is being edited by the Center for Women Policy Studies and will consist of annual volumes containing research and analysis of major policy issues related to the status of women. Each volume will present the work of contributors who are in the forefront of current efforts directed to the specific policy issue addressed. In the first volume the reader will find a cross-section of recent thinking related to the economic status of women.

The Center for Women Policy Studies was established in 1972 to help meet the need for research directed to the identification of policy needs and actions required to improve the economic and legal status of women. Although this function is a basic aspect of representative government, governmental studies on the status of women have historically been in short supply. This contrasts sharply with the extensive studies and resulting legislation on the problems of other population groups such as racial minorities, the aged, and the poor. Private institutions have also failed to address themselves to women policy issues except such highly specific matters as extension of the right to vote. It is remarkable that even during postwar periods of conversion to peacetime economy when the status of women has received the most extreme and traumatic blows, there have been few calls for special policy, much less opposition, from any source.

The need for policies directed to the welfare and equality of women was articulated in the writings of Abigail Adams and Mary Wollstonecraft in the eighteenth and nineteenth centuries and further nourished by the manifestos of the Seneca Falls Convention in 1848, the first convention on women's rights in the United States. The concept of special policies on the status of women was sorely tested by the postsuffrage indifference which lasted from the 1920s into the 1960s. But the feminists of the late 1960s with their

demands for concrete goals such as equal pay and other job rights laid the preconditions for the development of systematic women policy studies.

Research and analysis conducted by the Center for Women Policy Studies is pragmatic in nature and is based on the need to initiate and implement change. This approach recognizes that policy which is not accompanied by resources in the form of programs or other tangible support to insure implementation is nothing more than a statement of intention or position. These Sage Yearbooks will provide a forum for the action-oriented research that is now being produced on the policy issues most central to the emerging independence of women. Volume II of the series, for example, will address the newly identified issues surrounding women and the family; it is tentatively entitled, *Women into Wives: The Legal and Economic Impact of Marriage.*

Women policy issues cannot be successfully superimposed on conventional academic disciplines. Day-care, for example, involves not only the area of child development but also questions of labor force participation rates and trends, access to nontraditional employment, sex roles, health and population trends, and population dispersion and living patterns. Therefore, each Sage Yearbook will be devoted to a single theme, but the theme will receive an interdisciplinary treatment. As in the current volume, contributors will include scholars from relevant disciplines as well as activists, legislators, program directors, and organizers. A mix of this sort approximates reality with respect to policy research, development, and implementation.

The Center gratefully acknowledges the strong support given it by the individuals who are beginning to produce the new body of research which is represented here. We look forward to the future, the maturation of a new discipline, and the opportunity to link the women's rights interests of the activist and the scholar.

–Jane Roberts Chapman
–Margaret Gates
Washington, D.C.

INTRODUCTION

JANE ROBERTS CHAPMAN

> When women can support themselves, have their entry to all the trades and professions, with a house of their own over their heads and a bank account, they will own their bodies and be dictators in the social realm.
>
> *–Elizabeth Cady Stanton, 1890*

The movement to secure equal rights for women has developed historically along four major fronts: political, social, educational, and economic. Perhaps the most critical of these is the economic arena. To the extent that women cannot control their own economic fates or influence the major policy decisions which affect them, they are incapable of changing their status and the conditions of economic dependence under which most of them live. It is impossible for women, or any other group, to achieve adequate political representation without first achieving economic independence and a significant level of economic influence. Political and economic clout are closely intertwined. To an unfortunate degree, it is a fact of American life that politics is linked to property.

This collection of essays is intended to provide a statement of the current economic condition of women, primarily American women. Chapters 2 and 3 provide overviews of the status of women, including a discussion of research and legislation. In chapters 4 and 5, cross-cultural perspectives of the economic standing of women are presented. Other chapters cover more specialized topics—occupational status, trade unions, credit, poverty, blue-collar women, earnings. The volume provides a comprehensive analysis of the disadvantaged status of women in economic terms. But more than that, the evidence presented here strongly suggests as an underlying thesis that the root of the economic problems with which women are

chronically afflicted is the general view of women as dependent people.

In minimal terms "economic independence" could be defined as the earning of one's own living. But it may also be argued that no one can be considered economically independent as long as law, custom, and public policy place limits on the freedom to act on his or her own behalf, and that women, as a group, must obtain considerably more freedom before they can be considered to have achieved independence. In 1974, over 38 million adult American women earned no income whatever; of the 30 million women who were employed, their median earnings were $6,335 per year, compared with $11,186 for men. These nonearning or low-earning women cannot be said to have adequate control over their own lives (U.S. Department of Labor, Women's Bureau, forthcoming). They are in one way or another prisoners of economic dependency, a dependency which is intensified by the manner in which it has been institutionalized. The social security system, for example, guarantees a benefit to a dependent wife but penalizes the working wife, and federal and state tax codes impact negatively on families with two working spouses.

The law and other institutions perceive, classify, and treat women as dependents, even when they are not. But this concept of women as economic dependents conflicts sharply with reality and need. Fully 6.8 million women are classified as heads of families; one out of eight American families is headed by a woman. In addition, 43% of all married women are employed (U.S. Department of Labor, Women's Bureau, forthcoming). Public policy and decisions in the marketplace which do not fully take these facts into account must be considered invalid. And, it is fair to say, such failures to perceive the economic role of women further contribute to the economic disadvantages of women.

While women who work outside the home have varying degrees of economic independence, women who are homemakers currently have none, in the terms described above, unless they are among the few enjoying substantial independently owned assets such as stocks or real estate. It must be acknowledged, of course, that a great many married American women who do not engage in paid employment are comfortably situated and that economic dependency is often voluntary. Looking more closely at this group of approximately 45 million persons, the degree of their dependency becomes more

apparent. For most of them, their economic circumstances derive from men to whom they are attached in some way. Whether they are fathers, husbands, ex-husbands, or benefactors in other categories, these men are the determinants of a standard of living which usually changes drastically when they or their income is removed from the family. It seems accurate to say, therefore, that few women actually possess middle-class status in their own right–rather, that they enjoy it on loan, through their attachments to middle-class men.

A further question to be examined here is whether or not this kind of dependence is indeed voluntary at all. Aside from factors of conditioning and social pressures, a woman's willingness to accept what is known as a "derived status" (derived from a husband) often reflects less a voluntary choice than the lack of attractive alternatives. The prospect of being identified as Mrs. Prominent-Physician, for example, may have more intrinsic appeal than being known as Ms. Overeducated-Secretary.

That women who are homemakers make an economic contribution to their families is not disputed here. Where measures of this contribution have been attempted over the years (see Kahne, chapter 2), it has been found to be significant in terms of the generation of national wealth. The value of this contribution has been set as high as 25% of GNP in income terms ($350 billion in 1974). But there is a crucial distinction between economic contribution and economic independence. Charlotte Perkins Gilman made the point well in her landmark work, *Women and Economics,* almost 80 years ago:

> For a certain percentage of persons to serve other persons in order that the ones so served may produce more, is a contribution not to be overlooked. The labor of women in the house, certainly, enables men to produce more wealth than they otherwise could; and in this way women are economic factors in society. But so are horses. The labor of horses enables men to produce more wealth than they otherwise could. The horse is an economic factor in society. But the horse is not economically independent, nor is the woman.

It should be recognized that there are different kinds of factors at work, some of them conflicting, which influence the economic status of women. There are the market considerations–the demand for labor, level of education and training, the need for money. But there are also the nonmarket considerations. There is a whole range of social influences which are at work even in early childhood and which have the general effect of reducing the economic independ-

ence of women as a group. The collection of papers presented here identifies the full range of factors influencing the status of women in America in the 1970s. Fittingly, not all of the contributors are economists; they are also legislators, political scientists, and sociologists. It is significant that the papers demonstrate the impossibility of separating market from private, social, or psychological considerations concerning the economic status of women.

Barrett (chapter 3), for example, has looked at a number of Western industrialized countries and has found that the ideology of these countries—whether egalitarian or sexist—has not played a large role in determining either the female labor force participation rates or its female wage rates. Rather, it is likely that mechanisms which most effectively keep women in an inferior economic position are those growing out of sex differentiation within the family and, to a lesser degree, the impact of social policy. Barrett investigates these and other explanations for economic disadvantage and what changes would be required to improve the lot of women in the industrialized countries.

Too often the economic condition of women has not been considered in its entirety or with reference to the full range of its manifestations. In the past, attention has been focused primarily on female employment with little attempt made to relate other aspects of the problem. Nor has the fact that these problems may spring from a common cause been given adequate attention. While an independent income (usually in the form of earnings) may be considered the crux of economic independence, other factors adversely affect women's economic position. Among these are social security, taxation, pensions, insurance, and credit. In all of these areas relating to financial opportunities, the perception of women as dependents has been institutionalized in the form of restrictive policies, regulations, practices, and programs which are discriminatory against women as a class. Some of these considerations are discussed by Griffiths in chapter 1 and Kahne in chapter 2.

Thus, it is seen that—fallacious, unrealistic, and grounded solely on traditional expectations though it may be—economic dependence remains in 1975 a basic operational premise of society's legal, social, and economic institutions. Former Congresswoman Martha Griffiths observes, in chapter 1, the "failure of American economic policy to assure equitable reward for work done by women inside or outside the home. Public policy tends to discourage wives from working

outside the home and to treat them as second-class workers when they do so. At the same time, public policy ignores the value of homemaking." In the face of this, policy-makers, almost exclusively men, have remained almost entirely indifferent to the situation and, indeed, indifferent to the evidence that a "situation" exists.

The denial of credit to women is a good example of a problem rooted in the notion of dependency, long after the notion has any practical validity. Credit-extending institutions until very recently have behaved as though all women were dependent and financially unaccountable, more often than not denying credit to wage-earning women while awarding it to their husbands, following a head-of-household criterion under which only men could be eligible. Chapter 10 explores this situation and goes on to analyze the economic justification for differentiating by sex and marital status in extending credit.

One measure of the significance of women's economic activity is the difference it makes to those families which have income from a wife's employment. Bell, in chapter 9, analyzes the contribution of wives' earnings to family income and finds that it is greater than commonly assumed by, among other institutions, the Bureau of the Census. This underrating of wives' income is part of society's refusal to treat women as anything but economic dependents. To counter the Bureau of the Census assertion that "most families depend entirely or primarily on" the earnings of the man of the house, Bell presents statistical material showing that there is in fact remarkable diversity in family income patterns.

This sort of underaccounting of "women's work" is evident also when economic development programs incorporating a developed country's values are imposed on a less-developed country. In chapter 4, Tinker cautions that the process of development has tended to restrict the economic independence of women. Traditionally, women in many developing countries have conducted economic activities in addition to their family responsibilities. But development models imported from developed countries tend to threaten the traditional jobs—Western notions of appropriate roles and occupations for women tend to be exported with the aid. It is ironic that modernization may not bring improvement in the lot of women. Barrett and others have pointed this out in our own history, citing the more integrated economic role of women before the industrial revolution.

Nowhere does the disadvantaged economic position of women stand out more dramatically than in the discussion of the poverty population by Ross in chapter 5. Most poor families with children are headed by women. An astounding 70% of nonwhite poor families with children are female-headed. The labor market has offered women so little for so long that their expectations are low, and the alternative of dependency (even the subsistence dependency of welfare) seems preferable to working for many women. But the solution to the increasingly female character of the poverty problem is not welfare, substituting the government for a male provider (substituting The Man for the man). Rather, it is to improve opportunities to become self-supporting, to open up apprenticeships, the skilled trades, all occupations to women.

The concerns of blue-collar women, including the lack of access to many job categories, have received little attention through either research or outreach programs. In the early part of the century, much attention was focused on the poor working and living conditions of women in working-class jobs. Research, coupled with action by the labor movement, resulted in reform legislation and other improvements. But in recent years, Pamela Roby, the author of chapter 6, has found that practically no research has been devoted to women employed in blue-collar industrial or service jobs. The situation is now changing. Dr. Roby's study of the conditions of women in blue-collar jobs and Wertheimer and Nelson's *Trade Union Women* (1975) detail the status and recent organizational efforts of union women. Wertheimer's contribution to the current volume (chapter 7) reviews the position of women in trade unions and finds that, while they hold few national offices in unions, they hold increasing numbers of posts on the local level. The emergence of the National Coalition of Labor Union Women is perhaps one of the most encouraging developments relating to the economic status of women in recent years. It represents an instance of women recognizing the necessity and importance of their labor market activity and organizing in order to take charge of their own fate.

By any of the standard measures–wages, numbers in poverty, level of economic influence–women have been found to be economically disadvantaged. But this has seldom appeared to be a significant factor in the development of public policy. Formulation of public policy, mirroring institutional preference, has taken as a convenient rationale the assumption that women are to be "taken care of" by men, or by