

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Carrie Wofford to Nicole Rabner et al re: Talking Points for Monday [partial] (5 pages)	02/06/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Bobbie Greene
OA/Box Number: 14741

FOLDER TITLE:

Wofford - Policy Samples

2012-0872-S
rc923

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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February 6, 1997

MEMORANDUM FOR MELANNE VERVEER

CC: NICOLE RABNER
LISSA MUSCATINE
KAREN FINNEY

FROM: CARRIE WOFFORD

RE: TALKING POINTS FOR MONDAY

Below please find talking points that will tie together anecdotes from the four working mothers with related Administration Accomplishments and key facts.

There may be more here than you need, but this will enable you to choose the points you find most helpful.

INTRODUCING THE FOUR WOMEN

- o All of us gathered here today know intimately the juggling act that working mothers face in balancing our work responsibilities with the needs of our families. And we have managed to achieve great professional success while still caring for our children.
- o But we also know that juggling act can be even more difficult for working mothers who have less economic resources than we have.
- o Over the past year, I have met with dozens of working mothers -- average Americans who do not garner special attention regardless of how successfully they may balance their work and families. I invited four of those women to join us here today:
 - [REDACTED] owns a properties management company in Virginia and is the mother of one grown child and three teenagers -- including two foreign-born teenagers whom she recently adopted.
 - [REDACTED] works two jobs -- by day she is an administrative assistant in Maryland, and in the evenings she works for a catering company. She is a single mother of three.
 - [REDACTED] is a child care teacher from Pittsburgh and is the single mother of four children, including twin two year-olds.

001}

- o Their struggles are typical of many working mothers. Let me share with you some details of their lives.

IMPROVISING CHILD CARE

- o **Child care is the lynchpin for any working mother.** It is the difference between a day in which you can get to work on time and focus on your work and one in which you exist in a state of constant anxiety about your children's safety.
- o [REDACTED] was a single mother for eight years and could not afford any child care or after-school care. Like so many working moms, she improvised. She made sure that her work schedule -- in real estate sales -- accommodated her children's school schedule and she simply brought her children to work with her when school was out. When I met [REDACTED] in 1995, she told me that her clients were forced to be "very understanding."
- o [REDACTED] also created her own "Village" of support like so many women across the globe: She found another local single mother and they "bartered," as [REDACTED] describes it. The other mother did not have a car and [REDACTED] did, so her new friend watched all their children after school and, in exchange, [REDACTED] spent weekends running errands and grocery shopping for both households.
- o [REDACTED] also improvises. She relies on her teenage daughter to watch the youngest children when she works her second job in the evenings.
- o [REDACTED] has a very innovative approach to securing affordable child care for her four children: **she has chosen to work as a child care teacher at a center that will give her a discount for her kids.** [REDACTED] pays just \$50 each month, deducted from her paycheck, to cover full-time care for her two youngest.

FACT: 41% of child care teachers have children of their own.
Approximately 30% of centers offer reduced care for teachers
(National Center for the Early Childhood Workforce, 1997).

THE SHORTAGE OF CHILD CARE

- o Working mothers like [REDACTED] should not have to improvise when it comes to finding adequate care for children, but there is a drastic shortage in quality, affordable child care.

FACT: In the largest survey of working women, the Administration's *Working Women Count!* national survey of 250,000 working women, 56% of women with children age five and younger say "finding affordable child care" is a serious problem.

FACT: A 1990 study found fewer than 10% vacancies for infants and toddlers nationwide. (Kisker, et. al., "Profile of Child Care

Settings," Mathematica Policy Research, 1991.) In a separate study, **two out of every five parents said there were not enough programs for pre-schoolers**, and one in three parents said they needed more programs for elementary school children (Research and Forecasts, "Kinder-Care Report: Perspectives on Child Care in America," Montgomery, AL, 1989).

FACT: Infant care is particularly hard to find: In a 1989 national poll, **three out of four parents said there was an insufficient supply of infant care**. (Research and Forecasts, "Kinder-Care Report: Perspectives on Child Care in America," Montgomery, AL, 1989).

FACT: A national study found more **affluent counties had two to three times the supply of pre-school programs** (Fuller & Liang, "Can Poor Families Find Child Care? Persisting Inequality Nationwide and in Massachusetts," Harvard University, 1995).

THE HIGH COST OF CHILD CARE

- o **[REDACTED]** is like so many of the hardest working Americans -- she works two jobs. **Rent takes the first of [REDACTED] two paychecks each month. A full two-thirds of the other paycheck goes to child care costs.**

FACT: Child care can easily cost **\$4,000 to \$5,000 per year**. In 1990, mothers who were employed full-time and paid for child care for one child paid on average \$3,650 for their youngest child in center-based care, \$2,950 for family child care and \$5,025 for in-home care. Families with more than one child paid higher rates. (Children's Defense Fund calculations of data from Hofferth, et. al., "National Child Care Survey," Urban Institute, 1991).

- o The high cost of child care impacts negatively on low-income women, in particular -- women like **[REDACTED]**

FACT: Child care is the **second largest expense for working poor families**. Working poor families spend 25% of their income on child care. (USA Today, 1996, from the National Association of Child Care Resource and Referral Agencies.)

FACT: A single mother working full-time and earning the minimum wage would have to pay **41% of her income to put her child in a center**. (CDF, 1991). In 1991, the Census Bureau reported that families earning less than the poverty level spent more than one-quarter of their meager gross incomes on child care.

FACT: The GAO found that increasing the availability of child care

subsidies **would increase poor mothers' work participation rates** from 29% to 44%, and near-poor mothers' rates from 43% to 57%. (GAO, "Child Care Subsidies Increase Likelihood That Low Income Mothers Will Work, 1994).

FACT: One in four mothers in the 21 to 29 age group (numbering 1.1 million) who were out of the labor force in 1986 said that they were **not working because of child care problems**. These problems were an even bigger barrier for poor mothers, 34% of whom were out of the labor force because of child care problems. (Cattan, "Child Care Problems: An Obstacle to Work," *Monthly Labor Review*, 1991.)

ACCOMPLISHMENT: The President has proposed a \$500 tax credit for each child under age 12.

ACCOMPLISHMENT: The President expanded the Earned Income Tax Credit, which has helped more than 12 million Americans (Check this stat w/ NEC).

ACCOMPLISHMENT: The President established the Child Care Bureau at HHS and has increased funding for child care in every FY budget. The Administration has launched a "Healthy Child Care" campaign to link health care professionals with child care centers, as well as a Child Care Information Center at HHS, technical assistance and summits. The welfare reform law set aside an additional \$3.5 billion more for child care and development over the next six years.

QUALITY CHILD CARE IS CRITICAL

- o The importance of child care should not be downplayed. All parents want their children to have quality care that will foster success in school and beyond.

FACT: Children in higher-quality programs, compared to their peers in lower-quality classrooms, had **better language ability and pre-mathematics skills, more advanced social skills, better self-perceptions, and better relationships with their teachers**. (Helburn, et. al., "Cost, Quality and Child Outcomes Study," Yale University, UCLA, UNC at Chapel Hill and University of Colorado at Denver).

CHILD CARE PROBLEMS CAUSE STRESS

- o We all know how difficult it is to find quality, affordable child care. We know how stressful the month of August can be as we anxiously search for child care for our toddlers and after-school care for our older children.

FACT: In the *Working Women Count* survey, we found that **stress ranks as the number one problem for working women**. Stress cuts across income and occupational groups, but is particularly acute for women in their forties who hold professional and managerial jobs (74%) and for single mothers (65%).

BALANCING WORK & FAMILY

- o In the balance of work and family, P6(b)(6) is forced to spend most of her time at work and little time with her children. She relies on her teenager to watch the toddlers at night because the cost of a babysitter "wouldn't be worth it." Her work schedule means that P6(b)(6) has limited involvement in her children's education: "Parents should have influence on their kids in the schools. I don't have that option. I can't go to her after-school activities or meet her teachers."

FACT: The President's proposed **expansion of the Family & Medical Leave Act** would enable working parents like P6(b)(6) to take unpaid leave from their jobs in order to attend her children's parent-teacher conferences as well as routine doctor's appointments.

VALUING WOMEN AT WORK

- o P6(b)(6) all describe their desire to advance at work in order to better provide for their children. Beatrice even chose to delay having a child while she focused on her career in the Fire Department.

FACT: In the *Working Women Count* survey, **65% of women say "improving pay scales" is a high priority for change**. More than half of women, **61%**, say they have little or no ability to advance.

FACT: Women still earn only **72 cents to a man's dollar**. Older women (46 or older) earn only 64 cents on the dollar. (U.S. Department of Labor).

FACT: Nearly three-quarters of all working women **earn less than \$25,000 per year**. (U.S. Department of Labor).

- o **Child care teachers are a case in point.** We need to value our children's caretakers, but like so many jobs dominated by women, the pay is low. Lisa Thomas receives average compensation as a child care teacher -- because she earns \$6 per hour and receives

benefits.

FACT: A full one-third of child care teachers earned the minimum wage in a 1990 study (National Child Care Staffing Study by the National Center for the Early Childhood Workforce.) The average hourly pay is \$6.89. ("Cost, Quality & Child Outcome in Child Care Centers" by UCLA, University of Colorado, University of North Carolina at Chapel Hill and Yale University, 1995.)

FACT: Over one-third of child care centers offer no health care coverage to any teaching staff.

ACCOMPLISHMENT: The President's increase of the Minimum Wage will help all women, including child care workers. Nearly two-thirds of all minimum wage workers are women.

CONCLUSION

- o What is so inspiring about [REDACTED] is how they have managed to create their own support structures out of thin air. But the reality is, we should not have to "make do" when it comes to our kids. Children's developing years are crucial. Women have stretched to accommodate all social and economic changes throughout history, but sometimes women are forced to stretch too far. The burden on working parents of ensuring their children are in safe and educationally-sound environments is greater than ever as more parents work longer hours.

POLLS OF AMERICAN ATTITUDES ON THE ISSUE OF CHOICE

American Support for the President's Veto of HR 1833

- o 55% of Americans support the President's veto of "a bill that banned a procedure for abortions in the third trimester unless the life of the mother was threatened" (39% strongly and 16% moderately supported). 10% moderately opposed it, 30% strongly opposed it, and 6% did not know (June 5, 1996; Penn-Schoen Assoc., Inc.).
- o 74% of Americans support "allowing women to have abortions in the third trimester if it is **necessary to protect the woman's health**" (49% strongly support and 25% moderately support) (March 19, 1996; Penn-Schoen Assoc., Inc.).
- o When asked "How would the candidates' position on late term abortions affect who you would vote for?," 32% of American voters said they are more likely to vote for Clinton and 35% said it would make no difference in their vote (29% are more likely to vote for Dole) (Apr. 13-16, 1996; *Los Angeles Times* national survey).

Catholic Support for the President's Veto

- o 66% of Catholics say the President's veto of the late-term abortion bill will make **no difference in their choice between Clinton and Dole** in the presidential election--or will make them **more likely to vote for Clinton** (April 13-16 1996; *Los Angeles Times* poll).
- o Just after the late-term abortion bill veto, Catholic women, who make up 26% of the female electorate, **avored Clinton over Dole by a 61% to 35% margin** (April 12, 1996; Greenberg/Lake for Emily's List). The *Los Angeles Times* found the same to be true: just after Clinton vetoed the late-term abortion bill, Catholics preferred Clinton over Dole by 58% to 33% (April 13-16, 1996; *Los Angeles Times* poll).

American Support for a Woman's Right to Choose

- o 87% of all Americans believe abortion should be legal (Sept. 27-28, 1995; *Time/CNN* nationwide poll conducted by Yankelovich Partners).
- o 74% of Americans favor the right of women to choose an abortion with advice of a physician (April, 1995; Peter Y. Harris Research Group).
- o 68% of all adults disapprove or strongly disapprove of the statement that abortion is morally wrong in every case (September 23-24, 1995; *U.S. News and World Report* survey conducted by Market Facts' Telenation, designed by Lake Research and Tarrence Group).

- o 72% of Americans find the following statement convincing: "Abortion is a complex issue that is better left in the hands of a woman, her doctor, and her family rather than in the hands of politicians" (July, 1993; Mellman-Lazarus-Lake Researchers).
- o 66% of Americans favor (with 29% strongly favoring) "**funding** medically necessary or appropriate" abortions as part of national health plans (July, 1993; Mellman-Lazarus-Lake).
- o 65% of Americans were more concerned "that government will go too far trying to **regulate** private, personal decisions like abortion"; only 24% were more concerned "that government will not go far enough to try to control the things like abortion that are signs of moral decay (Oct., 1995; Hickman-Brown Public Opinion Research)."
- o 74% of Americans **oppose a constitutional amendment** to ban abortion (April, 1995; Peter Y. Harris Research Group).
- o 72% of Americans said no to the question: "Should the GOP platform specifically support a **constitutional amendment** to outlaw abortion?" (May 17-20, 1996; American Viewpoint for the Republican Coalition for Choice).
- o 68% of American voters disagree with that part of the **Republican Party platform** that says "all abortions should be outlawed, regardless of the circumstances that led to the pregnancy and regardless of the health or wishes of the woman involved." (Oct., 23-26, 1995; Hickman-Brown Research)
- o 61% of voters agreed with the **Democratic Party platform** that says "the government should not interfere with a woman's right to decide whether or not to have an abortion, regardless of the circumstances that led to the pregnancy and regardless of the health or wishes of the woman involved." A full 62% of Independents and 52% of Republicans agreed with this platform (Oct., 1995; Hickman-Brown Public Opinion Research survey for NARAL).
- o Over 1 in 6 voters--17% of the electorate--say they are certain they would shift their vote away from a candidate who took a position opposite their own on the right to choose. Of those, 71% were pro-choice. 12% of the vote nationally could switch against an anti-abortion candidate, while only 5% would switch against a pro-abortion candidate (April, 1995; Peter Y. Harris Research Group, Inc.).
- o 60% of the potential party switchers on the pro-choice issue are women (April, 1995; Peter Y. Harris Research Group, Inc.).

Catholic Support for a Woman's Right to Choose

- o 82% of U.S. Catholics say abortion should be legal either under certain circumstances or without restrictions. 43% say abortion should be legal under certain circumstances such as when a woman's health is endangered or when a pregnancy results from rape. (September 27-28, 1995; *Time/CNN* poll conducted by Yankelovich Partners.)
- o 39% of Catholics say a woman should be able to get an abortion if she decides she wants one, **no matter the reason** (September 27-28, 1995; *Time/CNN* poll conducted by Yankelovich Partners.)
- o Catholic women, who constitute 28% of the electorate and have been trending Republican, are currently strongly **supporting President Clinton by 66% to 29%**, a margin of 37 points. This is a net gain of 12 points since a similar survey done in March, 1996 (May 1-5, 1996; Greenberg Research and Lake Research for Emily's List).
- o 69% of Catholics believe a woman who has an abortion for reasons other than to save her life can still be a good Catholic (September 28- October 1, 1995; ABC/*Washington Post* poll conducted by Chilton Research Services).
- o 68% of Catholics say it is not appropriate for religious leaders to urge people to vote for or against a candidate because of his stand on abortion, while 65% of non- Catholics say it is not appropriate (Sept. 18-22, 1995; *New York Times/CBS News* Poll).
- o Only 15% of Catholics agree with the bishops' position that abortion should be illegal in all circumstances (September 27-28; 1995 *Time/CNN* nationwide poll).
- o 79% of Catholics say it is possible for Catholics to make up their own minds on such moral issues as birth control and abortion, and 80% believe it is possible to disagree with the pope on official positions on morality and still be a good Catholic (September 27-28, 1995; *Time/CNN* conducted by Yankelovich).
- o 82% of Catholics disapproved or strongly disapproved of the statement that using artificial birth control, such as condoms or birth control pills, is morally wrong (September 23-24, 1995; *US News and World Report* survey conducted by Market Facts' Telenation, designed by Lake Research and Tarrance Group). In another poll, 76% of Catholics disagreed with the statement that using artificial means of birth control is wrong (September 27-28, 1995; *Time/ CNN*)
- o 70% of Catholics agree or strongly agree with the statement that Catholics can, in good conscience, vote for political candidates who support legal abortion (May 5-7, 1992; Gallup Survey).

- o Catholic women are as likely as all other US women to have abortions, and 36% more likely than Protestant women (July/Aug 1988; Stanley Henshaw and Jane Silverman, Alan Guttmacher Institute).

Republican Support for a Woman's Right to Choose

- o Two-thirds of Republicans favor keeping some form of abortion legal (July 14, 1996; *New York Times Magazine*).
- o 40% of Republicans in the spring were considering a vote for Clinton because their own party was so strident on social issues (National Republican Senatorial Committee poll as cited in *New York Times Magazine*, July 14, 1996).

August 1, 1996

MEMORANDUM FOR LEON PANETTA

FROM: BETSY MYERS

RE: EQUALITY FOR GIRLS IN SPORTS

America's women Olympians have made us proud this year -- earning 26 medals so far, compared to 31 medals won by American men -- and there are one hundred more male athletes representing the United States at the Games than female. In past Olympics, women have proportionately won more medals than men.

These heroines have shown what can happen when girls are given the opportunity to learn and train. But for each woman who is successful in sports, there are hundreds who have unequal access to sports in their schools and colleges -- both public and private. What could women athletes achieve if they had true access to early sports training? We must treat our daughters as well as we treat our sons. Eighty seven percent of mothers and fathers in 1992 believed that sports are as important for girls as for boys.

Benefits of Sports for Girls and Women

The benefits of sports for girls have been documented: Girls who play sports experience higher than average levels of self-esteem and less depression. They also are less likely to become teenage mothers, use drugs or drop out of school.

The recent Surgeon General's Report on Physical Activity and Health (July 11, 1996) illustrates that female adolescents are much less physically active than male adolescents. High school enrollment in physical education classes dropped from 42 percent in 1991 to 25 percent in 1995. Inactivity increases with age: More than 60 percent of women do not engage in the recommended amount of activity and more than 25 percent of women are not active at all. At least one-third of Black women and Hispanic women have no physical activity at all. Throughout life, women are less physically active than men. By age 75, half of women engage in no physical activity at all (compared to one-third of men).

The implications are long term: If a girl does not participate in sports by the time she is 10 years old, there is only a 10 percent chance she will participate when she is 25. While 30 percent of high school freshmen girls participated in sports, the percentage dropped to 17 percent by their senior year (HHS, 1990). College coaches say that 90 to 95 percent of women athletes graduate from college -- compared to about 50 percent for the typical freshman class.

The cost to the nation's public health system is also a factor: According to the Women's Sports Foundation, girls who participate in as little as four hours of exercise each week may reduce their lifelong risk of breast cancer by up to 60 percent -- a disease that affects 1 in 8 women. Exercise can also help prevent osteoporosis -- which affects women more than men on a 4 to 1 ratio and costs \$18 billion annually in health care costs.

In addition to health concerns, girls' participation in sports can help their careers. Studies have shown that women in their 30's and 40's have a business disadvantage because they are not as comfortable with competition and teamwork due to a lack of athletic training. Sports develop leadership skills that help women stand out in middle management and catapult into the executive suite. Women learn to confront fear, challenge their body's resources and master discipline and risk-taking. Sports might be women's new route to corporate leadership.

Title IX

Title IX of the Education Amendments of 1972 states that "no person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal aid." Title IX protects women and girls from discrimination at public or private schools (elementary, secondary and university level) that receive federal funds, including financial aid.

A school that is accused of discrimination must pass one of three tests used by the Education Department in order to be cleared: (1) The athletic budgets and aid must be substantially proportionate to the ratio of male and female athletes. (2) The school must be expanding women's programs and have a history of doing so. (3) The school must be fully accommodating the interests of women.

Title IX has had a great impact on girls' participation in sports. Upon passage of Title IX, schools were given six years to comply. As a result, the number of girls participating in high school sports grew dramatically from 294,000 in 1971 to 2 million in 1977. While only 1 in 27 girls participated in high school sports in 1971, now 1 in every 3 girls participates. Boys have remained consistent at 1 in 2.

In 1994-95, 2,240,000 girls participated in high school sports -- an increase of 115,000 from the previous year. A million more boys participated in high school sports than girls, according to the National Federation of State High School Associations. Basketball remains the most popular sport for girls, followed by track and field and volleyball, and then softball.

At the college level, 110,000 women now participate in college sports, up from 80,000 in 1982 and only 16,000 in 1962. In contrast, men's participation has stayed the same -- about 180,000 -- since 1982.

Even advertisers are beginning to understand the importance of women in sports and their purchasing power: Women spent \$21.2 billion on athletic footwear and apparel in 1991, compared to \$19.8 billion spent by men. The Nike ad, "If you let me play" is an example of this.

Statistics on Inequity

Despite these efforts, inequity still persists as outlined below:

- o The NCAA conducted its own gender equity probe in 1991 and found that more than 80 percent of sports dollars were going to men's programs and that 75 percent of the athletes were men.
- o Of NCAA Division I schools in 1992, women accounted for:
 - 29 percent of participants in sports.
 - 28 percent of athletics scholarships.
 - 20 percent of the schools' budgets went to women. (Southern Mississippi's disparity was reported by USA Today to be the largest.)
- o The Women's Sports Foundation estimates (based on NCAA and National Federation of State High School Federations) that women receive:
 - less than one-third of all athletic participation opportunities.
 - less than one-third of all scholarship dollars.
 - only 24 percent of sport budgets and 18 percent of recruiting budgets.
- o College Football does not make money. Football in particular eats up large portions of a school's sports fund. According to the Women's Sports Foundation:
 - Out of 1,200 colleges with football programs, only 65 schools have teams that pay for themselves.
 - Even in Division IA schools (the big football schools), 35 percent of those schools are running average annual deficits in football alone of \$1.1 million a year.
 - The football budget accounts for 40 to 50 percent of all operating dollars at most schools.
- o Of the more than 640 NCAA colleges, only one college in 1992 had an equal number of male and female athletes: Washington State University in Pullman, Washington.
- o Approximately 10,000 slots were added for women in NCAA sports between 1989 and 1993 -- the same number as were added for men -- but still giving men 65 percent of all participation opportunities in college athletics.
- o The Education Department receives more than 100 complaints each year -- half at the university level and half at elementary and secondary schools -- of inequity in both public and private schools. The Education Department claims it has convinced every single one of the non-compliant schools to voluntarily become compliant with Title IX. Women's sports advocates are doubtful.

A Supreme Court decision in 1992 opened the way for female athletes to seek damages for discrimination in federally-funded school sports programs. More than 30 lawsuits have been filed by women athletes and women's sports advocates under Title IX -- either to collect monetary damages or -- more commonly -- to force the university or school to fund girls' sports equally or to reinstate a team. To date, all the cases have been settled successfully in favor of the women or girls. An ongoing case against Brown University is the most widely publicized case. Brown reportedly paid \$200,000 to a football coach and then made \$200,000 of cuts to women's sports. A lower court has ruled in favor of the women athletes, but Brown University is appealing.

Backlash

In 1995, Rep. Dennis Hastert (R-IL) -- a former college athlete -- led hearings and organized House members to sign and send a letter to the Department of Education calling for "common sense" revisions of Title IX -- such as omitting men's football from Title IX regulations. The Education Department responded by issuing guidelines for schools on how to make sports fair under Title IX.

In May of this year, a House-passed Budget Resolution for FY '97 called for Congress to "clarify" Title IX's requirements in sports and to prohibit schools from ever eliminating athletic opportunities for men as a way to allocate more funds to women's programs.

Women leaders fear that there is a "landmine" waiting to happen under the Republicans on sports fairness. Reportedly, Congress may attach a rider to the FY '97 appropriation bill for the Education Department that would restrict Title IX enforcement or implementation.

Current Implementation

Although the Education Department has the ability to send non-compliant cases to the Justice Department for litigation, they have not sent any sports-funding cases under Title IX since the early days of the Reagan Administration. Women leaders have been outraged by the Education Department's inaction. Even the DOJ deputy in charge of litigating Title IX -- Isabelle Pinzler -- calls the Education Department "egregious" for not referring any non-compliant schools to his office.

Federal funds can also be withheld from non-compliant schools. To date, no school has ever lost funding for Title IX violations.

Presidential Action

The following are several options for the President's leadership:

- (1) Ask the Education Department's Civil Rights Office to refer particularly egregious non-compliant schools to the Justice Department's Civil Rights Division for litigation.
- (2) Order the Education Department to withhold federal funds for the upcoming school year to non-compliant schools.
- (3) Ask the Education Department's Civil Rights Office for a report of all non-compliant schools -- during our Administration -- that have voluntarily become compliant under Title IX.
- (4) Direct the Education Department and the President's Council on Physical Fitness and Sports to establish a clearinghouse for model programs of gender equity in sports to help schools become compliant. Issue an annual Awards system for extremely model schools.
- (5) Commit more money for technical assistance to the Education Department to help schools comply with the law according to guidelines established by the Education Department on how to make sports fair under Title IX.
- (6) Make a general plea to our nation's school principals and college presidents to give girls a fair shake and to address discrimination in their schools. (The Surgeon General's report praised school-based intervention as a key to encouraging youth to exercise.)
- (7) Hold a summit of school principals and college presidents as part of Back to School Week to discuss ways to make school opportunities more fair.
- (8) Urge local community businesses to re-invest in their communities by sponsoring or adopting girls' little league and other community sports teams. The Surgeon General recommended that communities provide programs to reach underprivileged populations such as minorities and older adults. The President could extend this concept to young girls' intramural community sports.

FYI: Women's basketball may be an opportunity for our TV ads geared towards women. Audiences for women's college basketball grew from 3 million in 1985 to 4 million in 1990 and the top women's tournaments are now covered on network TV. Viewers of women's basketball average a \$30,000 income, are highly educated and are more likely to vote according to a CBS women's basketball analyst.

The White House Office For Women's Initiatives and Outreach
Betsy Myers, Director

White House Update For Women

SEPTEMBER 23, 1996

"Today, we say, loud and clear: If you stalk and harass, the law will follow you wherever you go. And if you are the victim of stalking and want to build a new life somewhere else, you will have the full protection of federal law." -- President Clinton, signing the new Interstate Stalking Punishment and Prevention Act, September 23, 1996.

CRIME AND SAFETY

NEW LAW TO STOP STALKERS: On September 23, 1996, the President signed the Bill). This new law dramatically toughens federal law against stalkers who cross state lines to threaten, harass and instill fear in others, particularly women and girls.

Safety and security at home. The Interstate Stalking Punishment and Prevention Act makes it a federal crime for any stalker to cross state lines to pursue a victim. The Act makes it:

- * **A federal crime whether or not there is a protection order in effect.** Before today, women who did not have protection orders were not protected by federal law. Today's legislation would provide protection to women who could not get a protection order.
- * **A federal crime *before* any act of violence has been committed.** Victims pursued across state lines by a spouse or intimate no longer have to suffer an act of violence before they can be protected by federal resources.
- * **A federal crime even if the stalker is not someone you know:** The 1994 Violence Against Women Act gave federal protection to women who were being stalked by spouses, boyfriends or former "intimates." With today's new law, the President has expanded that protection to people who are stalked by a stranger or someone they have not been intimate with -- an acquaintance, for instance.

Building on our record. Today's legislation builds on a number of initiatives and laws that have been designed to end the fear and threat of being stalked.

- * **President Clinton's 1994 Crime Bill** made it a federal crime for stalkers to violate protection orders by travelling across state lines to pursue a victim and made it a federal crime for batterers to pursue their wives or girlfriends across state lines.
- * **President Clinton's Violence Against Women Act** established a **national registry of sex offenders**, created a 24-hour toll-free **domestic violence hotline**, and made three strikes and you're out the law of the land.
- * **Megan's law**, which President Clinton fought for and signed into law, requires states to tell communities whenever a dangerous sexual predator is in their midst.
- * **The Brady Bill** has kept 60,000 guns out of the hands of fugitives, felons and stalkers.

KEEPING GUNS OUT OF THE HANDS OF DOMESTIC VIOLENCE OFFENDERS:

On August 26, the President announced that he would support legislation that would amend the 1968 federal firearms statute **to bar any person convicted of any crime of domestic violence - not just a felony -- from owning and possessing a firearm.** The need for such legislation -- which is being sponsored in Congress by Senator Lautenberg and Representative Torricelli -- is supported by the statistics:

- In 1994, there were **88,500 incidents of domestic violence where a firearm was present.**
- Responding to these calls is deadly business for law enforcement. From 1985 to 1994, there were **65 law enforcement officers killed** when they responded to family quarrels and 9 out of 10 of those deaths resulted from firearms.

Stopping All Abusers from Getting Guns: Many spouse abusers are not covered by existing laws such as the Brady bill, which President Clinton signed in 1993 and the 1994 Clinton Crime Bill, which included the historic Violence Against Women Act. The Violence Against Women Act made it a crime for those under restraining orders to carry a gun. However, the overwhelming majority of domestic violence cases are misdemeanors, not felonies. The result is that these offenders are still free under federal law to possess a firearm. **That is why President Clinton is calling on Congress to disarm domestic violence offenders this year.** To help States in enforcing such a measure, President Clinton's 1994 Crime Bill is already providing funding for States to improve their criminal history record-keeping abilities and in 1996 the Clinton Administration specifically instituted a "National Stalker and Domestic Violence" record-keeping program.

A NEW POLICE NUMBER FOR COMMUNITIES: On June 23, President Clinton asked the Attorney General to work with the FCC, law enforcement leaders, and the telecommunications industry to develop a national community policing number for non-emergency calls that will be as easy to use and remember as the overburdened 91 number system. This non-emergency number will create an easy way for residents who are not reporting crimes-in-progress or life-threatening situations to reach local police while keeping the 911 lines clear for true emergencies that require an immediate response.

CELLULAR PHONES FOR NEIGHBORHOOD WATCH: On July 17, President Clinton and Vice President Gore announced that the Cellular Telecommunications Industry Association (CTIA) has offered to provide 50,000 cellular phones and free air time to citizen patrols and community block watches throughout the country. There are an estimated 20,000 neighborhood block watches and citizen patrols throughout the country. Neighborhood watch has been proven to help prevent crime and promote cooperation between law enforcement and residents. The phones will be pre-programmed so that neighborhood watch volunteers will be connected directly to the local police. The announcement is a positive response to the challenge issued to local communities and the cellular phone industry by the President and Vice President last year and is part of President Clinton's ongoing efforts to combat crime, which has resulted in **lower crime rates, and fewer serious crimes such as murder, robbery, and forcible rape.** Fewer

serious crimes. According to preliminary figures released in May by the FBI, serious crimes reported to the nation's law enforcement agencies decreased a full two percent in 1995. ***It was the fourth consecutive yearly decrease in reported crime.*** Cities with over one million inhabitants saw crime fall by 6% last year.

CRACKING DOWN ON GANGS: On September 16, President Clinton proposed another new measure to combat gangs -- by **extending the statute of limitations for serious violent crimes** such as kidnapping, rape and particularly serious drug crimes, as well as for gang-related prosecutions under the federal Racketeer Influenced and Corrupt Organizations statute (RICO). Since 1990, the number of RICO prosecutions in gang-related cases has risen 58%. This year, 38% of the Department of Justice's RICO prosecutions have been gang-related. President Clinton also sent the Anti-gang and Youth Violence Control Act of 1996 to Congress to strengthen laws that will stop the rise of youth violence and gangs, including expanded use of drug and gun courts.

KEEPING OUR KIDS SAFE AND DRUG FREE: On August 23, President Clinton announced new Food and Drug Administration ("FDA") regulations to protect children and teens from the dangers of tobacco use. The new regulations require children to prove their age with an ID to buy cigarettes, ban cigarette vending machines from places frequented by children and teens, and ban tobacco advertising near schools and playgrounds. Under the new regulations, the FDA will soon take steps to require the FDA to educate our children about the real dangers of smoking. President Clinton's initiative to end teen tobacco use builds on several other prongs of the Clinton Administration's strategy to keep our kids safe including expanding the Safe and Drug Free Schools Act of 1994, encouraging states to adopt a "zero-tolerance" strategy on underage drinking, and supporting drug testing of high school athletes.

ECONOMIC AND HEALTH SECURITY

HEALTH INSURANCE REFORM

On Aug. 21, the President signed the bi-partisan Kassebaum-Kennedy health insurance reform bill, which will have profound effects on the lives of many of our citizens and **increase access to health care**. No longer will Americans live in fear of losing their coverage just because they have a pre-existing condition. No longer will Americans face the dilemma of hesitating to go to a new and better job for fear of losing their insurance coverage. And because of the bill's guarantee issue provisions, no longer will small businesses be denied access to insurance for their employees. **As many as 25 million Americans will benefit from the important portability, guarantee renewal, and guarantee issue insurance reform provisions included in the Kassebaum-Kennedy legislation.**

Although the insurance provisions are the core of this important legislation, **numerous other measures that President Clinton has long advocated are also included:**

- * **Eliminating the Discriminatory Health Care Tax Treatment of the Self-Employed.**
The new law assures that the self-employed are treated more like other employers

- purchasing insurance by phasing the self-employed tax deduction to 80%.
- * **Preventing Fraud and Abuse.** By providing for permanent funding and greater penalties, this law permits better targeting and prosecution of "bad apple" health care providers who are bilking the system of billions of dollars from Medicare, Medicaid and private insurance.
- * **Making the Health Care System More Simple.** By helping design a common electronic system for private insurers paying health care claims, the new law would modernize, streamline and cut costs of health insurance paperwork. This measure also takes steps toward establishing federal privacy protections to prohibit inappropriate disclosure of this information.

We need to do more. The fact that there are 40 million Americans without insurance in this nation attests to this fact. We must work vigilantly to assure that the quality of health care that Americans are receiving remains the best in the world. And, we must work to assure that no American is discriminated against on the basis of a particular diagnosis.

INCREASED MINIMUM WAGE

On August 20, President Clinton signed into law an historic 90 cent increase in the minimum wage, helping more than ten million hard-working Americans. An estimated 10 million hourly workers who earn between \$4.25 and \$5.14 will benefit directly from the President's minimum wage victory. The increase in the minimum wage could also have a "ripple" effect on the over 3 million workers who earn within 60 cents of the new minimum wage. ***For full-time minimum wage workers, a 90-cent increase would raise their yearly income by \$1,800 -- as much as the average family spends on groceries in over 7 months!***

- * **A promise made and a promise kept.** In *Putting People First*, Bill Clinton and Al Gore proposed to "increase the minimum wage to keep pace with inflation." The President specifically proposed a 90-cent increase 18 months ago in February 1995.
- * **Ensuring No Parent Has To Bring Up Their Kids In Poverty.** President Clinton's dramatic extension of the Earned Income Tax Credit (EITC) helped lift hundreds of thousands of working families out of poverty. With a 90-cent minimum wage increase and the expanded EITC, we can ensure that no parent who works full-time and plays by the rules will have to bring up their kids in poverty.
- * **Helping Adult Workers Trying To Support Their Families.** According to the Bureau of Labor Statistics: 69% of those workers who would benefit from an increase are adults, age 20 or over; three-fifths (59%) are women, many of whom are trying to raise the family on \$4.25; and the average minimum wage worker brings home half of their family's earnings.

Making Adoption Easier

When President Clinton signed the minimum wage bill, he also signed an important adoption provision that takes steps to ease and encourage adoption for the tens of thousands of children who today are waiting for permanent homes. A \$5,000 tax credit (\$6,000 for families that adopt children with special needs) allows middle class families -- for whom adoption is often too

expensive -- to adopt children to love and nurture. In addition, the bill prohibits states from denying or delaying adoption on the basis of race, color or national origin -- building on the President's longstanding goal to end the historical bias against interracial adoptions.

NEW PENSION PORTABILITY: On September 17, the President announced new actions by the Treasury Department to make pensions more portable and retirement more secure:

- * **Protecting Investment Opportunities.** The Treasury actions will ensure that workers who choose to leave their retirement savings with a former employer do not have all their good investment options taken away.
- * **Helping people take their pensions with them when they change jobs.** The President also announced that the Treasury Dept. has issued guidance and transmitted a proposed regulation to remove restrictions that prevent many businesses from taking employees' past savings into their own retirement plans. Before, employers could have their entire plans disqualified for accepting a new employee's savings from another account that were not qualified. Businesses rightly avoided this risk, but at a cost to America's workers. As a result of the announced actions, the new employer will not be liable, and workers will be able to take their pensions with them from job to job.

The President has **already taken important steps to ensure the value of working Americans' pensions by preventing raids on workers' pensions.** Last year, President Clinton vetoed the Republican budget, which would have given corporations a new opportunity to raid the pensions of nearly 4 million workers and retirees.

Pension Help from the Minimum Wage Bill: As part of the minimum wage bill, the President signed into law important components of his Retirement Savings and Security Act:

- * **Expanded Pension Coverage by Creating a New Small Business 401(k) Plan** with no red tape and a simple one-page form to make it easier for small businesses to provide workers with pensions. The bill also **simplifies pensions for businesses of all sizes.**
- * **Increased Pension Portability by Taking Away the 1-year Wait to Save at a New Job.** The law contains the President's proposals to increase portability, such as a provision to help workers who change jobs and want to keep saving in their new jobs by amending the law to encourage employers to let new employees begin saving without having to wait a year.
- * **Enhanced Pension Security by Protecting Government Employees' Savings from Orange-County Style Fiascos** by requiring that state and local government pension plans be held in trust so workers do not lose savings if that government declares bankruptcy.

Helping Women: As part of the Minimum Wage increase, the President has also signed into law **significant women's pension provisions that put women's pension options into plain language** so they will not inadvertently lose their pension rights due to divorce or death of a spouse. Specifically, the new law requires the Treasury Dept. to create a model form for spousal consent with respect to survivor annuities and a model Qualified Domestic Relations Order to

spell out the various options to be considered when a pension is being divided upon divorce. **These new forms will replace the confusing forms in existence and provide spouses and pension administrators with clear, understandable language.**

ENACTING WELFARE REFORM

On August 22, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that will dramatically change the nation's welfare reform system. The bill contains work requirements, a performance bonus to reward states for moving welfare recipients into jobs, comprehensive child support enforcement, and supports for families moving from welfare to work -- including **increased funding for child care and guaranteed medical coverage.**

Under the new law, states are required to move a large percent of their caseloads into work. The bill also limits recipients to a maximum lifetime stay of five years on the welfare rolls -- although the bill President Clinton signed allows states to exempt 20% of their caseloads for "hardship" reasons. In addition, **microenterprise programs are recognized as a work option** under the Act to help recipients start their own small businesses.

To assist in this transition, the new welfare law provides **\$14 billion in child care funding -- an increase of \$4.5 billion over the current law -- to help more mothers move into jobs.** The new law also guarantees that women on welfare **continue to receive health coverage for their families**, including at least one year of transitional Medicaid when they leave welfare for work. The law also includes provisions affecting teen parents such as "live at home" and "stay in school" requirements for unmarried minor parents who must participate in educational and training activities in order to receive assistance.

Improvements From Previous Bills: The "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" includes **important improvements over the previous welfare reform bills submitted by Congress**, which President Clinton refused to sign because they did too little to move people into jobs, and failed to provide the supports -- like child care and health care -- that families need to move from welfare to work. Several improvements over HR 4, the vetoed bill are:

- * **20% hardship exemption:** Under the new law, states will be able to exempt 20 percent of their caseload from the five year limit for cash assistance under AFDC based on hardship. H.R. 4 included only a 15 percent exemption.
- * **Guaranteed medical coverage:** The new law preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly and people on welfare. Families receive one year of transitional Medicaid if a family leaves welfare because of increased earnings. H.R. 4 would have ended the guarantee of Medicaid coverage for cash assistance recipients.

- * **Increased child care funding and mandatory child care maintenance of effort:** The new law provides \$14 billion in child care funding -- an increase of \$4.5 billion over 6 years -- allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately \$1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). By contrast, H.R. 4 increased child care funding by just \$300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.
- * **Preservation of nutrition programs:** H.R. 4 would have given states the option of block granting food stamp benefits. The bill would have also capped federal food stamp program expenditures, limiting maximum benefit increases to 2 percent per year, regardless of growth in need for assistance. The new law maintains the national nutritional safety net by eliminating the block grant option as well as the food stamp cap.
- * **Current law child protection and adoption:** Unlike H.R. 4, the new plan maintains current law on child protection and adoption, and does not reduce funds for child welfare, child abuse, foster care, and adoption services. The new law also protects children by maintaining health and safety standards for day care. H.R. 4 would have eliminated health and safety protections.
- * **Supplemental \$2 billion contingency fund:** The Act establishes a \$2 billion contingency fund that states could access on a participatory basis with the federal government. This would help states in the event of high unemployment or an increased food stamp caseload. H.R. 4 provided only a \$1 billion contingency fund -- half of the funds provided in the new law.
- * **Protection of disabled children:** H.R. 4 would have cut SSI by 25% for many disabled children. The new law eliminates this proposed two tier system.
- * **Optional family cap.** Under the new law, states have the option to implement a family cap. H.R. 4 required states to deny cash benefits to children born to welfare recipients unless the state legislature explicitly voted to provide benefits.

Areas To Be Fixed: Even with these substantial improvements, President Clinton has **pledged to fix two provisions of the welfare bill:**

- * **Food Stamps:** According to President Clinton, the new law cuts deeper than it should in food stamps, mostly for working families who have high shelter costs.
- * **Legal Immigrants:** The law includes provisions that would deny most forms of public

assistance to most legal immigrants for five years or until they attain citizenship. The President has said that legal immigrants who fall on hard times or through no fault of their own and need help should get it, although their sponsors should take additional responsibility for them.

NEW JOB OPPORTUNITY PROGRAMS: Since the passage of the Welfare Reform Act, President Clinton has acted on his commitment to ensure job opportunities for welfare recipients by proposing the Welfare-To-Work Jobs Challenge -- a three-pronged \$3.4 billion initiative to create job opportunity for the hardest-to-employ welfare recipients. The components of the Welfare-To-Work Jobs Challenge are:

- * **TARGETED WELFARE-TO-WORK TAX CREDIT:** Building off the Work Opportunity Tax Credit (WOTC) -- signed into law by President Clinton on August 20 -- the President proposed a **targeted tax credit to create new job opportunities for long-term welfare recipients.**
- * **TAX INCENTIVES TO INCREASE INVESTMENT IN DISTRESSED AREAS:** President Clinton has proposed a comprehensive strategy to increase investment in distressed communities, including the use of Community Development Banking, Empowerment Zones, Enterprise Communities, and Brownfields tax incentives. President Clinton has proposed to expand this strategy by a new tax credit to investors in qualified financial institutions and venture capital funds.
- * **WELFARE-TO-WORK JOBS INITIATIVE:** President Clinton's Welfare-To-Work Jobs Initiative is designed to help communities move one million of the hardest-to-employ welfare recipients into jobs by the year 2000, while giving states and communities maximum flexibility in developing job creation strategies.
- * **HELPING WOMEN BUSINESS OWNERS:** Microenterprise programs are an option for states to offer as job training under the Welfare-To-Work Jobs Initiative. President Clinton has long been a strong advocate for community-based microenterprise programs, and the Labor Department, the Treasury Department and the Department of Health and Human Services have developed microenterprise programs. Surveys indicate that the majority of microentrepreneurs are women.

TAKING ON ILLEGAL SWEATSHOPS

On August 2, President Clinton announced a commitment by the leaders of the apparel and footwear industries that he hopes will lead to a system for assuring Americans that the clothes and shoes they buy are made under decent and humane working conditions. The President met with industry leaders and representatives from unions and non-governmental organizations who are in partnership to **(1) ensure that American goods are made without the use of sweatshop labor** and meet acceptable labor standards and **(2) give consumers a visible sign** (perhaps a label) that their products are made without exploitative labor.

The Administration is continuing its **Three-Pronged "No Sweat" Strategy**:

- (1) **Enforcement.** The Department of Labor conducts surprise inspections of major garment centers and enforces the "hot goods" provision of the Fair Labor Standards Act, which prohibits the shipment of goods made by sweatshops or illegal labor practices.
- (2) **Recognition.** Since December 1995, the Labor Department has issued lists of retailers and manufacturers with the best garment practices (especially by contractors).
- (3) **Education.** The Labor Department also is spearheading a garment public service announcement initiative and an Internet Web site on how to combat sweatshops.

EDUCATION

TARGETING TAX CUTS FOR EDUCATION

In August, President Clinton announced to the nation his proposals for responsible tax reforms to encourage investment in education including:

- * **\$1,500 HOPE Scholarship Tax Cut For College Tuition.** \$1,500 refundable tax credit for tuition in the first year of college and for the second year if the student earns at least a B average in the first year. This \$1,500 tax credit will make the average-priced community college free and provide a downpayment for more expensive schools for families with incomes up to \$100,000.
- * **\$10,000 Tuition Tax Deduction for Education and Training at Any Age.** Families with incomes up to \$100,000 could deduct up to \$10,000 in tuition, providing a tax cut of up to \$2,800 per family. This deduction could be taken for education and training at any time in order to encourage life-long learning.
- * **\$500 Child Tax Credit for Children Under 13.** Phased in \$500 per child tax credit for families with incomes up to \$75,000, providing tax relief to 19 million families with 37 million children.
- * **Expanded IRA for Education, Retirement, First-time Home ownership.** Double the income limits for Ira to make 20 million more families eligible for tax-deductible IRA contributions, and allow penalty-free IRA withdrawals for education, first home purchases, and major medical expenses as well as retirement.

MAKING SURE EVERY CHILD CAN READ:

On August 27, the President announced the \$2.75 billion "**America Reads**" Challenge to ensure that **all children are reading independently by the end of the third grade**. Parental and community responsibility are the backbone of the "America Reads" Challenge, which builds on the success of community tutoring programs and National Service programs like AmeriCorps and RSVP Senior volunteers in developing and coordinating effective tutoring programs.

1. Parents As First Teachers Challenge Grants. The President proposes a *Parents as*

First Teachers Challenge Grant Fund that invests in success by supporting effective, proven efforts that provide assistance to parents who want to help their children become successful readers by the end of third grade. Approximately \$300 million in grants will be available over 5 years (FY98 - FY2002) to national and regional groups as well as local communities and organizations.

II. America's Reading Corps: Individualized After-School and Summer Tutoring for More Than 3 Million Children in Grades K-3 Who Want and Need It. The President's proposal provides \$2.45 billion to support tutoring efforts. \$1.45 billion in net new investments over 5 years, in addition to \$1 billion already specified in President Clinton's balanced budget for National Service participants, will be directed specifically to the **"America Reads" Challenge**. President Clinton's goal is to **mobilize 1 million tutors** -- in addition to the 30,000 Reading Specialists and Volunteer Coordinators funded through the President's proposal -- **to provide individual attention to all young children who need reading assistance.**

III. Providing 1 Million 3 and 4 year-olds with a Head Start. President Clinton's balanced budget includes a major expansion of Head Start so that it can reach 1 million pre-school children in 2002.

IV. Challenge to Private Sector. This national effort will only be successful if those in the private and non-profit sector return to the President's "America Reads" challenge. This new **"America Reads"** initiative builds on Clinton Administration efforts to work with the private sector in helping our children learn how to read, such as the "Partnership for Family Involvement in Education" and "Read*Write*Now."

REBUILDING SCHOOLS

On July 11, the President introduced new funding to improve our nation's schools. Key elements of the President's initiative include:

- * **Up to 50% Interest Subsidy for New School Construction and Renovation** to reduce interest costs on new school construction and renovation projects by up to 50%, with a sliding subsidy scale depending on need.
- * **\$20 Billion in School Construction Spurred by \$5 Billion in Federal Jump-Start Funding Over 4 Years.** The interest reduction is equivalent to subsidizing \$1 out of every \$4 in construction and renovation spending. \$5 billion in federal funding over 4 years -- with most of the money administered by the States -- would support \$20 billion in construction and renovation.
- * **Goal of 25% Increase in School Construction Over 4 Years.** National spending on school construction and renovation is currently about \$10 billion a year or \$40 billion over 4 years. By focusing on incremental or net additional construction projects, this initiative

aims to ensure that at least half of the \$20 billion supported by federal subsidies would not have otherwise occurred. This would increase school construction by at least \$10 billion to a total of \$50 billion over 4 years -- increasing school construction by 25%.

IMPROVING TELEVISION FOR OUR CHILDREN

President Clinton announced on July 29 that the four major networks, the National Association of Broadcasters, and leading advocates for educational television will support a **new proposal to require broadcasters to air three hours of quality educational programming each week**. The President made the announcement during his meeting with leaders of the television networks and leaders in children's programming. **On August 8, the proposal became a regulation** after the Federal Communications Commission voted unanimously to approve the regulation. Earlier this year, the President required the installation of anti-violence screening (**V-Chips**) in all new televisions and announced a breakthrough agreement with the media industry to develop a **television ratings system**.

The U.N Women's Conference One Year Later

On **Saturday, September 28, 1996**, the President's Interagency Council On Women will sponsor a **nationwide teleconference with conferences in every state** of the union to celebrate "UN Women's Conference - One Year Later". Americans will report on progress since the Women's Conference; share what's working in communities, and look ahead to develop a national action agenda. **For more information, call 202-456-7350 or see the web site at:**
<http://www.whitehouse.gov/WH/EOP/Women/IACW/html/IACWhome.html>.

**TALKING POINTS
FOR THE VICE PRESIDENT
9TO5, NATIONAL ASSOCIATION OF WORKING WOMEN
MONDAY, MAY 20**

[We would like to rev them up politically without crossing the line]

- o Good afternoon.
- o I'm so pleased to be able to join you again this year and to welcome those of you who are new to the White House.
- o I would like to acknowledge your wonderful executive director, **Ellen Bravo**, as well as members of her hard-working staff and Board of Directors. Ellen is a great friend of this Administration -- serving on the Family & Medical Leave Commission and joining us in the nationwide battle for a fair minimum wage and for pay equity for women.
- o As each of you knows, we are at a pivotal time for working women.
- o Working women are working harder than ever. I know you and some of your coworkers and neighbors are working more than one job.
- o And, women are juggling work and family. I know I feel guilty when I can't make time for my son or my daughters. And I have help. Most working women are carrying a double load -- doing most or all of the work inside the home and still not getting paid what they're worth at work.
- o Women still earn only 75 cents to a man's dollar. And, the vast majority of women -- nearly 72 percent -- earn less than \$25,000 per year. Working women are not paid what they're worth. I think we all would agree on that.
- o Families struggling to make ends meet on the **minimum wage** are even worse off: the minimum wage is at a nearly 40 year low. And nearly 60 percent of all minimum wage workers are -- you guessed it -- women.
- o Working women deserve better, and we need to keep fighting together to make real change in working women's lives.
- o As you know, we are in the midst of a tooth and nail fight with the Republicans for an increase in the **Minimum Wage**. You have my word on this: You can return home and tell your families and neighbors -- we **will** win that minimum wage increase, because so many of America's hardest working and least well-paid families depend on it.
- o Let me tell you a little about some of the victories the President and I have had **so far** in

our fight to ease the economic burden for women and their families.

- o First, we signed the **Family & Medical Leave Act** -- to help save Americans' jobs when a family emergency strikes. We know it does not go far enough, but it is **a good first step**. Maybe in our second term we can expand it!
- o We expanded the **Earned Income Tax Credit** in 1993 to make sure that America's hardest-working families keep more of what they earn.
- o We know that many women seek independence through owning their own business, so we increased **women's access to capital**. Loans to women increased by a whopping 86 percent under the President's leadership.
- o President Clinton knows that working women still bear much of the responsibility for children, and we have worked to make child care, education and safety a top priority for the nation.
- o We expanded **Head Start** to allow 50,000 more children to take advantage of the program by the year 2002 and we developed a **Childhood Immunization Plan** to vaccinate 90 percent of all two year olds by the year 2000.
- o We instituted **Goals 2,000** with a high national standard for America's public schools. And we expanded **Safe and Drug-Free Schools** to help local communities prevent violence and drugs in Schools
- o We are fighting a major battle to **prevent teen smoking** and to help parents protect their kids from **violence on TV** through the **V-Chip**.
- o The President fought hard for a **Crime Bill** to put more officers on the streets, as well as for the **assault weapons ban** and **Brady Bill** to keep handguns out of the reach of criminals.
- o And we also can say that we have nearly won in our battle to protect **Clean Air and Clean Water** for our children and our neighborhoods. It looks like the Republicans have backed off of their threats to gut Clean Air and Clean Water. They are finally seeing that the environment is **our children's future**.
- o Some of our battles are not yet won. We are deep in budget battles now to **preserve Medicare and Social Security** and to maintain real relief for working families, including a **\$500 tax credit** for each young child and a **\$10,000 deduction** for higher education.
- o These are critical battles, and the outcomes will mean bread and butter to America's families.
- o We need your help now more than ever as we fight these battles.

- o Each of you is doing exactly the right thing when you go home and talk with your co-workers and your neighbors, when you educate them about the pressing issues we all face today -- particularly for working women.
- o Thank you so much for the work you do. It is so important.
- o I look forward to seeing you here again next May!

PURPOSE: INFORMATION

MEMORANDUM FOR THE SECRETARY

Through: THE DEPUTY SECRETARY
Executive Secretary

FROM: KAREN NUSSBAUM
Director
Women's Bureau

SUBJECT: Misclassified Independent Contractors

Attached please find information on misclassified independent contractors, as requested, to be used as background as you consider approaching IRS on this issue. My staff is available to do additional research and present you with a more comprehensive analysis, if you would find that useful.

Attachment

OD:CW:dsmcII:8/19/94:doc.name (Misclass):219-6611

cc: Williamson, Rosenthal, Trivelli, Harris, Rodriguez, Maguire

I. SUMMARY STATEMENT/POLITICAL LANDSCAPE

This memo is a long answer to the short question of whether we should send a letter to the Treasury Department urging them to strengthen their approach to the misclassification of independent contractors. The short answer is, no. A public letter is not recommended at this time. IRS has tried, unsuccessfully, to expand its role in the enforcement of worker classification rules by advocating for the repeal of a limiting tax code, and has failed. In trying to answer your question, I have found two things: there is a long history, dating back to 1978, of proposals and counter-proposals by government and the business community on this issue; and, there are complex issues involved.

The larger issue of how to extend labor law protection to misclassified independent contractors will be addressed for you in the departmental review on contingent workers.

- o This issue impacts on employers, workers and the IRS: Employers benefit financially and otherwise from misclassifying their workers. Misclassified workers are left without basic labor law protection. And, the IRS suffers lost tax revenue because of misclassification.
- o The key problem facing IRS is a law (Section 530 of the 1978 Revenue Act) that prohibits IRS from issuing guidelines on independent contractors and that protects some noncompliant employers through several safe harbors. IRS has urged Congress to change Section 530 of tax law, and has failed.
- o The IRS definition of employee is based on the 20 factor, common law test, first adopted in the 1935 Social Security Act. DOL employs a broader definition under the Fair Labor Standards Act, and, thus, DOL may be able to protect some misclassified workers that IRS cannot.
- o The Dunlop Commission is concerned about this issue. Thomas Kochan informed us that the Commission is now cautious about making recommendations other than to suggest data collection. The Commission will likely focus on misclassified independent contractors who are low wage and vulnerable, and not on independent professionals who choose to be independent contractors. The Commission is considering what criteria they can use to distinguish lower wage from professional independent contractors. They also are considering looking at the IRS' definition of employees, as compared to that in labor laws.

- o The options laid out here are extremely preliminary and focus on approaching IRS. I suggest that any approach to IRS be part of a broader strategy of ensuring that the labor laws under DOL's jurisdiction are protecting the broadest possible number of American workers.

II. BACKGROUND AND DIMENSIONS OF THE PROBLEM

There are two key questions that need to be answered in order to assess the dimensions of the problem of employees who are misclassified as independent contractors as it relates to the IRS: 1) How many misclassified independent contractors are there and has the number been growing? and, 2) What has this phenomenon cost the United States Government in lost tax revenues? There is considerable debate about the data on both questions.

A. The Number of Independent Contractors

The exact number of independent contractors who are misclassified is unknown. There have been several attempts to make this calculation over the last ten years, but the sample in most of the studies are quite small:

- o In a 1984 study, IRS found that one out of seven employers misclassified more than 3 million employees as independent contractors.¹
- o In 1988, GAO found that 38 percent of sampled employers misclassified one or more of their workers as independent contractors. In follow-up IRS investigations in 1989, 92 of 95 employers who had misclassified workers in 1988 remained noncompliant.²

¹ This study was limited to employers that filed the requisite information on their tax returns. (Daily Labor Report, No. 161, 8/20/91, and DLR, No. 79, 4/24/91, and House Report 102-1053 "Contractor Games: Misclassifying Employees as Independent Contractors").

² IRS interviewed a random sample of 408 employers, based on a group of 32,000 employers who reported 190,000 independent contractors that GAO identified as potentially misclassified. Of the 408, IRS officers found that 157, or 38 percent, misclassified one or more employees. This was substantiated in March, 1989, when IRS examined 95 of the employers who had misclassified employees, and found that 92 of the 95 still misclassified one or more employees as independent contractors. IRS recommended penalties of nearly \$17 million for these 92 employers for tax years 1986 and 1987, but could assess only \$10 million because of Section 530 protection of employers (see

The DOL Solicitor's Office reports that it has encountered misclassification frequently in the health care industry, where nurses have been denoted as "independent contractors" vis-a-vis the temporary help agencies that supply these nurses to hospitals, nursing homes and private patients.

- o The DOL's Ft. Lauderdale Solicitor successfully litigated two cases against nurse referral firms that treated the nurses as independent contractors and did not pay the nurses overtime compensation. Affected employees received over \$300,000 in back wages, and are now on the payrolls as employees.
- o Anecdotal evidence from my meetings with groups of nurses shows a trend in nurses being laid off from major hospitals and rehired on a per diem basis.

Other DOL Solicitor victories in misclassification show the range of industries affected: The New York office successfully defeated the claim of independent contractor in the DialAmerica case, where homeworkers were involved in a telemarketing operation; and the Philadelphia office recently settled a case with a company who supplied phone solicitors to the Purple Heart, and who had misclassified their employees in the opinion of Wage & Hour. The IRS agreed to the company's classification, but the company agreed to pay minimum wage and overtime in the future.

B. The Loss to the Government in Tax Revenue

Based on several IRS studies, it has been estimated that as much as \$2 billion in tax income to the federal government is lost each year -- because independent contractors tend to underreport their income, because noncompliant employers do not pay social security or unemployment compensation taxes, and because misclassified independent contractors can reduce their tax liability by deducting businesses expenses.⁷

- o In 1991, an IRS official estimated misclassification of independent contractors cost IRS \$2 billion per year in lost income taxes.⁸

⁷ Business expenses claimed by misclassified independent contractors offset about \$2.6 million, or 46 percent, of the \$5.6 million in income reported by misclassified independent contractors in one study by GAO. (GAO/GGD-89-107)

⁸ Ronald Moore, a technical assistant in the Office of the Associate Chief Counsel, in a speech to the 42nd annual Tennessee Federal Tax Institute (DLR, No. 236, 12/9/91.)

- o An IRS study estimated that misclassification in 1984 led to \$1.6 billion in lost revenue that year to the federal government alone.⁹
- o IRS estimated in 1987 that sole proprietors, many of whom are independent contractors, accounted for \$16 billion, or 34 percent, of the \$48.3 billion tax gap caused by individuals who did not fully report their income.¹⁰
- o \$6.7 million in tax revenue and penalties was lost in 1986 and 1987 from employers who were found to misclassify their employees, but who benefited from the legal loophole of Section 530 (described below) protecting them from an IRS audit.¹¹
- o A 1994 Coopers & Lybrand study found that \$4.9 billion would be lost between 1996 and 2004 because of misclassification of workers. The study suggested that more aggressive enforcement of worker classification rules by IRS could raise \$29.9 billion in tax revenue.¹²

II. HOW EMPLOYERS BENEFIT AND WORKERS LOSE

Employers have numerous incentives to misclassify their employees.

- o By classifying workers as independent contractors, an employer relieves itself of the following tax obligations:
 - to pay its share of Social Security payroll taxes;
 - to pay unemployment insurance taxes;
 - to pay workers' compensation;
 - to pay Railroad Retirement Tax Act taxes;
 - to withhold federal income taxes;

⁹ The breakdown of \$1.6 billion is as follows: \$899 million in income taxes; \$122 million in FUTA taxes, and \$538 million in Social Security Taxes. The IRS said in 1989 that there was no reason to believe that this 1984 loss had declined. (House Report #102-1053, DLR, No. 161, 8/20/91, and DLR, No. 79, 4/24/91.)

¹⁰ GAO/GGD-89-107.

¹¹ GAO/GGD-89-107.

¹² DLR, No. 143, 7/28/94.

- to withhold the employee's portion of Social security taxes;
- to avoid the costly and cumbersome paperwork of state and federal tax compliance.
- o Employers also benefit from misclassification of employees by being able to avoid their traditional responsibilities under the employee-employer social contract to pay a portion of health benefits and pension benefits, and to offer paid vacation, sick days, and other fringe benefits.
- o Employers can lower their insurance rates by having fewer workers in high risk occupations on their payrolls.¹³
- o Misclassification of workers also impacts the global economy in giving employers an unfair competitive edge against companies that do comply with the law.

Workers who are misclassified can be legally denied their most fundamental rights, including:

- protection from discrimination, including under Title VII, the Age Discrimination in Employment Act, and the Americans with Disabilities Act¹⁴;
- notice of plant closing under WARN;
- protection under Family and Medical Leave Act;
- minimum wage and overtime as specified by FLSA;

¹³ DOL Solicitor's Office report, 7/29/94.

¹⁴ Recall the case of Patricia Knight, who testified at Senator Metzenbaum's roundtable discussion on contingent work in February, 1994. She testified that she had no recourse to fight sexual harassment as an independent contractor because the courts ruled she had to boss whom she could sue. She told us her boss began to sexually harass her in blatant and insulting ways after she was laid off as a full-time employee and rehired as a contractor earning commissions. When she sued, her case was thrown out of court because the judge determined that the company was not her boss, that she was her own boss. She was then fired for suing, she testified, but has no boss against whom to file a claim.

- safety and health training and employer accountability for a worker's injury under OSHA;
- the right to union representation under NLRA.

III. THE POSITION OF THE TREASURY DEPARTMENT

The IRS employs a 20-factor test, drawn from common law, to determine if a worker is an independent contractor or an employee. However, IRS is somewhat restricted from requiring employers to reclassify misclassified workers and from issuing guidelines on worker classification by a legal loophole that has been opposed by IRS, GAO, outside worker advocates, and some Members of Congress.

Originally enacted in 1978 as a one-year "stop gap" measure to protect businesses with independent contractors from aggressive IRS assessments of employment tax liability and penalties, Section 530 of the Revenue Act of 1978 was made permanent in 1982.

Section 530 does two things: It prohibits IRS from issuing guidelines, regulations or revenue rulings regarding the proper classification of workers; and, it offers safe harbor protection to certain noncompliant businesses.

IRS is prohibited from issuing guidelines to clarify the common law definition of "employee," such as Treasury Regulations, Revenue Rulings and Revenue Proclamations.¹⁵ Section 530 does not, however, prohibit IRS from issuing Audit Technique Guidelines (which give IRS examiners suggestions for how to find misclassified workers in an audit) or from issuing industry-specific guidelines, called Market Segment Guidelines, which outline for IRS staff how to distinguish between employees and independent contractors in a specific industries. While not intended as guidelines for the public, these guidelines may be distributed to the public.

¹⁵ Under the Federal Unemployment Tax Act (FUTA), states are allowed to determine what constitutes an employee or independent contractor for state UI purposes. Generally, state UI laws consider three factors: the size of the employers' payroll or number of days or weeks worked in a calendar year; the relationship of the worker to the employer -- particularly the degree of control; and the place where the worker is employed. DOL's Unemployment Insurance office staff report that Section 530 places the burden of making rulings about the distinction between employee and independent contractor on the State unemployment taxing agencies.

Thus, IRS has addressed the problem of misclassification through Audit Technique and Market Segment Guidelines -- essentially constituting an enforcement strategy. In June, IRS published its first Market Segment Guideline, for the entertainment industry. It outlines for IRS staff how to distinguish between employees and independent contractors in the entertainment industry. Guidelines on physical therapists, moving van operators, limousine operators and home delivery service workers are in the final stages, and one on the construction trades is being initiated.

Section 530 also gives safe harbor protection to certain noncompliant employers. It places a moratorium on IRS' challenges to a business' classification of a worker as an independent contractor, as well as on IRS' assessment of back taxes that should have been withheld and paid, if an employer can show reasonable basis for classifying its employees as independent contractors. Reasonable basis is demonstrated through past IRS audit, long-standing industry practice, or judicial precedent or IRS ruling. If an employer meets one of these safe harbor provisions, IRS is restricted not only from pursuing past tax liabilities, but also current and future liabilities, and from requiring the company to reclassify the worker as an employee for the future.

Employers who have been audited by the IRS for any reason are also given safe harbor protection -- even if the audit was not related to employment tax -- so long as the past audit did not successfully challenge their classification practices. In one GAO study, 13 of 17 employers protected under this provision had faced past income tax audits, not audits of their employment tax.¹⁶

Congress also enacted a second provision, Section 3509, in 1982, to limit the tax liabilities faced by noncompliant businesses that do not qualify for protection under Section 530. Section 3509 limits the tax liability of a noncompliant employer to 1.5 percent of wages paid to misclassified workers and to 20 percent of the worker's share of social security taxes. (The percentages double if the business did not file appropriate information returns). A noncompliant employer must still pay 100 percent of its share of social security tax.¹⁷

¹⁶ GAO/GGD-89-107.

¹⁷ GAO Report: "Tax Administration: Approaches for Improving Independent Contractor Compliance." (GAO/GGD-92-108.)

In essence, Section 530 and Section 3509 ensure that noncompliant employers suffer little liability for misclassifying workers.

Calls for Congress to modify or repeal Section 530's safe harbor provisions have come from Members, from worker advocacy groups (including in testimony to the Dunlop Commission) and from the IRS.¹⁸ However, the Treasury Department had not supported IRS' calls for repeal of Section 530 or for IRS to have broader regulatory authority on misclassified workers until this year with President Clinton's Health Security Act. IRS staff are optimistic about the new Administration's support for changes to Section 530. However, DOL staff caution that powerful business interests have lobbied long and hard to get these restrictions on IRS and progress will not be easy.

IV. CONTACT BETWEEN DOL AND TREASURY

The key staff person at IRS is Anthony Warcholak, former Director of the Office of Employment Tax Administration and Compliance. He recently became executive assistant of IRS' office in Chicago. While a new director is being sought, Mr. Warcholak remains the IRS' authority on misclassified independent contractors. He can be reached at (312) 886-5720.

DOL's Deputy Solicitor for Fair Labor Standards, Gail Coleman, met with Mr. Warcholak on the issue of misclassification of workers when she was on detail to the Commission on Immigration Reform in August of 1993. In addition, regional Wage and Hour offices have been in touch with Mr. Warcholak, especially the San Francisco office during its sweeps of agricultural work sites.

¹⁸ The IRS Commissioner supported a 1989 GAO report recommendation calling for reconsideration of Section 530. Also, in 1991, IRS Deputy Assistant Commissioner for Examination, Marshall Washburn, called for Congress to modify Section 530 in his testimony before the House Government Operations Subcommittee on Employment and Housing (DLR, No. 79, 4/24/91).

V. OPTIONS FOR THE LABOR DEPARTMENT

The problem of misclassified independent contractors impacts on three areas of policy: the gaps in labor law coverage; the loss of tax revenue to the IRS; and, the breadth of coverage under health care reform.¹⁹

The following options focus on approaching IRS. Options relating to DOL's enforcement strategy could also be developed, depending on what dimensions of this problem we are trying to fix. For instance, the Wage and Hour Agency viewpoint is that DOL should develop an enforcement strategy to target industries that are likely to misclassify.

There are a number of recommendations that have been made by GAO on this issue that should be considered in forming our approach to IRS. These are:

- o Urge IRS to increase its identification of potentially misclassified independent contractors by improving employers' compliance in filing information returns (Form 1099), and by lowering the \$600 threshold for information returns. Also, urge IRS to educate businesses on Form 1099 filing requirements, and require businesses to report payments made to incorporated independent contractors.

¹⁹ As you are aware, there has been considerable debate over the definition of employee, as well as over which agency has responsibility for regulations, in the health care reform bills. The Health Security Act proposed amending Section 530 to allow IRS to issue guidelines and force noncompliant employers to reclassify employees for the future, and gave the Treasury Department responsibility for regulations. DOL has unsuccessfully lobbied Treasury for a regulatory role. Senate Majority Leader Mitchell's bill asks Treasury to study the issue and propose a recommendation, and the House bill defines employee closer to that in labor law concepts and may give DOL more authority. OCIA staff advise that it was difficult to get Congress to take on the problem of defining "employee," and that it will be difficult to get Congress to revisit this issue again after health care reform.

- o Urge IRS to increase its identification of employers who misclassify employees as independent contractors by comparing independent contractors' income listed on information returns with income listed on their tax returns.²⁰ Normally, IRS identifies misclassification through examination of business income tax returns, complaints from misclassified workers, and referrals by other federal and state agencies.²¹
- o Urge Congress to enact protection for misclassified workers, and penalties for noncompliant employers, including: Creating a penalty for employers who misclassify, to operate as a disincentive; and increasing the \$50 penalty for businesses that do not file Form 1099 (information returns) on their independent contractors²².

The House of Representatives Committee on Government Operations, Subcommittee on Employment and Housing, suggested in 1992:

- o Enact legislation to give a private right of action to bidders on federal contracts who lose out to those who misclassify employees as independent contractors²³.

²⁰ GAO/GGD-89-107.

²¹ As of 1988, IRS was sharing information on problem employers with between 25 and 30 state revenue authorities (DLR, No. 43, 3/4/88). In 1990, about 95 percent of the 14,000 requests for reclassification came from workers seeking unemployment compensation, according to one IRS official. (DLR, No. 236, 12/9/91). GAO reported in 1989 that IRS' examinations declined over the years to about 24,000 or 0.09 percent of employment tax returns filed.

²² This fine is so minimal that businesses do not have incentive to report payments to contractors, according to a GAO report. (DLR, No. 192, 10/2/92.)

²³ The State of Connecticut enacted a law in 1990 (P.A. 90-273) allowing a contractor or other injured party to sue a competitor who won a contract by misclassifying its workers. This law has been a model for similar legislation in California and several other states. (House Committee on Government Operations Report, 102-1053.)

Advocacy groups also embrace this recommendation, as well as one to create a cause of action for employees who have been misclassified to bring suit to enforce proper classification and to collect unpaid taxes, modeled after the False Claims Act.

- o Require employers to provide information to independent contractors about the implications of such classification.
- o Define "employee" identically for both revenue statutes and the Fair Labor Standards Act.
- o Improve and expand IRS' efforts toward detecting noncompliant employers.

Another option recommended by both GAO and IRS, itself, and supported by many non-governmental organizations, is:

- o Urge Congress to repeal Section 530 and its safe harbor provision and to undertake a comprehensive revision of statutory definitions of "employee" and "employer" and define these broadly enough to resolve the misclassification issue.

The House Committee suggested modifying Section 530 to eliminate the safe harbor for prior audits and to eliminate the prohibition against IRS' issuing rulings on the subject.

Finally, as mentioned earlier, you will receive recommendations specific to DOL as part of the Contingent Work Review.

March 26, 1996

MEMORANDUM FOR JIM DORSKIND

CC: LANA DICKEY

FROM: BETSY MYERS

RE: PROCLAMATION FOR PAY INEQUITY DAY

April 11 is National Pay Inequity Awareness Day -- an important day for acknowledging that women are still paid less than men, despite federal laws against wage discrimination. It is also an opportunity for the President to express his support for working women and their families. We are requesting a Presidential Proclamation for this day. Please find draft language attached.

In an Administration survey of working women last year ("Working Women Count") we found that nearly half of all women feel they are not paid fairly for the full value of their work. Fair pay is an issue that directly impacts working families -- men and women -- across class and racial lines. Fair pay helps keep families economically independent and is important as a strategy to help women become economically self-sufficient.

Pay Inequity Day also provides an opportunity for the President to encourage all employers to comply with federal laws that prohibit wage discrimination. In addition, he can urge businesses to voluntarily implement pay equity programs, such as those that 20 state governments have undertaken.

Women would be grateful to hear President Clinton address this issue directly through a Proclamation.

We would distribute this Proclamation to hundreds of thousands of women through women's organizations and women political appointees. The statistics in the attached draft come from the National Committee on Pay Equity.

Thank you!

THE WHITE HOUSE
WASHINGTON

National Pay Inequity Awareness Day, 1996

By the President of the United States of America

A Proclamation

More than three decades after the passage of the Equal Pay Act and Title VII of the Civil Rights Act, women and people of color continue to suffer the consequences of unfair pay differentials. In comparing median weekly earnings, last year American women earned only 75 cents for every dollar a man brought home, with African American women and Hispanic women collecting just 66 cents and 57 cents, respectively. Significant wage gaps exist for African American and Hispanic men, Asians, Pacific Islanders, and Native Americans as well.

April 11 is the day on which American women's wages for 1996, when added to their entire 1995 earnings, finally equal what men earned in 1995 alone. Unfair pay practices exist at all education levels and in every occupation. Last year, women physicians and lawyers earned substantially less than their male counterparts. The problem is particularly acute in female-dominated professions and in jobs where minority groups are disproportionately represented. Though changing technologies and a growing demand for services have made their positions increasingly vital, America's child care providers, secretaries, textile workers, telephone operators, social workers, and maintenance people are among those who bear the greatest wage discrepancies.

Ensuring fair pay is an essential part of helping women and their families become and remain self-sufficient. According to 1993 data, the vast majority of households depend on the wages of a working mother, and 12 percent of all families are supported by a woman working as the single head of household. Studies show that salary inequities often force women to turn to public assistance to keep a roof over their children's heads and food on the table.

Fair pay equity policies can be implemented simply and without incurring undue costs. Twenty States have already established programs aimed at increasing the wages of employees in female-dominated jobs, and many private sector businesses have implemented voluntary policies. These employers understand that fair pay is an invaluable human resource management tool that helps attract and retain the best workers.

At the Fourth World Conference on Women held in Beijing, China, the United States joined more than 180 other countries to address problems facing women and to promote workers' basic rights. This was an important step, and we must build on it to further the dialogue about fair pay and treatment in this country. Women and minority workers have long fueled our Nation's progress, and we must do all we can to recognize their achievements and to leave a legacy of equality and justice for their children to cherish.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 11, 1996, as National Pay Inequity Awareness Day. I call upon Government officials, law enforcement agencies, business and industry leaders, educators, and all the people of the United States to recognize the full value of women's skills and contributions to the labor force. I urge all employers to review their wage-setting practices and to see that their employees, particularly women and people of color, are paid fairly for their work.

IN WITNESS WHEREOF, I have hereunto set my hand this eleventh day of April, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.



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NEWSNOTES

 SPRING 1996
 VOL. 17, NO. 1

White House Releases Historic Proclamation

President Clinton urges business and government leaders to pay women and people of color fairly

In a historic luncheon in the White House's Indian Treaty Room, Vice President Al Gore rolled out the red carpet for pay equity advocates to commemorate "National Pay Inequity Awareness Day."

"This administration understands the burden that unequal pay places on families," Vice President Gore said. He emphasized that fair pay is often thought of as affecting "women's pocket books," when it is really a "family checkbook issue."

The Vice President held up a proclamation that President Clinton released on April 11th to acknowledge pay inequity. The day marks the point in the year — three and a half months into 1996 — when women's earnings finally equaled the wages that men earned in the previous calendar year.

"Let me read to you just one part of this proclamation," he said, and recounted the following: "Now, Therefore, I, William J. Clinton... call upon Government officials, law enforcement agencies, business and industry leaders, educators, and all the people of the United States to recognize the full value of women's skills and contributions to the labor force. I urge all employers to review their wage-setting practices and to see that their employees, particularly women and people of color, are paid fairly for their work."

In addition, the Vice President said that pay equity policies could be implemented simply and without undue costs to business. "Fair pay policies help attract and retain the best and brightest workers," he said, adding that many companies have already implemented them as part of an overall strategy to gain a competitive edge in the marketplace.

Finally, the Vice President emphasized the Administration's

support for the lowest paid workers, the majority of whom are women, and indicated that the Administration would continue to "turn up the heat" for a raise in the minimum wage, and press for fairness in the workplace.



NATIONAL PAY INEQUITY AWARENESS DAY, 1996

By the President of the United States of America
 A Proclamation

More than three decades after the passage of the Equal Pay Act and Title VII of the Civil Rights Act, women and people of color continue to suffer the consequences of unfair pay differentials. In comparing median weekly earnings, last year American women earned only 75 cents for every dollar a man brought home, with African American women and Hispanic women collecting just 66 cents and 57 cents, respectively. Significant wage gaps exist for African American and Hispanic men, Asians, Pacific Islanders, and Native Americans as well.

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Fair pay is an essential part of helping women and their families become and stay in the middle class. According to 1993 data, the vast majority of households depend on the wages of employees. In 1993, 12 percent of all families are supported by a woman's wages. Studies show that salary inequities often force families to live on the edge, with no roof over their children's heads and food on the table without incurring undue costs. The wages of employees are the most important resource for the vast majority of households.