The Assault on the First Amendment: Public Choice and Political Correctness

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It is possible to radically change the meaning of the Constitution without changing one word of the document. This has happened, for example, with respect to the Takings Clause of the Fifth Amendment (Epstein 1985, Rowley 1992) and the Contracts Clause. The words in both of these clauses remain unchanged in the Constitution, but both have greatly reduced force today relative to, say, the pre-New Deal world. Moreover, the Supreme Court in recent years has established interpretations of the Constitution that agree with the mainstream of American constitutional jurisprudence (Farber and Frickey 1991: chap. 3; Horwitz 1992). As a result, most constitutional scholars do not point out that the Constitution has been radically reinterpreted.[1]

The courts have already substantially reinterpreted the Constitution to reduce protection of economic liberties. Thus, scholars interested in constitutional protection of freedom must act as historians, and must attempt to determine what forces caused existing constitutional changes. Although there are sudden changes in constitutional jurisprudence (e.g., the 1937 "Switch in Time"), the detailed working out of the implications of these reinterpretations takes some time. This is

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[1]Daniel Farber and Phillip Frickey write from a public choice perspective, but essentially reject most of the normative conclusions of most public choice scholars. Their discussion of *Lochner* is instructive. They indicate that the Supreme Court in *Lochner* "considered maximum hours legislation to be a violation of the rights of bakers and their employees" (Farber and Frickey 1991: 67). They do not argue with this view, which is of course correct on its face. Rather, they argue against what they claim to be the public choice defense of *Lochner*, that "it protects freedom of contract for instrumental reasons, not because it views this freedom as an intrinsically important value" (1991: 68). By this rhetorical twist, Farber and Frickey are able to avoid discussing the merits of contractual freedom.

because even constitutional jurisprudence takes place in a common law framework so that numerous decisions are needed to clarify the implications of changes in interpretation. For example, even now the implications of the failure to enforce contracts in the context of product liability are still being developed (Rubin 1993).

Today we are in the midst of another major change in the Constitution. Substantial classes of protection of free speech under the First Amendment are being seriously attacked.[2] This attack is worth studying for two reasons, one positive and one normative. As scholars we may observe the process of constitutional revision, so as to better understand the driving forces behind this change. It is particularly interesting to study which processes are succeeding, and which are not, meaning that some comparative analysis is required. However as contemporaries, scholars with unpopular (or politically incorrect[3]) views will want to give a normative assessment of the specific changes that they observe as well.

In the next section, I shall identify some of the players in the interest group battle over academic freedom, followed by a section that offers an interest-group-based theory of the attack on the First Amendment. I then describe the process leading to censorship of speech in the workplace. This is interesting because it demonstrates a mechanism by which an explicit constitutional restriction ("Congress shall make no law. . . abridging the freedom of speech") has been weakened.

The Challenge to Academic Freedom

Several authorities have documented the movement towards political correctness on university campuses (e.g., D'Souza 1991; Schlesinger 1992; Rauch 1993).[4] This challenge to free speech has received the most attention, but it has been the least successful. For example, in two cases the Supreme Court has overturned speech codes in public universities. Indeed, the forces that have caused political correctness to receive so much attention have been the same forces that have caused its relative lack of success.

Attacks on free speech in universities aim at the economic interests of academics, and it is not surprising that academics have responded

[2]This paper does not deal with protection of "commercial speech," which has already been greatly restricted. (See, e.g., McChesney 1988; Rubin 1991.)

[3]I will use the term "politically correct" to include the entire corpus of current intellectual fashions, including speech codes and such concepts as multiculturism.

[4]Jonathan Rauch's is a particularly useful work, as it presents a basically economic theory of the growth of knowledge. The author demonstrates the detrimental impact of political correctness on the expansion of human knowledge.

with a vigorous effort to defend these rights. This effort has included the standard interest group techniques. An organization, the National Association of Scholars, has been formed. There are also litigating organizations, such as the Center for Individual Rights in Washington, and there has been litigation leading to the overturning of two state laws restricting speech on public campuses. When the Middle States Association of Colleges and Schools challenged some universities for lack of "diversity," lobbyists were able to persuade the Department of Education in the Bush administration to change this policy.[5] Academics and their allies have given widespread publicity to these efforts, thereby depriving them of the secrecy and obfuscation that are useful to interest groups in pursuing their goals (Magee, Brock, and Young 1989).

Yet, universities have themselves tried to limit free speech of students. A policy that protects academic freedom for professors but limits protection granted to other speech on campuses can be observed in some cases (Lange 1990). Student interest in their own speech is primarily a consumption interest, and does not alter earnings. Moreover, students are in a particularly vulnerable position as an interest group: no student remains at a university for more than a few years, so that long-term investment in rule change is not worthwhile. Thus, it is not surprising, that when protection is given to student speech, this is mainly a byproduct of protection obtained by faculty.

Interest Groups and the First Amendment

Who are the players in the free speech game? Opponents of free speech are, among others, those professors and other intellectuals who are in favor of political correctness, and the civil rights establishment, including representatives of both blacks and women. Defenders of free speech include those professors whose views would be censored if political correctness became mandated in universities, and their allies in the media.

The attack by some professors on the speech rights of others is a puzzle. Since academics make their livings through debate, it would appear that their interests would be in relatively free discussion. Moreover, a debater becomes more valuable when he has an opponent. Thus, there appears to be an economic interest among academics in unregulated speech, a notion that has received support in economic theory and public choice theory of the First Amendment in particular.

[5]The outcome was discussed in the *Wall Street Journal* (1992). If the current (Clinton) administration gets going full blast, such an attack may be renewed.

Thus, the current popularity of political correctness on campuses is an enigma.

Jonathan Macey (1992) argues that politicians have an interest in free political speech because this increases their incomes through formation of additional interest groups which would lead to increased political donations. Richard Posner (1992: 621) suggests that the First Amendment is a "form of protective legislation on behalf of an interest group consisting of intellectuals, publishers, journalists, pamphleteers, and others who derive pecuniary and nonpecuniary income from publication and advocacy" (see also Posner 1987: 7). Fred McChesney (1988) indicates that the number of intellectuals who would profit from regulation is always smaller than the number of those who would lose, so that intellectuals would always oppose regulation of speech. Ronald Coase (1974: 390) writes that demand for the product of intellectuals is increased if there is open competition between differing schools: "the public is commonly more interested in the struggle between truth and falsehood than it is in the truth itself." Albert Breton and Ronald Wintrobe (1992) concede that some academics may have an incentive to overprotect the paradigm in which they work, but they also point out that this control is mainly exercised through the refereeing and tenuring processes, and that outside boards and granting agencies provide a check on such incentives. Moreover, they claim that the self interest of academics naturally limits such tendencies anyway.

Given this view, what is puzzling is that one branch of the current attack on the First Amendment and on free speech is being led by a subset of the academic and intellectual coalition and that the limits to free speech that are sought go well beyond what Breton and Wintrobe mention in their discussion. There is a group of professors who are themselves major players in the campaign to limit production of ideas—an anomaly in interest group theory. Moreover, the liberal professoriate has a set of allies in the attack on free speech. The civil rights establishment, including members of the women's movement, is also associated with attempts toward reducing free speech. In discussing these various interests and their interactions I shall adopt a public choice perspective.

Civil Rights Leaders

The brute fact with which we must begin is that legal prohibitions of race and sex discrimination have not led to equal outcomes in the workplace. Even though discrimination is illegal and is vigorously attacked by both private plaintiffs and government agencies, women and members of some minority groups still earn less on average than

white males, and hold lower level jobs. Our analysis begins with this economic fact.

The dominant view is that these persistent differences must be due to some residual discrimination that the civil rights laws have been unable to root out. This assessment is the basis for the Civil Rights Act of 1991, which institutionalizes through statute the notion of "disparate impact" in employment practices. Disparate impact (as e.g., analyzed by Richard Epstein 1992) is said to occur when some employment practice leads to differences in outcomes by race or sex and the employer cannot prove that the differences are "bona fide occupational qualifications."[6] If the notion that all occupational differences are due to discrimination is wrong (as has often been persuasively argued by Thomas Sowell, e.g., in 1994), then the entire corpus of modern civil rights law as applied to occupational differences is wrong. These are the economic stakes in the intellectual debate.

Academics

The liberal academic world view in the humanities has two basic pillars. One is a form of Marxism and the other is the notion that most or all differences between humans are due to environmental factors; genetic elements can have no influence. Neither of these positions is intellectually tenable. However, an entire generation of academics has much of their human capital invested in these ideas, so that if they were rejected this human capital would become much less valuable.

Such a reduction in the value of human capital is not uncommon; according to Thomas Kuhn (1970), this would occur whenever there is a major paradigm shift within a science. The position of liberal humanists may be worse than that of academics facing a normal paradigm shift because the challenge is so fundamental. Most paradigm shifts leave some room for some time for practitioners of the outmoded paradigm; they may, for example, be able to teach undergraduates and preserve some of their human capital. Indeed, in some cases the new paradigm will even leave the existing paradigm unchanged in some areas: Keynesian economics did not eliminate classical price theory, and Einsteinian physics did not replace Newtonian mechanics for many physical analyses. Thus, liberal humanists may have a stronger incentive than most academics to defend their

[6]In a given case, the issue generally comes down to burden of proof. It is difficult to prove that some practice such as an ability test is a bona fide occupational qualification, so that if the burden is on the employer many tests will not be used, even though in fact test performance is related to job performance.

paradigms because the replacement would be more fundamental than has been true for other disciplines.

It is also possible that the defense is worth making because these scholars have supporters outside the academy, thus making success more likely. As will be seen below, both pillars of the liberal academic world, the Marxist world view and the environmental causation theory, are necessary for defending current civil rights laws. Therefore the civil rights establishment has sided with a certain segment of the academic community; indeed, in some cases activist academics are also leaders of community groups outside adademia. Thus, the academic defense of failed paradigms gets added strength from outside sources and may be more spirited than is usually the case. Breton and Wintrobe (1992) observed in a similar vein that as the outside market for academic and scientific ideas becomes larger, the incentive for self regulation of scientific ideas becomes smaller.

Marxism as the First Pillar of Liberal Humanism. Marxist theory is based on the notion of group or class interests. In classic Marxism, employers or capitalists collude and exploit workers. In today's version, men and whites collude to exploit women and blacks. The key assumption is that members of a class act in concert to advance class interests. This perception differs from the mainstream economic view that individuals act to advance their interests as individuals, which often conflict with their putative interests as members of a class.

Collusion by employers to act as racists or sexists would take the form of an implicit agreement to pay members of the exploited class less than they were worth. But any employer who "cheated" and hired women or blacks without discriminating could make a lot of money because he could get workers at a bargain wage. Employers seeking this money would bid up the wage of the exploited class and thereby eliminate any remaining racism or sexism. Marxist theory would suggest that such collusion would be possible. Mainstream economics indicates that this behavior is inconsistent with normal self-interested maximizing behavior.

Jim Crow laws or illegal terrorist groups such as the Klan can enforce racist policies, but absent these forces, any residual occupational differences cannot be due to discrimination by employers. Differences in earnings must be due to differences in productivity. Discrimination by customers or other employees could cause some of this productivity difference (Becker 1971). Customers might be unwilling to deal with minority employees, or employees might demand a premium to work with members of minority groups. If such preferences exist, capitalists would accede to them. However, capitalists would neither cause nor profit from this discrimination and so could

not be blamed for it in any moral sense. Indeed, capitalists would prefer that discrimination not exist because profits, at least in the short run, would be increased if constraints on hiring minority workers were relaxed.

In a way, it is odd that academic Marxism has survived so long among scholars in the humanities. Marx was an economist. Economists (except for a few idiosyncratic "radical political economists") have rejected his views for many years. The survival of Marxism and its sundry French structuralist variants in the humanities is as intellectually respectable as would be a theory of literary or historical criticism based on other outmoded scientific ideas, such as astrology or phrenology.

Although Marx survived for a while the intellectual attack from economists, the game is now over. No one today observing the world can seriously consider Marxist ideas to have any intellectual respectability. Marxism has been the subject of the most decisive experiment ever performed in the social sciences, and this experiment has culminated with the fall of the Russian empire. Breton and Wintrobe (1992) argue that where direct experimental testing of an idea is possible, competition between ideas will eliminate those ideas with little truth value. Defenders of Marxist ideas, or of methods of literary or historical scholarship based on these ideas, can only survive by outlawing any intellectual challenge to their beliefs. This is what the notion of "political correctness" attempts to do. As it happens the Marxist concept of class interest provides a useful underpinning of the "politically correct" notion that occupational differences between men and women or between blacks and whites are due entirely to discrimination, thus forging an alliance between advocates of the current civil rights culture and academic leftists.

Environmental Determinism as the Second Pillar of Liberal Humanism. The belief that all differences between individuals are due to their environment is the second pillar of liberal scholarship. This belief is particularly important for feminists. If there were economically relevant innate differences between men and women, then differences in earnings could be due to factors other than discrimination or differential socialization. For example, if there were innate differences between the desire and ability of men and women to spend time raising children, then women's reduced earnings caused by reduced time in the labor force is neither discriminatory nor due to socialization.

The view that there are no innate differences between human beings has been intellectually untenable since at least 1975, when Edward Wilson published his monumental *Sociobiology*. Indeed, it was never based on any scientific evidence (see Degler 1991). While

humanists and feminists have been advocating ideas based on no innate differences, psychologists, and other behaviorally based social scientists have been pursuing research agendae exploring the evolutionary nature of human behavior.[7] While sociobiologists have not examined or theorized much on differences between races (perhaps in part because of the hostility with which such research would be greeted), there is no intellectually respectable case that can be made for the idea that behavioral differences between men and women are due solely to socialization processes or cultural influences. This idea of course illustrates the intellectual poverty of much contemporary feminist scholarship. It is also inconsistent with the view that all occupational differences between men and women are due to discrimination.

Politically liberal academics have understood this challenge. Wilson's ideas and even Wilson himself have been subject of vicious assaults. Marxist biologists have attacked biological theories of human behavior (Lewontin, Rose, and Kamin 1984). Some have even claimed that human language ability arose from non-Darwinian forces, as discussed by Steven Pinker and Paul Bloom (1992).[8] Indeed, there is a widespread attack by the left on science in general (Gross and Levitt 1994). However, despite these attacks, working scientists proceed with their research under the evolutionary paradigm. For political reasons, however, scientists do not attempt to derive the implications of this research for the humanities. Most humanists simply ignore the science.

An analogy to the IQ debate may be instructive. Mark Snyderman and Stanley Rothman (1988) have compared views of "experts" (primarily academic psychologists) with the mainstream views of the media on issues relating to IQ. They find that experts' views are significantly different from the views discussed in the media, which are mainly the standard views of the liberal establishment. Experts continue doing their research, but at the same time seem to try not to become involved in public controversies.

As an aside, we should note that as long as there are racial differences in performance on tests and these tests are correlated with performance on the job, disparate impact will be inefficient, no matter

[7]An excellent recent collection of papers discussing this view by psychologists, anthropologists, and biologists was published by Jerome Barkow, Lida Cosmides, and John Tooby in 1992.

[8]It is interesting that Noam Chomsky, one of the most virulent critics of modern American society, as a scientist provided the basis for one of the major attacks on the liberal world view. Chomsky showed that there is a biological basis for language acquisition. Pinker and Bloom (1992) discuss his efforts to show that this biological basis was not evolutionary. Of course, this effort is doomed.

what the source (heredity or environment) of these performance differences. Claims that differences are environmental rather than genetic are red herrings, since the source of the differences is irrelevant to an employer. Even if the tests are "culturally biased," differences will still be related to productivity since job performance is also culturally determined. As Snyderman and Rothman (1988: 108–10) point out, a test may accurately measure differences in intelligence between groups where the differences are not due to heredity, but the test may still be accurate in that its predictions (regarding success in school or on the job) may be useful.[9] Indeed, to the extent that differences in IQ tests are environmental or cultural rather than genetic, "multicultural" education will increase earnings deficits of minority groups since it will exacerbate such cultural differences.

The Coalition

Consider these points: the world view of liberal academics, especially in the humanities, is that all occupational differences are due to discrimination rather than to any innate differences among individuals. This view is being challenged by standard non-Marxist neoclassical economics and modern biological theories of behavior. If there were a free battle of ideas today, these empirically well-founded and theoretically sound theories would win and the misconceived intellectual underpinnings of civil rights law would be shown to be crumbling. In a democracy, it is difficult or impossible in the long run to implement policies that lack any intellectual justification.[10] If the basis for the scholarly work of academic humanists is admitted to be faulty, then their incomes could be expected to fall. If the intellectual basis for current civil rights policies were shown to be flawed, these policies would be more difficult to implement. Therefore, academic liberals and their allies prefer to avoid a free debate because they have too much to lose. There is common cause between these two groups, based on mutual self-interest.

[9]This paper was completed before the publication of *The Bell Curve* (Herrnstein and Murray 1994). However, much of that book is obviously relevant to the arguments made here. Two points in particular are worth noting. First, Herrnstein and Murray document the effect of race on IQ and the effect of IQ on labor market productivity, lending support to my argument that racial differences in earnings are due to productivity differences rather than discrimination. Second, the vicious anti-intellectual hostility with which the book has been received by the liberal establishment is quite consistent with the arguments made here regarding the incentive of those who are wrong to suppress arguments which are counter to their positions.

[10]This does not say that the justification need be correct, or even logical, only that it exist. Supporters of tariffs are forced to make arguments based on "fair trade"; they are not able to rely on naked self-interest to justify their preferred policies.

I am not claiming any deep conspiracy on the part of participants. Each actor is acting in his or her interest and probably even following his or her own sincere beliefs. It is simply that the interests and beliefs of many independent agents coincide, and so these agents form implicit alliances to advance a particular agenda. The agenda may be extremely harmful, but the motives of its advocates need not be particularly sinister.

The greatest threat to this coalition is free speech, as protected by academic freedom and by the First Amendment. In some cases, the First Amendment has so far held. Thus, the Supreme Court has overturned speech codes at some state universities because these codes violate the First Amendment. However, private universities have less protection, and many have adopted speech codes that would clearly violate the First Amendment if adopted by public institutions. While these codes often claim to offer protection to academic freedom, the line is thin and many academics are intimidated by the nature of the intellectual environment at many universities.

By labeling any persons who disagree with them as racist or sexist, defenders of the current liberal paradigm are able to protect it. Disagreement is not only viewed as a sign of intellectual dissension; it is characterized as an indicator of low moral value. Because of the theoretical weakness of the paradigm this argument carries particular weight. Ambitious scholars would attack the paradigm if it were not protected by morality.[11] The effort to convert intellectual disputes into moral disputes may be a more general method of attack; McCarthyism proceeded by accusing those with certain sets of beliefs as being not only misguided, but also as being traitors.

Workplace Speech

If the hypothesis above is correct, then there should be other challenges to free speech in addition to challenges in the academic environment. Indeed, there are. Free speech has also been attacked in non-academic workplaces. This challenge to free speech has been much less documented but has been more successful (Browne 1991). Essentially, government has eliminated most free speech protection in the workplace. From a public choice perspective, it is not surprising that professors have done better than other workers in defending their rights to speech. To academics, speech is an economic good; it is how we make our living. To other workers, speech of the sort

[11]For Example, Camille Paglia (1992) became famous for one attack on current wisdom.

involved in the debate (for example, the right to pinups in a locker or to tell "dirty" jokes at work) is a consumption good. Even policy statements ("Women belong at home and should not work here") are statements with consumption, not instrumental, value for non-intellectual workers. Public choice tells us that defenders of economic rights would often be expected to do better in the political arena than would defenders of consumption rights. Moreover, it is likely that professors place more value even on the consumption aspects of speech than do other workers, since there is self-selection into academia based in part on this value.

The process by which free speech in the general workplace has been limited is interesting because it demonstrates techniques used to successfully subvert what appears to be a clear constitutional right. While protection of academic speech has more or less persisted, the case of workplace speech for non-academics is very different. Here, there has been a total elimination of first amendment rights with respect to speech that the courts will call racist or sexist. The civil rights establishment has led the attack, for essentially the reasons addressed above. If there are indeed racial or sexual differences in productivity and if workers would be allowed to freely point out these differences, then the rationale of current civil rights laws would of course be suspect. Thus, there are clearly economic reasons behind the challenge to workplace speech.

There is an odd twist in the law that has been used to weaken the First Amendment. The Civil Rights Act of 1964 does not mention speech or harassment, so that Congress did not directly pass a law violating the Amendment. Of course, the First Amendment does not apply to private employers. A private employer could unilaterally adopt a speech code that would violate the First Amendment if a government body adopted it, and private employers routinely do so for all sorts of reasons. No one would blame an employer for firing an employee who suggested that goods produced by the employer were shoddy, for example.[12]

The Equal Employment Opportunity Commission (EEOC) can indicate what rules it believes should govern. A private employer can then adopt these rules to avoid entanglement with the EEOC. The

[12]This section is based on Kingsley Browne (1991), who deplores the changes he describes. This view appears to be in the minority among legal scholars. For example, Lange (1990) suggests that campus speech can be censored using an analysis similar to that used for workplace speech. J.M. Balkin (1990) notes that the same arguments can now be used to weaken the First Amendment that were previously used to weaken freedom of contract; Balkin agrees with both of these policies. I would like to thank Charles Shanor for pointing out these references to me.

result is that EEOC, a creature of Congress (and thus supposedly covered by the First Amendment) can implicitly coerce employers to censor the speech of employees. Unless an employer is willing to litigate on behalf of an employee who engages in forbidden speech, the issue will not be litigated, and the First Amendment will not offer protection. An employee disciplined for speech violations is being punished by his employer, and has no standing to sue the EEOC.

Most people would find the sort of language banned by workplace speech codes personally obnoxious. Employers would have little to gain by litigating for the right of a worker to engage in racist or sexist speech, or to put pinups in his locker. Employers who are liable for employees' improper speech are likely to take a very expansionist view of what speech is prohibited since they have little to gain by allowing prohibited speech and have large potential liability. Thus, the actual practice of censorship may go beyond even that which the courts would sustain.

The finesse is that Congress did not pass any law that directly regulated speech. The Civil Rights Act does not mention any sort of harassment. Nonetheless, the courts and the EEOC have defined harassment to be a form of discrimination. Originally, this applied to *quid pro quo* harassment—demanding of sexual favors in return for job-related benefits, such as hiring or promotion. But the law has been expanded to include a "hostile environment" as a form of harassment. A hostile environment as defined by EEOC-guidelines includes offensive "verbal or physical conduct"; verbal conduct is interpreted by the courts as meaning speech. If an employer were to put out an internal company newsletter saying, "We believe that women are not suited to perform certain types of jobs, but we must hire them because of the law", this speech would likely be found to indicate a hostile environment and be a form of harassment. If a fellow employee announced the same beliefs on the job, this would also create a hostile environment.

The issue of a hostile environment is seldom if ever litigated. Indeed, as of 1990, no Title VII claim asserted a First Amendment defense (Lange: 120, n. 93) even though such cases have been litigated since about 1971 (Lange: 122). Moreover, the courts have from time to time indicated that the First Amendment would not govern in such cases (discussed in Browne: 482). Although in most cases there were actions in addition to speech used to find a hostile environment, in a 1991 case the entire matter rested solely on speech issues (posters, calendars, and jokes); there was no claim of physical assault or sexual propositions (discussed in Browne: 495). Thus, apparently courts are beginning to find speech more actionable.

Conclusion

The story told here is a standard interest-group story. Scholars in the humanities have an interest in preventing certain types of speech because many of their ideas are easily shown to be wrong and their incomes and positions would suffer if this demonstration were allowed to be made. They have formed an implicit alliance with members of the civil rights establishment because many of the ideas of the academics are also the basis for important civil rights doctrines, such as the use of "disparate impact" standards for finding discrimination. Academics with an interest in "politically incorrect" speech have mostly been able to defend their position (so far) but others with no economic interest in such speech (students, workers in non-academic workplaces) have not.

Believers in constitutionalism sometimes act as if a constitutional prohibition will itself offer substantial protection. However in the case of the First Amendment, this is not so. Recent initiatives by academics and by the civil rights and feminist hierarchies to limit speech in the workplace have been successful, and for all practical purposes an entire class of speech has been denied protection. Constitutional protections have held up only where an economically interested group has spent real resources defending these protections.

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Social Security: Rates of Return and the Fairness of Benefits

Philip J. Harmelink and Janet Furman Speyrer

Considerable publicity has been given in recent years to issues relating to the fairness of the social security system. Examples of such issues include the relative burden of the social security tax (employee and employer contributions) and the self-employment tax (Musgrave and Musgrave 1989, Harmelink and Speyrer 1990) and the distributional burden of taxes on social security benefits (Pellechio and Goodfellow 1983, Sammartino and Kasten 1985, and Harmelink and Speyrer 1992). Another aspect of the social security system that has received the attention of academicians and other policymakers is the fairness of the benefits structure. Specifically, inequalities in benefits can occur between single individuals of different sexes and between households with different incomes, ages, spousal income splits, and marital statuses (Outslay and Wheeler 1982; Boskin, et al. 1987; and Feldstein and Samwick 1992).

Edmund Outslay and James Wheeler (1982) quantified the payoff from social security contributions and identified various inequities in the benefits structure. They compared the benefits that would be payable under an annuity plan for workers of varying wage levels, family compositions, and working periods, with the benefits the same workers would have been entitled to under the social security benefits structure. Their results showed that future retirees could expect to receive sizable transfer payments in almost all cases, but that the difference in the dollar amounts between single-earner and two-earner families would increase in the future.

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