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RELEASE: MAY 3, 1983

DISCRIMINATION AGAINST "NON-WORKING" WIVES

In fairness to the banks, they didn't create the discrimination against homemakers. But their full-page and half-page ads running in newspapers all over the country, plus frequent radio spots, during the last three months have certainly rubbed it in.

I'm talking about the acute and major financial discrimination against homemakers in the IRAs (Individual Retirement Accounts), compounded daily with the acute semantic discrimination in categorizing the victims of this discrimination as "non-working wives."

The IRA discrimination against homemakers is the provision in the U.S. tax code that permits two-earner married couples to put $4,000 per year in IRAs, while breadwinner-homemaker couples are limited to a maximum of $2,250 per year. When you put $2,000 into an IRA, that $2,000 is deducted right out of your taxable income, so that the government is actually paying into your own personal retirement plan the amount of your tax saving (which depends on what tax bracket you are in).

The big newspaper ads placed by local banks typically read as follows: "Need a $4000 tax deduction? It's easy. Just open or add to your Individual Retirement Account and lower your 1982 taxable income by up to $4000."

Then, a helpful chart spells out the differences in your "maximum deduction" based on your "filing status." Here is the discriminatory difference: "Single individual $2,000; Individual with non-working spouse $2,250; Joint return, both wage earners $4,000."

That means that the homemaker-wife is disadvantaged by $1,750 per year, plus all the tax-sheltered income which that amount produces for the rest of her life until her senior years.

The banks' newspaper ads of the last few months make the great tax benefits of IRAs very clear. Their ads show that between one-fourth and one-half of the money you put into your own IRA is actually paid by the Federal Government through tax savings. Some local bank ads have calculated that the failure to take advantage of a $2,000 IRA benefit this year would amount to a loss of $35,000 by the time you retire, compounded at present

*interest rates.*

*The response to the newspaper and radio advertising for IRAs has been massive. Billions of dollars moved into IRA accounts in the first four months of 1983.*

*Such discrimination in the U.S. income tax code didn't "just happen." Identifiable Senators and Representatives wrote it into the law and a majority of Congress passed it. Was this because they believe that wives who are not in the paid labor force are "non-workers" and are somehow less worthy than women in the paid labor force?*

*In order to ferret out the mental processes of the Senators and Congressmen who deliberately wrote this discrimination into the law, ask your Senators and Congressmen this question with a multiple-choice response. For which reason did you deny equal income tax benefits in IRAs to the wife who is a career homemaker instead of a wage-earner?*

*(a) We don't believe the homemaker-wives deserve the retirement benefits given to wage-earner wives because homemaker-wives are "non-workers" (i.e., they don't work).*

*(b) We don't believe the homemakers' work should be recognized because they are not paid in cash wages, and therefore their work has no economic value.*

*(c) We want to induce all wives to move out of the home and into the paid labor force and, by granting IRA benefits only to wage-earners, we provide a powerful financial incentive to wives to leave their homes and join the paid labor force.*

*(d) We can safely discriminate against homemaker-wives without fear of political retribution because they are not politically organized as are most wage-earner wives.*

*"Non-working wife" is a label designed to pigeon-hole the career homemaker as a parasite without social value because her labor is not measured in cash wages. "Non-working wife" is a stereotype which conveys the false image of a woman who lounges on a chaise longue and eats bon-bons all day.*

*Who do the lawmakers and the bankers think they are that they can refer to homemaker wives as "non-working spouses"? Actually, homemaker-wives are often the hardest working women of all; they work long hours in order to "make do" on a single-earner income and thereby give fulltime mother-care to their children.*

*It should be obvious that the career homemaker will grow old and need funds in her senior years just as much as the wage-earner woman. There is no reason why she (or her husband for her) shouldn't be able to save an equal sum of money in her IRA.*