

NLWJC - Kagan

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Welfare-Microcredit Event

Another Corporation Steps up to Meet the President's Welfare To Work Challenge

White House Announce \$10.0 Million Dollar Chase Manhattan Bank/Rockefeller Foundation/HUD Welfare-to-Work Partnership

Chase Manhattan Bank and the Rockefeller Foundation have teamed with HUD in a three-way partnership to plan and fund long-term private sector welfare-to-work demonstrations designed to raise employment rates by as much as 20-30 percent in high poverty urban neighborhoods.

The Rockefeller Foundation has committed \$4 million, Chase Manhattan \$1 million, and HUD an initial \$5 million. The Rockefeller Foundation expects to raise \$4.5 million in additional funds from other foundations and public agencies by June 1998. If the original demonstration stage is successful, the Rockefeller Foundation will proceed with a multi-year, multi-site demonstration totaling an estimated \$28 million.

The partnership will fund two separate demonstrations: the Jobs Plus initiative and the Neighborhood Jobs Initiative.

The Jobs Plus initiative is designed to increase employment rates of tenants currently living in public housing developments from 20 percent to 60 or 70 percent. To achieve this goal, **tenants will be rapidly placed and retained in private sector jobs.** Funding will go to Public Housing Authorities in six to nine urban sites -- finalists include Los Angeles, Cleveland, San Antonio, Seattle, and Louisville -- to train and place public housing residents in jobs while simultaneously modifying welfare and housing policies to encourage work. Employment programs will be tailored to local conditions and will rely on collaborations between public housing authorities and tenants, welfare offices, business, and community-based organizations.

The Neighborhood Jobs Initiative will fund intensive training and private sector job placement efforts in six to 10 urban sites including two sites in New York City -- Brooklyn and Central Harlem -- and Sandtown-Winchester in Baltimore. To receive funding, community programs will have four elements in common: work incentives; state-of-the-art job placement and retention services; expanded access to capital for neighborhood residents and business owners; and a creation of a community culture that supports work. Community organizations will work with welfare departments, employers, tenants, homeowners, and landlords to design and implement local programs to hire and retain residents. Funders hope to significantly increase the employment rates of working age neighborhood residents from the average 40 percent in select neighborhoods to the employment rates of cities in general, which range from 60 to 70 percent.

Systematic research will monitor activities and community outcomes in both demonstrations to determine whether dramatic increases in employment can be achieved.

THE ROCKEFELLER FOUNDATION

MEMORANDUM

January 28, 1997

TO: Lynn Hogan

cc: Carol Parry

FROM: Julia Lopez

SUBJECT: Fact sheets and vignettes

The fact sheets outline two of the three initiatives we originally mentioned: Jobs Plus and the Neighborhood Jobs Initiative.

Because the "Competitive Initiative" is not part of the announcement the dollar amounts are different from the original numbers in the memo.

The totals for these two are:

Expended or committed by RF through June 1998 for Jobs Plus and NJI	\$ 4.0 million
Expended or Committed by HUD through June 1998 Note: HUD received a \$5 million appropriation for Jobs Plus	2.0 million
Committed by Chase for NJI through June 1998	1.0 million
TOTAL	\$ 7.0 MILLION

We expect to raise an additional \$4.5 million from other foundations and public agencies by June 1998. If the initial feasibility stage is successful, we expect to proceed with a multi-year, multi-site demonstration totaling an estimated \$28 million.

Fact Sheet for the Rockefeller Foundation Jobs Initiatives with HUD/Chase

Background: The Rockefeller Foundation has formed a partnership with the U.S. Housing and Urban Development and Chase Manhattan Bank to design, test and implement programs that offer employment opportunities to individuals in high poverty urban neighborhoods. These programs will test the thesis that increasing the number of people working will not only provide individuals with income, but will improve the overall quality of life of the communities in which they live.

Jobs Plus

Goal: To increase significantly the employment rates of tenants currently living in public housing developments. By significantly, we mean from the current average employment rates of 20 percent to 60 or 70 percent. Achieving this goal will require that tenants be placed and retained in private sector jobs.

1. **How:** Create job opportunities for every working age family member of public housing households. These opportunities will range from community service jobs that will prepare people for private service employment to permanent employment with local and regional employers.
2. **Where:** Six to nine sites are the finalists -- Los Angeles, Baltimore, Cleveland, San Antonio, Seattle, Dayton, Louisville, St. Paul, Chattanooga. Announcement of final selections to be made in March.
3. **Who:** With technical assistance from the Manpower Demonstration Research Corporation (MDRC), local collaboratives with representation from public housing, welfare, employment providers, tenants, community providers, and business, are developing programs tailored to local conditions to place and retain public housing residents in employment.
4. **What:** Program elements include job placement practices that have strong connections with local employers, elimination of financial disincentives to work in current public programs, such as rent increases or loss of health benefits associated with earned income, and community-building activities which engage residents in creating supports for work.

For specific examples of activities currently being planned in the different sites, see the attached sheet.

5. **Costs:** This multi-year demonstration is being phased-in. To date, the Rockefeller Foundation and HUD have committed \$ 4 million for the early design and start-up of the demonstration. They expect to raise an additional \$3.5 million from other foundations and local agencies for a 12-14 month feasibility stage. If the sites show promise, the Foundation, HUD and other funders will decide, by June 1998, whether to proceed with a full-scale five-year demonstration expected to cost an estimated \$14 million. In 1996 HUD received a \$5 million Congressional appropriation for this demonstration.

JOBS-PLUS STRATEGIES

Job Placement practices:

- design employment and training programs that promote rapid employment into any job and have dedicated staff that work directly with private employers;
- develop microenterprise or resident businesses;
- provide services to individuals after they have been placed in a job (called "post-placement services"), that appears to hold high potential for helping them retain it or, should they lose a job, finding a new one quickly.

Work Incentives:

- the level of rent could be manipulated to reward work and discourage non-work, e.g., the rent level for a welfare recipient who goes to work might remain at the pre-work level for some period of time, or gradually increase;
- in filling some or all vacancies, the Jobs-Plus design could give priority to those who agree, as a condition of gaining and remaining in public housing, to work or to participate in employment or related services (e.g., peer support groups, preemployment workshops, community service jobs, or volunteer work) for a set number of hours per week; or
- access to more desirable units for those who are working or engaged in job-preparation activities.

Community Supports:

- use existing informal social networks among residents to help increase residents' knowledge about work opportunities, to reinforce program information and lessons on how to prepare and look for work, and to provide support when inevitable job-associated problems arise (conflicts with employers or coworkers, illness of a child, etc.);
- develop adequate child care slots for the younger children of working residents or those engaged in employment-preparation activities, on site if possible; and develop adequate supervised after-school activities for older children of working residents;
- establish peer support groups to meet regularly and with clear expectations and encouragement for resident attendance, at which anxieties and fears about work, and employment-related problems and issues can be shared and addressed; working resident "role models" might be encouraged to lead or attend these sessions; or
- through a professional media campaign, educating the public about the work skills and work ethic of public housing residents, and the barriers that residents seeking work have confronted in the past and are now striving to overcome.

New York City Partnership Employment Program Vignette

KAREN H -- A woman in her early forties, a mother of three children (ages 13, 11 and 5), has worked with the New York City Partnership Employment Program.

Last year, Karen was a "welfare mom" - she was collecting \$118 every two weeks for her young four-year-old son, she was receiving food stamps and Medicaid. In addition, she was working as the superintendent in her tenement building for a total of \$78 every two weeks. The building is owned by the city of New York as a result of a foreclosure for lack of tax payments. Her total take-home income for her family of four was about \$100 a week. The money was not enough, she did not see any solutions and was frustrated.

Karen is now working full-time as a social services coordinator for \$300 a week - \$224 after taxes - with medical benefits. She is no longer on welfare and has her youngest child in a subsidized day care center within walking distance from her home. She is also increasing her secretarial skills at a nearby publicly supported training center. She now believes she can improve her skills and thus, her employment opportunities. She has doubled her income, no longer feels she is receiving a hand-out and is proud to be model for her children.

What happened in the one year that changed Karen's life? First, a local non-profit community organization, El Barrio Fightback Operation, a not-for-profit organization working with the Partnership, knocked on her door and asked if she was interested in employment possibilities. They introduced Karen to the new owner of her building - a local real estate entrepreneur, William G. He interviewed her and hired her as a part-time liaison between himself and the tenants living in a cluster of buildings he was hoping to take-over from the city. She worked with his senior staff for some time and then, over the course of a few months she took over as a full-time employee.

It was not all smooth sailing. Three days into her new full-time job, Karen lost her family child care provider. She could not find a replacement on short notice. After leaving her young one in the care of her older children, she got scared and quit her job. Her employer asked what was troubling her. He let her bring her son to work in the short term and then she and he worked with the local nonprofit to find a day care center slot for her son. She was lucky, it could take a year to get a subsidized child care slot in NYC.

The services of the nonprofit that made a difference in Karen's life, and the entrepreneur who turned out to be sympathetic and flexible, are all participants in a pilot program that Rockefeller, the City and others are supporting - The New York City Partnership's Neighborhood Employment Program. The program also provides financial technical assistance to the local property manager. These are the types of services and private/public linkages that NJI would expand to move individuals permanently into full time jobs.

Neighborhood Jobs Initiative

Goal: To increase significantly the employment rates of working age neighborhood residents. By significantly we mean from the current average employment rates of 40 percent in select neighborhoods to the employment rates of cities in general, which range from 60 to 70 percent. We define neighborhood as a geographical area with 10,000 to 15,000 residents.

1. **How:** Create job opportunities for every working age adult in the neighborhood. These opportunities will range from community service jobs that will prepare people for private service employment to permanent employment with local and regional employers.
2. **Where:** Six to ten sites to be selected by late 1997. Because of the complexity of this undertaking, two neighborhoods in New York City - Brooklyn and Central Harlem - and Sandtown-Winchester in Baltimore will begin early in 1997.
3. **Who:** With technical assistance from the Manpower Demonstration Research Corporation (MDRC), local collaboratives of community development corporations, welfare departments, employment providers, tenants, landlords and homeowners, and business will design and implement local programs to hire and retain residents.
4. **What:** Program elements include job placement practices that have strong connections with local and regional employers; access to capital to promote investment in the neighborhood; elimination of financial disincentives to work in current public programs, such as rent increases or loss of health benefits; and community-building activities which engage residents in creating supports for work.

New York City: Neighborhood Entrepreneurs Employment Project

With initial support from the Rockefeller Foundation, the New York City Partnership, a business advocacy organization, has designed and begun implementing a long-term strategy which includes financial incentives for low-income residents (through a grant diversion agreement with the City and State) and two satellite job centers in Central Harlem and Brooklyn.

These centers will function as neighborhood intermediaries with the dual role of (1) connecting neighborhood residents to job opportunities; and (2) assisting local businesses to grow. Each neighborhood center will collaborate with a consortium of local nonprofit organizations to prepare local residents for employment; concurrently, each center will house a parallel initiative that offers technical and financial assistance to local businesses. The Partnership will provide the centers with information on the most effective job placement practices and models for transitional employment and follow-up support, including peer support networks and "job coaches."

Through the Partnership's recently created New York City Investment Fund, local businesses may also benefit from a revolving source of risk capital to both entrepreneurial ventures and public-private initiatives that promise to create jobs and generate other economic benefits to New York City and its low-income neighborhoods.

5. **Costs:** The Rockefeller Foundation and Chase Manhattan Bank have initially committed \$ 3.0 million for the design and initial launching of this demonstration. They expect to raise an additional \$1.0 million in the coming 18 months from other foundations and government agencies as additional sites are identified. In addition, HUD has expressed strong interest in supporting this demonstration. If the sites show promise, funding partners will decide in June 1998 whether to proceed with a full scale, multi-year demonstration currently estimated to cost \$14 million.

**The Enterprise Foundation: Neighborhood Transformation Center
Summary Information For Sandtown Works**

Overview. The residents of Sandtown-Winchester, the City of Baltimore and The Enterprise Foundation partnered in 1990 to transform this 72 square block community. The partners formed Community Building in Partnership in 1994 to manage the process and ensure that it remained true to original resident goals.

With 44% of residents either unemployed or under-employed, residents identified employment as one of eight key program areas to be targeted for comprehensive change. In 1994, Sandtown Works was formed to be a one-stop neighborhood-based job training, employment and entrepreneurial assistance center. Substantial groundwork has been laid to accomplish program goals, and the complete program is in the process of being implemented. Sandtown Works activities are located in the Sandtown-Winchester Community Center which acts as a hub for this and other transformation programs.

The Sandtown Works Model. The employment program is grounded firmly in the reality of where residents are and the unique skills, resources and motivations that they bring to the process. Sandtown Works will offer services in three primary areas: (1) preparing residents to work and compete for jobs, (2) supporting residents once they are looking for work or have found work, and (3) developing jobs and placing clients in jobs. Sandtown Works has begun to implement these activities through a combination of the following:

Intake and assessment - At intake, an in-depth assessment is performed to clarify residents' employment objectives and an Individualized Employment Plans is developed outlining specific steps to realize these objectives (also addressing social issues, i.e. child care). Clients can enter the employment system through multi-access points due to the FACTORS client information system in the Community Center. Depending on the results of the intake and assessment process, counselors will direct each resident to the appropriate next training and employment track.

Accomplishments to date: 478 residents have been assessed.

Life Skills and Job Readiness - This track is targeted to residents with little or no successful work history, and who lack life skills and job readiness. Trained staff are implementing the Adkins Life Skills program, which emphasizes basic job behavior and work ethics.

Accomplishments to date: 187 residents have completed job readiness training.

Job Skills Training - Residents who are difficult to employ will take more intensive job training courses. Industries will be identified through a sector analysis that have the greatest growth, long term potential and advancement opportunities for entry level workers. Businesses from these industries will be brought in as partners to develop the appropriate job skills training tracks.

Accomplishments to date: 210 residents have received industry-linked training.

Job Development, Placement & Retention - Job ready residents who clearly have marketable skills and an adequate work history are given immediate referrals to job openings. Employment specialists will provide support for up to three years after placement to increase success of long term meaningful employment. Business partners are being cultivated to use Sandtown Works as a first source for hiring qualified employees, and to bring them into the community (i.e. movie theaters). Entrepreneurial opportunities will be identified and developed for community residents.

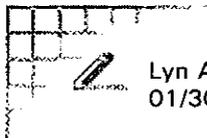
Accomplishments to date: 340 residents have been placed in full-time jobs, over 500 youth have been placed in summer jobs.

THE ENTERPRISE FOUNDATION
SANDTOWN-WINCHESTER VIGNETTE

Bernard Sharp and Eugene Cheatham-Bey

Bernard Sharp and Eugene Cheatham-Bey have been friends since childhood. Both grew up in Sandtown-Winchester, and both served 10 years together at the Maryland State Penitentiary. Both men, now ages 49 and 47, found jobs through Sandtown Works. Bernard approached Sandtown Works in 1995, months after been released from prison. He was interested in demolition work, and landed a job with a local construction company, but was laid off after six months when "they thought I couldn't do the work because of my age." Bernard went back to Sandtown Works and "Sandtown Works got me a job interview with the Forest Haven Nursing Home." Even though the Nursing Home said they needed one worker, Bernard assured the Sandtown Works employment specialist that "if I get a job, I might as well try to get one for my buddy too—if I can sell myself, I can sell him too." The employment specialist arranged for both Bernard and Eugene to interview with the Nursing Home. Both men have been working full-time at the Nursing Home for a year, and will see a raise in their next pay check. They currently earn \$5.35 an hour with benefits, including medical, dental, vision and an employee credit union. The medical insurance has proved critical for Bernard, as he has recently been diagnosed with cancer. "Insurance told me that I'm covered."

File -
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microcredit
event



Lyn A. Hogan
01/30/97 10:42:10 AM

Record Type: Non-Record

To: Patricia F. Lewis/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: CDFI info, to be added to partnership press release

The President and the Secretary of the Treasury, Robert Rubin, are also announcing today their intent to nearly triple the federal funds for the Community Development Financial Institutions (CDFI) Fund. Currently, the CDFI budget is \$45 million; the President proposes to raise it to \$125 million for FY 98 and will request \$1 billion over the next five years.

The CDFI Fund was created as a bipartisan initiative as part of the Riegle Community Development and Regulatory Improvement Act of 1994. The Fund's programs expand the availability of credit, investment capital, financial and other services in distressed urban and rural communities.

The Fund's investments work toward building private markets, creating healthy local economies, promoting entrepreneurship, restoring neighborhoods, generating local tax revenues, and empowering residents. CDFIs provide a wide range of financial products and services -- such as mortgage financing for first time home buyers, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing, and basic retail/consumer financial services needed by low-income households.

Message Copied To:

- WEINSTEIN_P @ A1 @ CD @ LNGTWY
- REED_B @ A1 @ CD @ LNGTWY
- Elena Kagan/OPD/EOP
- Nicole R. Rabner/WHO/EOP
- Katharine Button/WHO/EOP

WR-microcredit event

COPY
to Elean

JANUARY 27, 1997

TO: DON BAER
RAHM EMANUEL
ANN LEWIS
MICHAEL WALDMAN

FROM: LYN HOGAN
Domestic Policy Council

SUBJECT: Possible Addition to Thursday's Micro Credit Event

Bruce asked me to pass on to you the attached memo regarding two announcements we should consider making at the micro credit awards event.

Bruce talked with Melanne last Friday and they agreed this was a good idea.

Please let me know if you would like to proceed, (Lyn Hogan, 6-5567).

Thanks.

January 24, 1997

MEMORANDUM FOR MELANNE VERVEER
Office of the First Lady

FROM BRUCE REED
Assistant to the President for Domestic Policy

SUBJECT **Possible Add On To The Micro Credit Awards Event**

On Thursday, January 30, 1997 the President is scheduled to take part in the micro credit ceremony in the East Room. I would like to propose adding two related announcements to the micro credit event. These announcements would essentially emphasize microenterprise and micro lending as means by which welfare recipients can permanently enter the workforce. This is a terrific opportunity for us highlight various job creation approaches communities can pursue to move welfare recipients to work.

1. Announce the Chase Manhattan Bank/Rockefeller Foundation/HUD Welfare-to-Work \$9.0 Million Dollar Partnership.

Chase Manhattan Bank and the Rockefeller Foundation have teamed with HUD in a three-way partnership to plan and fund long-term private sector welfare-to-work demonstrations designed to raise employment rates by as much as 20-30 percent in small urban neighborhoods. Chase and Rockefeller have committed a total of \$7.5 million to the project along with an initial \$1.5 million commitment from HUD. The Rockefeller Foundation expects to raise an additional \$7.5 million from corporations, foundations, and government agencies.

Organizations in 15 **urban** communities throughout the country will be selected to participate in these demonstrations. **Systematic research** will monitor activities and community outcomes to determine whether dramatic increases in employment can be achieved.

Funding will go in part to community organizations committed to undertaking intensive training and private sector job placement efforts with four common elements: work incentives; state-of-the-art job placement and retention services; expanded access to capital for neighborhood residents and business owners; and a creation of a community culture that supports work. Funding will also go to Public Housing Authorities in 5-6 cities to train and place public housing residents in jobs while simultaneously modifying welfare and housing policies to encourage work.

2. Reiterate commitment to increase the Community Development Financial Institutions (CDFI) Fund budget.

The President announced last year a major increase in the CDFI Fund's budget. We could use the event as an opportunity to highlight the President's previously announced commitment to propose a major increase in the CDFI Fund's budget. (However, the increase over seven years will be less than we promised during the 1996 Presidential campaign, \$1 billion versus \$1.625 billion).

The CDFI Fund is the agency in charge of coordinating the Administration's numerous microenterprise programs. In addition, the CDFI Fund supports and invests in micro lenders.

WR - micro credit
event

January 27, 1997

MEMORANDUM FOR THE PRESIDENT

FROM BRUCE REED

SUBJECT **Add On To The Micro Credit Awards Event**

On Thursday, January 30, 1997 you are scheduled to take part in the micro credit ceremony in the East Room. The First Lady and Secretary Rubin, with you, will present the first annual Presidential Awards in Excellence for **domestic** micro credit programs. You will be honoring seven successful micro-entrepreneurs. A reception will follow.

In addition, you will be able to make two related announcements -- a new public-private partnership to pursue highly aggressive welfare to work efforts, and a commitment to increase CDFI funding . The announcements will emphasize new private sector involvement and funding for welfare to work efforts, including microenterprise. The public-private partnership will give you the opportunity to highlight another corporation -- Chase Bank -- stepping up to meet your welfare to work challenge to corporate America.

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expanded access to capital for neighborhood residents and business owners; and a creation of a community culture that supports work. Funding will also go to Public Housing Authorities in 5-6 cities to train and place public housing residents in jobs while simultaneously modifying welfare and housing policies to encourage work.

Peter Goldmark, President of the Rockefeller Foundation, the Vice Chair of Chase Bank, and a high level representative from HUD will be present.

2. Reiterate commitment to increase the Community Development Financial Institutions (CDFI) Fund budget.

Your new budget includes a \$1 billion increase over five years for the CDFI Fund, which coordinates the Administration's numerous microenterprise programs. The exact dollar amount for our FY '98 budget has not yet become public.