

Social Security for Domestic Employees

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FROM THE VERY BEGINNING of the social security program, it has been recognized that domestic employees needed the protection of social insurance just as much as industrial and commercial employees. Because general administrative experience was lacking, however, special problems in including domestic employees seemed much more forbidding then than now. Coverage of such employment is complicated by the fact that many persons employed in private homes receive part of their pay in the form of room and board, laundry, and similar "wages in kind." More important, relatively few households have more than one paid worker, and a large proportion of the employees work for two or more families in the same week and often in the same day. Employing households therefore may nearly equal, if not exceed, the number of employees. The employment relationship also is frequently brief, and housewives generally keep no record of the wages they pay.

It therefore did not seem wise to attempt to bring household workers into old-age and survivors insurance under the quarterly pay-roll reporting plan adopted for obtaining wage records and collecting contributions in industrial and commercial establishments. Housewives could not be expected to make quarterly reports to the Government. The inclusion of household workers in the program was therefore deferred until experience had been gained in administering the program for industrial and commercial employees, and until the special problems of household employment could be studied more fully. As a result, the general houseworker, cook, scrubwoman, or chauffeur who works in a private home has been excluded, though men and women who do exactly the same kinds of work for business concerns—often with better pay and working conditions—have been covered from the beginning.

Household Workers Not Covered by Labor Laws

Domestic workers are included under the old-age insurance systems of Belgium, Bulgaria, Chile, Costa

Rica, Czechoslovakia, France, Germany, Great Britain, Italy, the Netherlands, New Zealand, Poland, Rumania, Spain, Sweden, Uruguay, the Union of Soviet Socialist Republics, and Yugoslavia. In America, by contrast, they have been excluded not only from social insurance under the Social Security Act but also from nearly all other social legislation. The Federal laws governing wages, hours, and working conditions do not apply to them. Wisconsin is the only State which has a minimum-wage law covering household employment, and Washington has the only State law regulating hours of work in private homes. With few exceptions, the protection of State workmen's compensation laws does not extend to household employees. New York includes household workers among those covered by its unemployment compensation plan, but only where four or more are employed by the same employer.¹ All other State unemployment compensation laws exclude employment in "domestic service in a private home."

The need for social insurance among household workers is particularly acute, because their wages usually are lower than those of any other major occupational group. "There need be little hesitation," the Women's Bureau reported with respect to pre-war wages, "in putting household employment at the bottom of the list of nonmanufacturing employment on the basis of cash wages."

Surveys of household employment by the Social Security Board bear out this statement. A survey of Negro domestic workers in Baltimore in 1941 revealed that the average cash earnings of the women interviewed were only about \$330 in 1940. Even the women who had worked throughout the year averaged only \$497 in cash. Lack of full-time jobs, as well as inability to work because of illness or home duties, severely reduced the earnings of the women—more than one-third of the group—who worked by the day or had part-time jobs.

¹ A short statement on the operation of New York's provisions is carried elsewhere in this issue.

A survey of white women working in private homes in Chicago in the winter of 1941-42 found their earnings little higher than those of the Baltimore group. The average cash earnings for the *entire* group were about \$415 for the 12 months from July 1, 1940, to June 30, 1941. The 780 women who were employed in Chicago households throughout that period averaged only \$485.

Even these low earnings were somewhat higher than those reported for the country as a whole by the population census of 1940. Experienced women working in domestic service throughout the year 1939 reported average cash earnings in that year of only \$312. This low national figure is in part accounted for by the extremely low level of earnings reported by household workers in Southern States. In Mississippi, for example, the average was just under \$150 per year and in South Carolina, Georgia, Arkansas, and Alabama it ranged from \$158 to \$164. The highest earnings were reported by the women household workers employed full time and continuously in Connecticut; they averaged \$566 in cash. In only five other States—California, Massachusetts, New Jersey, New York, and Rhode Island—did workers with 12 months of employment average annual cash earnings of more than \$500.

With earnings at these levels, it is extremely difficult for women household workers—and nearly 90 percent of such workers are women—to lay aside anything against the hazards of unemployment, illness, disability, and old age. Nor can the married women, who comprised slightly more than a third of the household workers enumerated in the 1940 census, expect to get much protection under the present old-age and survivors insurance program through their husbands' employment in jobs covered by this program. In the Baltimore survey, only about 28 percent of the married Negro women had husbands who were insured under the program at the end of 1940. In the Chicago survey, slightly less than half of the married white women in household employment had some protection through the insured status of their husbands.

Despite the fact that domestic service is, in normal times, one of the lowest-paid occupations and one of the few occupations for women which

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are still generally unprotected by social insurance and other social legislation, household service still attracted, according to the latest census, nearly 18 percent of all women in the labor force. In 1940, about 11 percent of all white working women and nearly 60 percent of Negro working women were in household employment. Sixteen percent of the single women in the labor force, about 18 percent of the married women, and more than 27 percent of those widowed and divorced were household workers. Nearly 35 percent of the working married women whose husbands were not living with them were in household service. Household service is thus an important source of livelihood for women of every marital status, especially those who are or have been married. It is also normally a principal occupation for girls under the age of 20 and women beyond the age of 55. In 1940, slightly more than 26 percent of household workers were in these age groups, as compared with 17 percent of all working women.

Although the occupation is excluded from coverage under old-age and survivors insurance, household workers frequently make contributions under that program when they shift temporarily to covered employment. Though they then pay for old-age and survivors insurance at the same rate as other workers, their periods of covered employment are generally too short or too infrequent to enable them to meet the requirements for insured status and only rarely do they obtain protection under the program. In the Chicago survey of white household workers, for example, about 17 of every 100 women had some earnings in covered employment in the period January 1937-June 1941, but less than 2 in each 100 were insured under the program at the end of that period.

The war has sharply increased the extent to which household workers enter covered employment. Perhaps a million such workers have now been drawn into wartime factory and commercial jobs through which they are acquiring rights toward insurance benefits. Those who return to household work after the war, however, will find that, unless coverage has been extended to household service in the meantime, their potential benefits under the program will gradually diminish, and perhaps lapse altogether.

Administering Social Security for Household Workers

Since 1935, 9 years of experience have been accumulated in the administration of social security, and studies have been made of the best way to introduce a feasible and convenient method of obtaining wage records and collecting contributions from workers in household employment. If the "stamp plan" were adopted, for example, the housewife would not have to keep any records or to fill out a quarterly wage report on the earnings of her maid or cook. Instead, she would go to any post office and buy social insurance stamps in convenient denominations, just as she now buys postage stamps and war savings stamps. When she paid her household help, she would place a stamp or stamps in a booklet belonging to the worker and bearing her name and social security account number. Thus, a wage payment of \$12 might be indicated by three stamps—each representing \$4 or one representing \$10 and two, \$1 each. The total cost of these, at present contribution rates, would be 24 cents. Half the cost would be deducted from the worker's cash wages as her social security contribution. The stamp booklet would be turned in periodically to the Board, and the wages indicated by the stamps would be credited to the worker's record by the Social Security Board, just like other wages. In this simple and convenient way the housewife could help to provide the same social security protection for household help as for other workers.

Because noncash remuneration, such as meals, room, and laundry privileges, is an important part of the household worker's real income, as the Baltimore and Chicago surveys show, these wages "in kind" should be included in the earnings credited to her in the Board's records. To help the housewife set a value upon them, and to avoid the possibility of disputes as to their value between housewives and workers, an official scale of values for wages in kind might be used. Such a scale could readily take account of urban-rural differences in the cost of living.

Need for Social Insurance Protection

Domestic workers have lost much of the older form of security which, at

its best, derived from the relationship between the family and the "hired girl" who was a member of their household. Conditions of household employment have necessarily changed to accord with the mobility of present-day American life, and especially to accord with living arrangements in large cities. But so far, the women who cook and clean and launder and care for children in private homes have failed, almost without exception, to gain any of the social safeguards commonly recognized as necessary for other present-day workers. Nor can the conscientious employer, even if she wishes to, herself assure that the people who work for her will have adequate care if they are sick or injured or become old.

Protection under old-age and survivors insurance, desirable as it is, would only partly solve the security problems of household workers. They, as well as other workers, need insurance against the costs of medical and hospital care and against unemployment. Unprotected by workmen's compensation and working, as they so frequently do, for a number of families, none of which feels responsibility for their care in case of illness, household workers particularly need insurance against the costs of treatment for illnesses and accidents; they can seldom put aside any savings against such contingencies. Like other workers, they face the hazard of involuntary unemployment. The Board's Baltimore and Chicago surveys indicated that regular continuous employment is not characteristic of the work histories of household workers. Those who work by the day are particularly likely, in normal times, to have long periods when they are partially unemployed.

The Social Security Board believes that coverage under a comprehensive social security program would safeguard household employees from the fear of want in unemployment and old age, and relieve them of the necessity of asking for public care when they need medical or hospital treatment. As workers recognized and protected by a governmental social insurance program, household employees would then no longer feel themselves ignored or forgotten among America's working millions.