

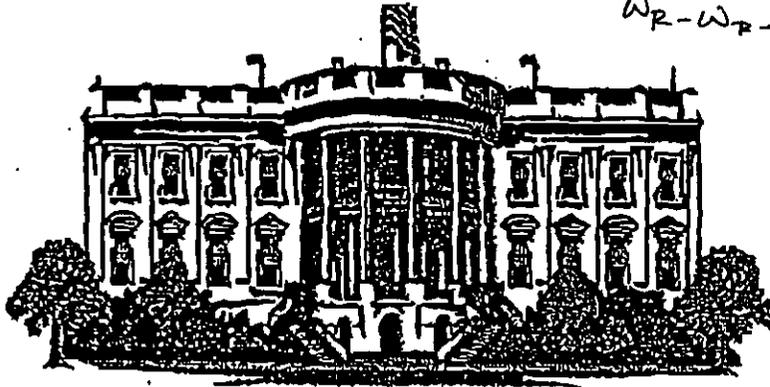
NLWJC - Kagan

DPC - Box 065 - Folder-011

Welfare-Welfare to Work - CEOs

[2]

WR - WR to work - CEOs



THE WHITE HOUSE

Domestic Policy Council

DATE: 5/22

FACSIMILE FOR: Bruce Reed

FAX: 6 2078
PHONE:

FACSIMILE FROM: Andrea Kane

FAX: 202-456-7431
PHONE: 202-456-5573

NUMBER OF PAGES (INCLUDING COVER): 3

COMMENTS: Partnership's Draft Press

Release re: Retention Report (+ no whole event), per email re: Robert Pear.

PHOTOCOPY
PRESERVATION

DRAFT

FOR IMMEDIATE RELEASE

For more information, contact:
Michael Barbera or Luis Vizcaino
(202) 955-3005 ext. 317 or 322

BUSINESSES FIND HIGHER RETENTION WITH WELFARE TO WORK: New Partnership report released at White House

WASHINGTON, D.C., May, 27 1998 – One year after its launch, The Welfare to Work Partnership returned to the East Room of the White House today to announce a first of its kind document on the success of welfare to work.

United Airlines CEO and Partnership Chairman Gerald Greenwald was joined by President Clinton, Vice President Gore and Partnership President Eli Segal to release The Road to Retention, a case history of 16 businesses (including five small businesses) whose retention rates for former welfare recipients are higher than the retention rates for non-welfare to work hires. Welfare to work success story Rhonda Costa, a 34-year-old mother of two whom is now an administrative assistant at Salomon Smith Barney, introduced the President at the White House event.

“This document proves what we have been saying all along – that welfare to work is a smart solution for business,” said Greenwald. “This report will be a roadmap that any company can use to structure a welfare to work program that succeeds over the long haul.”

The Road to Retention points out several keys to a successful welfare to work program, including:

- Public-private partnerships: companies with high retention rates have formed effective relationships with a service provider or government agency that serve a variety of functions – including screening and job referrals. Other services provided could include child care, transportation, mentoring and counseling.
- Training: businesses that succeed at welfare to work provide a solid training program for their employees. Some companies provide training in-house, either pre-employment or on the job. Others work with service providers or a government agency to structure a training program, thereby splitting the time and the costs.

PHOTOCOPY
PRESERVATION

- Varied benefits: successful companies offer employees a variety of benefits, including health care, dental coverage, retirement plans and non-traditional benefits that could include child care referrals, help with transportation and mentoring. A rich benefit plan can help individuals make the transition to the world of work.
- Maintain high standards: companies that are successful at welfare to work treat their welfare to work employees very much the same as other entry-level employees. Welfare to work employees are subject to the same rules and standards as all other employees. The companies in The Road to Retention did not compromise their quality standards in any way in their welfare to work program.

The Partnership, a nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector, was officially launched at the White House on May 20, 1997. Five companies – United Airlines, Burger King, Monsanto, Sprint and UPS – joined to form The Partnership. At its launch last May, The Partnership numbered 105 businesses dedicated to hiring and retaining former welfare recipients without displacing existing workers.

The Partnership now has more than 5,000 companies, known as Business Partners, and statistics show that these companies are making good on their pledge. The 3,200 companies that were members of The Partnership in 1997 combined to hire more than 135,000 former welfare recipients. The Road to Retention is one of several informational resources The Partnership provides to businesses across the country.

“If a business has hired or pledges to hire former welfare recipients, than it deserves the resources to help it succeed,” said Segal. “The Road to Retention is another example of how business can learn from what’s working at other businesses around the country.”

The Partnership also launched a national print and television PSA campaign designed to dispel the myths about former welfare recipients. Costa, from New York, is featured in the television PSA viewed at today’s event. The PSA will be shown exclusively on Time Warner Networks over the next three days before its nationwide release in mid June.

All Business Partners receive a Blueprint for Business, a how-to guide for businesses interested in welfare to work. The Partnership also provides a toll-free number (1-888-USA-JOB1), a web-page www.welfaretowork.org, a national service provider database and a toll-free tax credit hotline for small businesses. Business Partners receive a quarterly newsletter, Weekly News Updates, and regular policy briefings on key issues like transportation, child care, and tax credits.

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Draft 5/26/98 11:30pm

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR WELFARE TO WORK EVENT
THE EAST ROOM
May 27, 1998**

Acknowledgments: Sec. Herman; Sec. Shalala; Administrator Alvarez; Eli Segal; Jerry Greenwald.

I want to start by congratulating Rhonda Costa and all the other women here today who have had the courage and the strength to fight their way from welfare to work. I understand we'll be seeing a lot more of Rhonda when the Welfare to Work Partnership airs its new national public service announcements. I'm certain she will be an inspiration to people who are trying to get off welfare -- and I know she will help convince more business owners to hire more people off of welfare. As Jerry Greenwald made clear a moment ago, hiring people off welfare isn't just good for America -- it's good for American business.

For years, our old welfare system trapped too many women like Rhonda, exiling entire generations from the mainstream of American life. When I was the governor of a small state with its share of people on public assistance, I became convinced that the only way we could hope to break that cycle of dependency and despair was to change our approach. I saw that we had to put an end to a system that did nothing to encourage work or responsibility, and replace it with one that did. I saw then that work -- work that gives structure and dignity to our lives -- was the only way to truly reform welfare.

When I became President, that became our guiding principle. We began by granting waivers to 43 states to launch welfare reform experiments that set time limits and required work. Those efforts alone brought the welfare rolls down by nearly two million people.

Then, in 1996, I signed the historic bipartisan Welfare Reform bill that ended welfare as we knew it. As I said then, that was just the beginning of welfare reform. The hardest work -- creating the private sector jobs for the people we were now requiring to work, and giving welfare recipients the training and support they needed to succeed in the workplace -- lay ahead. And I called on private business to help us meet that challenge.

We are here today because Eli Segal, Jerry Greenwald, and a group of committed corporate leaders rose to my challenge and founded the Welfare to Work Partnership. Eli just told us that in a single year, 5,000 companies have joined the Partnership -- ranging from Fortune 500 corporations to small businesses with just 5 employees. That is a remarkable accomplishment. But what he didn't tell you is that in the same time, those companies have hired 135,000 people off of welfare. That is cause for celebration.

You are showing that welfare recipients don't need handouts -- they need a helping hand to find a job, and a chance to succeed. And given that opportunity, they do succeed with

tremendous benefits to companies. As United Airlines and many other companies have found, hiring from the welfare rolls can reduce employee turnover, and motivate existing employees to work even harder.

Here in the national government we have done our part as well, connecting small business owners to new workers through Small Business Administration offices all across the country ... mobilizing civic, religious, and non-profit groups under the Vice President's leadership to step up their efforts to help people succeed in the workplace through mentoring and other support ... and in just one year, we have hired more than 4,800 welfare recipients to work in the federal government -- well on our way to meeting our goal of hiring 10,000 by the year 2000.

The historic balanced budget agreement I signed into law last summer includes a \$3 billion Welfare to Work program to help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. It also includes a welfare to work tax credit to encourage private employers to hire welfare recipients.

Our combined efforts have produced the largest drop in the welfare rolls in history, reducing them to the lowest they have been in nearly 30 years. Since I took office, there are 5.2 million fewer people on the welfare rolls -- fully 3.3 million fewer since I signed the Welfare Reform bill in 1996.

This is a hard-won victory for all the families who have moved from welfare to work. It is a victory for all of us who have worked so hard to reform the old welfare system. And it is a victory for America. But with millions of Americans still on the welfare rolls, we know we must not rest. And once again, every one of us has a part to play, in government, in business, and in every sector of our society.

First, we must continue to find jobs for people who are moving from welfare to work -- and that means encouraging private business. Today, I challenge the companies in the Welfare to Work Partnership to double the number of people they hire off welfare to 270,000 in 1998. And I challenge business owners all over America -- not only those in the Welfare to Work partnership -- to follow the partnership's example, and find new ways to hire welfare recipients.

Second, we must continue to do everything we can to help welfare recipients succeed in the workplace. We know that many of the people who remain on welfare face challenges that make it hard for them to get and keep jobs. Secretary Herman has seen many of these problems first-hand, as she has traveled around the country, talking to employers, new workers, and community groups

Today, I am pleased to announce \$186 million in Welfare to Work competitive grants from the Labor Department that address many of these concerns. These funds -- which are fully paid for in my balanced budget -- will support 49 innovative welfare to work efforts. Some of these projects will provide on-the-job training and support to welfare recipients with disabilities, limited English skills, and who live in remote rural areas. Others will help people move from entry-level jobs into higher paying positions. Still others will help unemployed fathers who

don't live with their children to go to work, increasing their ability to honor their responsibilities to pay their child support.

We know that securing adequate child care is also critical for all parents who work. My child care initiative will help America's working families succeed at home and at work by paying for safe, quality child care, and expanding after-school programs around the country.

Third, we must continue to do everything we can to make sure that welfare recipients can reach the jobs we are working so hard to create. We know that more than 80% of welfare recipients live in our inner cities and rural areas, far from the suburbs where the vast majority of new jobs are being created. My balanced budget proposed \$283 million dollars in Welfare to Work housing vouchers, to help welfare recipients move closer to new jobs, reduce long commutes, or secure more stable housing to eliminate emergencies that increase absenteeism and lateness on the job.

Congress acted just this month to fund my "Access to Jobs" proposal, by providing up to \$150 million in funds for local communities to improve transportation for welfare recipients. Today, I urge Congress to fully fund my Welfare to Work housing voucher initiative as well, and give people on welfare another tool to make a successful transition to work.

Our progress in the last five years is a product of hard work, and bipartisan co-operation. When I signed the welfare reform bill into law, we knew that it wasn't perfect, but we also knew that it was the single best chance in a generation to break the cycle of dependency and restore millions of families to the dignity of work. But the bill also contained several provisions that had nothing to do with encouraging responsibility and work. I was proud that Congress did the right thing last year to restore critically important disability and health benefits to legal immigrants. Last week, the Senate voted overwhelmingly to restore Food Stamps to elderly, disabled, and very young legal immigrants. Today, I want to urge the House of Representatives to follow the Senate's lead -- it is the right thing to do.

We will continue to do everything we can in the national government to sustain our success and finish the job of welfare reform. But today, I want to encourage all Americans to join us, in their communities, in their communities of worship, and even in their workplaces to help people move from welfare to work. Be a mentor to a person on welfare; volunteer at a job training center to help someone learn computer skills. Above all, remember that people trying to move from welfare to work -- people like Rhonda -- deserve our respect and all our encouragement.

If we do this, we can help make America stronger than every in the 21st Century.

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
bcc:
Subject: Re: Welfare Reform events update 

Before we meet with Partnership staff to begin planning this event, wanted to just run past you what it might look like, given the announcements you indicated below.

Eli could open and talk about how much progress they've made. He could announce 5,000 partners and approximately 135,000 hires by business partners--or save this for POTUS? Eli would then introduce CEO from one of the retention success stories the Partnership is gathering, who would talk about what they're doing and encourage others to do the same. CEO would introduce former welfare recipient/retention success story from his/her company. She would introduce POTUS, who would announce caseload decline, WtW competitive grants (highlighting a few that focus on retention), and go through what's been accomplished in the past year, and what's ahead. He could reference federal hiring success, VP coalition (which will hopefully be meeting in mid-May), SBA initiatives for small business (which would be released at VP coalition event), and put in plug for welfare to work housing vouchers and transportation initiatives.

Bruce, Eli, and Secretary Herman could do press briefing before or after the event--this would give Herman a speaking role and a chance to go into more detail on the grants without taking time on the panel.

Bruce N. Reed

 Bruce N. Reed
04/16/98 05:18:19 PM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc:
Subject: Re: Welfare Reform events update 

For the WTW event, I would like to release 1) the DOL grants; 2) caseload numbers that put us over 3 million for the bill (and 5 million for the term); and 3) whatever Eli has on business hires.

THE WHITE HOUSE
WASHINGTON

April 28, 1997

WELFARE TO WORK MEETING WITH ELI SEGAL

DATE: April 29, 1998
LOCATION: Oval Office
EVENT TIME: 4:30 pm - 4:55 pm
FROM: Bruce Reed

I. PURPOSE

To receive an update from Eli Segal on the Welfare to Work Partnership.

II. BACKGROUND

Eli Segal has requested this meeting to discuss the Welfare to Work Partnership.

The Welfare to Work Partnership has made tremendous strides since you launched it on May 20th last year. The number of businesses involved in the Partnership has grown from 105 last May to more than 4,000 today, far exceeding your challenge to sign up 1,000 companies. The Partnership estimates that these companies hired 135,000 welfare recipients in 1997. In its first year, the Partnership also produced a how-to manual for businesses, a national PSA campaign, a survey to measure the progress of its business partners in hiring and retaining welfare recipients, tax credit hotlines for small businesses, and case studies detailing retention success stories. The National Advisory Council has grown from 2 Governors last May to 26. On Monday, the Partnership also launched a new initiative with the Enterprise Foundation to target 8 high poverty cities.

You will be hosting a White House event on May 27th to mark the one year anniversary of the Partnership. At this event you will be announcing the new Department of Labor Welfare-to-Work competitive grants and new welfare caseload numbers. You may also want to challenge the Partnership to double the number of welfare recipients hired, from 135,000 in 1997 to 270,000 in 1998. We are also working to schedule a private meeting for you and the Partnership's Board of Directors prior to this event.

III. PARTICIPANTS

Erskine Bowles
Bruce Reed
Eli Segal

IV. PRESS PLAN

Closed Press.

V. SEQUENCE OF EVENTS

Private Meeting.

VI. REMARKS

No remarks required.

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Cheryl M. Carter/WHO/EOP, Nanda Chitre/WHO/EOP, Joshua Silverman/WHO/EOP
Subject: Gov Carper announcing W2W Partnership's Business Partners Survey

Just a head up that, in an interview with NPR tomorrow at 10 a.m., Governor Carper will announce the results of the first survey conducted by the Wirthlin group of 400 business partners' attitude towards welfare reform. The survey was conducted at the request of the governors on the Partnership's National Advisory Council (now includes 26), chaired by Governors Thompson and Carper, to provide direct feedback from businesses to government officials on the successes and challenges of welfare reform and hiring former welfare recipients. Results are positive, but support that we have more work to do on tax credits and transportation. Highlights (excerpted from talking points Partnership staff prepared for Carper) include:

- Businesses are hiring and will continue to hire--79% of those interviewed expect to hire someone off welfare this year.
- Welfare recipients make successful employees--76% of those who have hired found their new hires are good, productive employees.
- Welfare recipients are getting full-time jobs with benefits--72% of companies that hire are hiring into full-time positions and 72% provide new hires with medical benefits.
- Some businesses are using tax credits, but need more information--12% of small companies and 31% of large companies are using the WOTC or WtW Tax Credits. Those that are not need more information. (NOTE: the partnership has created four toll-free tax credit hotlines to provide information to small businesses).
- We still must work to overcome transportation problems--51% of the companies consider employee transportation a problem, with more than a third saying it's a serious problem (NOTE: we've suggested Carper mention Access to Jobs initiative and funding status in Congress here).

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Laura Emmett/WHO/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Thomas L. Freedman/OPD/EOP
Mary L. Smith/OPD/EOP

WtW - WtW to -work CEOs

Andrea Kane

Record Type: Record

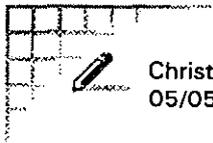
To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Christa Robinson/OPD/EOP, Cynthia A. Rice/OPD/EOP, Thomas L. Freedman/OPD/EOP
Subject: Welfare to Work Partnership Event

There's a meeting in Ann Lewis' office on the event at 10:15 tomorrow morning. Cynthia and I are planning to attend.

Bruce, did anything come up at Eli's meeting with POTUS that we should know about as we move forward on the event?

Christa, Cynthia and I met with Partnership staff last week to begin scoping out the event. The current proposal is for a Rose Garden ceremony for 150. The panel would include Eli, Greenwald, maybe a small business, a welfare success story, and POTUS. **A few key points we wanted to get your reaction on before the meeting tomorrow:**

1. The Partnership really wants a working meeting with their Board and POTUS, in Roosevelt Room, before the large public event. May also want to include Govs Thompson and Carper in this meeting. Partnership had originally suggested they speak on public panel, but we're worried about too many speakers and they might like this better anyway.
2. Announcements: in addition to WtW competitive grants and caseload numbers, what do you think about challenging Partnership to double the number of welfare recipients hired--from 135,000 in 97 to 270,000 in 98? Eli thinks this is meatier than focusing on number of companies and we agree. They've already released the 135,000 number (for NY Times editorial among other things) so that by itself is no longer news.
3. Partnership is very proud of the national TV PSA campaign they've developed to refute stereotypes of welfare recipients and encourage employers to get involved. They'd like to unveil this at the event--maybe show part of it.
4. The success stories profiled in the PSAs, one works for Smith Barney and the other for Marriott--both in NYC, are prime candidates for being on the panel and introducing POTUS.
5. As you may have heard from Eli, the key issue for Partnership is sustaining momentum and financial support. They need help sending the message that the job is not done and businesses, especially key supporters on the Board, need to stay in this for another year.



Christa Robinson
05/05/98 12:05:00 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP
Subject: Welfare to Work Partnership Event

Based on the Ann Lewis meeting with Eli Segal and Partnership folks, here is the update on the May 27th welfare event.

Program:

Eli Segal - growth of Partnership (5,000 companies), success in terms of retention.

Jerry Greenwald, United Airlines - good for business, tell his retention success.

Former Welfare Recipient - tells personal story of transition to work

POTUS

- Cabinet will be seated on Stage.
- CEOs/Board of Directors will be seated in the front row.
- 10-15 former welfare recipients/success stories that the POTUS has met w/ previously and new ones will be seated in the front row.
- 100 business members of the Partnership in the audience.

ISSUES NEEDING RESOLUTION:

1. FYI: The welfare recipient the Partnership has recommended is african-american. She is from Smith-Barney and is featured in the PSA campaign. Apparently, she has a magnificent story, but we are getting other options..
2. The Partnership has requested a working meeting with the President, Cabinet, Governors, and their Board of Directors prior to the event. Ideally, they would like a longer substantive meeting, but Stephanie Streett indicated that we can probably only get POTUS to drop-by for 15 minutes at the conclusion of their meeting. The meeting would be in the Roosevelt Room prior to the event. This will come up at the next COS scheduling meeting.
3. Governors will not have a speaking role, however, they will be invited to a meeting before hand. Are you okay with them not speaking -- particularly if they are not part of a substantive meeting w/ POTUS before hand if he only drops by.

Press Strategy:

- Leak Partnership polling data and state by state numbers to USA Today for weekend story over the 4 day Memorial Weekend prior to the Wednesday event.
- Work stories for day of event w/ Wall Street Journal (perhaps give them the Fortune 500 companies that have signed up), and A.P.
- CEOs meet with Washington Post Editorial Board morning of event.
- CEOs submit Op-Ed's to key regional papers (ie. Chicago, Philadelphia, NYT,)
- Eli is meeting w/ Peter Jennings to pitch good success stories for ABC to follow leading up to the event.
- TV and Radio PSAs are being distributed to networks and Bloomberg. HBO has committed to

running them
- Pitch CEOs for running shows

Wp. Wp-to-work CEOs

Reed

THE WHITE HOUSE
WASHINGTON

March 7, 1998

Cynthia/Andrea -
Have we put in a
scheduling request?
If not, let's
3-9-98
Cena

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY

SUBJECT: Recent Information Items

We are forwarding the following weekly information items:

Give Committee
to Eli Segal

(A) **ISTEA Transit Update from Larry Stein** -- the Senate Banking and Budget Committees came to an agreement to provide \$5B in additional budget authority for transit funding over the next five years; Sen. Domenici has pledged to find budget offsets; a major hurdle yet to overcome is the amendment offered by Sens. Johnson and Craig that would assign transit money based on gasoline consumption rather than transit usage; would guarantee that States receive 70% of their mass transit account contributions, thereby spreading the mass transit dollars thinly; vote will be very close, and, if it goes to the floor, it will split the Democratic Caucus; opponents of the amendment seek the Administrations support; Larry is hopeful Sens. Daschle and Johnson can work out a compromise; should they fail he suggests a strong statement from Sec. Slater, stopping short of a veto threat.

Give Chair
to Eli Segal
to see
to see

(B) **Welfare to Work Update/Request from Eli Segal** -- things look very good; the rolls continue to shrink; companies that initiate thoughtful programs are seeing higher retention levels among former welfare recipients than among other entry level employees; money flowing to the States is having a dramatic effect on the provision of child care; efforts by the Labor Dep't, HHS, SBA, Treasury, the VP's office, and soon HUD and DOT will accelerate our progress; the Partnership will soon have 5,000 businesses, 35 of the Fortune 100, participating from all economic sectors and regions; its success has been aided by three presidential events, a PSA campaign, how-to manuals, Wirthlin surveys, the support of 24 governors, a highly targeted "cities" campaign, and award ceremonies for companies; the real point of Eli's memo is to request that you commemorate the one-year anniversary of the Partnership with a White House event on May 20; *this has not been vetted through the scheduling process -- we have copied Erskine, Rahm, and Stephanie.*

(C) **Executive Summary of Indian Country Reports forwarded by Ibarra/Cutler** -- following up on your April 1997 Executive Memorandum on ensuring government-to-government relations with Indian Country, Erskine and Bruce Reed asked the agencies and departments to summarize their approaches and activities related to Indian Country; the executive summary notes that by any socioeconomic measure, the Native American

3-9-98

MEMORANDUM

TO: The President
FROM: Eli J. Segal **CP**
DATE: February 27, 1998
RE: Welfare to Work Progress

Copied
Segal
Bowles

This is both an update and a request for your time on or about May 20.

Things look very good. The size of the welfare rolls continues to decline despite the cynics who have tried to set off alarm bells about the evaporation of job ready welfare recipients. The evidence mounts that companies who initiate thoughtful programs are seeing higher retention levels among former welfare recipients than among other entry level employees. The money flowing to the states is already having a dramatic effect on the provision of child care.

On top of these developments, Labor's \$3 billion for state and local communities and HHS's \$1 billion of bonus money for states with superior programs will accelerate the pace of welfare to work. The yet to be enacted HHS, HUD and DOT initiatives, the strong support of SBA and the Vice President (government hiring and mentoring efforts) and the Treasury's engagement on several issues, especially the effectiveness of tax incentives, are also reasons for optimism.

Then there is the success of The Welfare to Work Partnership. Only an idea one year ago, we are on our way to 5,000 businesses from all sectors and regions by the Spring (including at least 35 of the Fortune 100). With presidential events (you've done three already apart from the last two State of the Union addresses), a PSA campaign, how to manuals, Wirthlin surveys of partners, 24 governors supporting our efforts, a highly targeted "cities" campaign to be launched in April and awards ceremonies for successful small and large companies, there is much for all of us to crow about. While major hurdles remain, particularly transportation and the unique needs of small businesses, the immediate future is very encouraging.

Which brings me to the purpose of this memo. May 20 is the anniversary of The Welfare to Work Partnership. If the White House is prepared to commit in advance to a mid-May event, perhaps in the East Room like last year, we could put together a truly astonishing spectacle. Driven as much by results as new challenges, we can really make the case that the old welfare system is dead. Great success stories, launching the television PSA campaign, announcing 5,000 partners with your challenging us to be at 10,000 by the end of the year,

Eli J. Segal / February 27, 1998
Page Two of Two

reporting on strong retention patterns – all of this could make for a memorable day. I'm told that both May 20 and May 21 are possible for this purpose.

Therefore, this request. If you share my enthusiasm and sense of the historical possibilities, I'm wondering if you could so indicate so we can lock up the day and then the details. I know this isn't the ordinary way to schedule. It's just that we'll need sufficient time to build towards the kind of event that circumstances justify.

#####

EJS/amrb

Wp - Wp-to-work CEOs

EK/Christ/CB/

Tom -

Let's push
for this.

-BR

MEMORANDUM

TO: The President

FROM: Eli J. Segal **CP**

DATE: February 27, 1998

RE: Welfare to Work Progress

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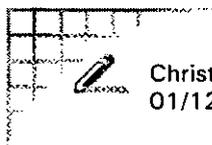
Eli J. Segal / February 27, 1998
Page Two of Two

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#####

EJS/amrb



Christa Robinson
01/12/98 06:21:15 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP

cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

Subject: U.S. Chamber of Commerce Event

Leslie from the Chamber talked to Tom Donahue after our meeting and he agreed to the idea of a breakfast on Feb. 24th from 8:45am to 9:45am. The breakfast would have to be at the White House in order for us to invite all of the participants from their welfare to work symposium the day before. I called Jen Palmieri to confirm that the East Room will be available and to find out if there are any event requests we're competing with on the 24th. I'm waiting to hear back, and this will come up at the Wednesday Short Term Scheduling meeting. I'll let you know when I hear something.

WR-to-work CEOs

November 18, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: BRUCE REED

SUBJ: NOVEMBER 19TH WELFARE TO WORK PARTNERSHIP BOARD MEETING

The purpose of this meeting is to thank the Board members of the Welfare to Work Partnership and acknowledge their impressive efforts in contributing to the success of one of the President's top priorities--moving people from welfare to work. You will meet with Board Chairman and United Airlines CEO Gerald Greenwald and 17 of his Board members, including the CEOs of United Airlines, Aetna, Burger King, Loews, Sprint, and TJX (complete list is attached). The Board members are in Washington for the first meeting of the expanded Board (the five founding Board members met on May 20th) to plan their priorities for 1998.

Talking Points

- Thank you for taking time out of your busy schedules to come to Washington for the Welfare to Work Partnership Board meeting and for giving me the opportunity to meet with you while you are in town.
- On behalf of the President, I want to extend our deep appreciation for the commitment you are making to help people move from welfare to work. Your role in this historic undertaking is critical and we are delighted with the results to date. The President is especially impressed with your tremendous success in expanding the Partnership from 105 companies in May to 2,500 companies today--far surpassing the six month goal of 1,000 companies set May 20th when the Welfare to Work Partnership was launched here at the White House.
- The President is very proud of your accomplishments. He wants me to express his personal thanks to each one of you for your leadership in serving on this Board, and more important, in providing meaningful employment opportunities for individuals who want to work and support their families. This is truly a win-win partnership: Not only is it helpful for those leaving welfare; it is also helpful to companies, many of whom are facing labor shortages as you well know.
- On Monday, the President said that when we get 10,000 companies "we'll really be talking turkey and we'll be doing something that will make a big dent nationwide." The President would be so pleased if when you return for your next board meeting you have 10,000 companies involved.

- Each of you on the Board, as well as all the companies who currently belong to the Partnership, serve as ambassadors and models for thousands of other companies who have not yet signed on. When you go back and talk to your friends in other companies and in your communities, I encourage you to carry the welfare to work message loud and clear. And, when you go back to your own company, I hope you will continue with the great work you are already doing to make our economy strong and provide opportunities for families to make a better life.

Background

The Welfare to Work Partnership

The Partnership was formed in response to the President's challenge in this 1997 State of the Union speech to forge a "new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work." The Welfare to Work Partnership was launched at the White House in May 1997 to lead the national business effort to hire people from the welfare rolls. The Partnership includes all kinds of companies from all 50 states:

- 20% have more than 250 employees
- Half are small companies with 25 or fewer employees
- Over 20 are Fortune 100 companies

President's November 17th Announcements

On Monday, President Clinton announced that in six months over 2,500 companies from all 50 states have pledged to hire new workers from the welfare rolls, far surpassing the goals set May 20th when the Welfare to Work Partnership was launched at the White House. The President praised a new campaign by the U.S. Chamber of Commerce to enlist every local chamber of commerce in the welfare to work effort. The President also unveiled new work-focused welfare reform rules that will provide state and local governments with the flexibility to use federal resources effectively, while holding them accountable for results. He also announced that welfare caseloads have continued their dramatic decline, dropping another 236,000 in the most recent month for which statistics are available and a full 1.9 million in the 11 months after he signed welfare reform into law. The President made these announcements in Wichita, Kansas at the dedication of a new welfare to work facility opened by Cessna Aircraft Company, one of the Welfare to Work Partnership's founding members.

Confirmed Participants in November 19th Welfare to Work Meeting

Gerald Greenwald	Chairman	United Airlines/UAL Corporation
Richard Huber	President & CEO	AETNA, Inc.
Dennis Malamatinas	Chief Executive Officer	Burger King Corporation

Carolyn Stradley	President & Owner	C & S Paving
Gary Fisher Corporation	Manager of Western Region Public Affairs	Chevron
George Stinson	Chairman & President	General Converters &
Assemblers, Inc		
Bill Sykes	Director, Educational Services	The Limited
Jonathan M. Tisch	President & CEO	Loews Hotels
Mitchell Fromstein	Chairman, President & CEO	Manpower, Inc.
Brendan Keegan	Senior Vice President Of Human Resources	Marriott
International		
Frank Stokes	Public Affairs	Monsanto
Company		
Barry Corona	President	Production
Products		
Rachel Hubka	President & CEO	Rachel's Bus
Company		
William T. Esrey	Chairman & CEO	Sprint Company
Ben Cammarata	Chief Executive Officer	TJX Companies, Inc.
Barbara Turner	President	Boscart Construction
Lea Soupata	Senior Vice President of Human Resources	United
Parcel Services of America, Inc.		

In addition to these board members, 11 corporate and Partnership staff will also attend the meeting.

Sequence of Events

- Bruce Reed will arrive at 11:15 and give brief remarks
- A short period of discussion will follow
- Erskine Bowles will arrive at 11:30, accompanied by Secretary Rubin
- Erskine Bowles will give brief remarks and introduce Secretary Rubin
- Secretary Rubin will give brief remarks
- A short period of discussion will follow



Cynthia A. Rice

10/21/97 04:37:19 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
cc:
Subject: Information on Cessna/Wichita Event

I have more information on the proposed Cessna/Wichita event, including an October 1st memo that Cessna CEO Russ Meyer sent directly to the President.

Meyer describes the event as a dedication ceremony for their new welfare to work facility, marking what they call a "major expansion" of the program they've run since 1990 to train "men and women who were unemployable and subsisting on welfare" for jobs at Cessna. The President would congratulate the program's 200 graduates now in the workforce and highlight this public-private partnership as a national model. Meyer says he's also invited Secretaries Glickman and Cuomo (HUD loans helped pay for the expansion) and plans to invite Senators Dole and Kassebaum who have both been long-time supporters.

Kate Carr and Lyn Hogan say the Welfare to Work Partnership does not plan to have any announcements at the event, nor do they plan a major effort to recruit Wichita companies for the Partnership. Instead, they see this as an opportunity for the President to highlight the good work one of their members is doing. If this event were held on November 17th, the Partnership would still plan to announce its advisory board (including about 20 governors) in Washington D.C. on November 19th during their board meeting and they still very much want their board to have face time with the President that day. Bruce--do you want to discuss this with Eli?

The information I have on the program looks good. My only concerns are that it appears small (with 200 total graduates I believe since 1990, although the materials aren't entirely clear), expensive (\$5.27 million for the new facility -- this, plus operating costs probably add up to a high cost per participant), and some of their trainees were probably not AFDC/TANF recipients (but unemployed men or food stamp recipients). On the other hand, the program 1) provides state of the art training and day care; 2) guarantees all successful trainees a private sector job at graduation; 3) provides a complete wage and benefit package during training; and 4) is part of a true public-private partnership which has helped revitalize an entire community.

Here are some questions for which I think we need answers. Do you have others?

1) The proposal refers to 200 graduates who would be congratulated -- are these the total number of graduates since the inception of the program in 1990? If not, how many individuals have been trained by the program since its inception?

2) How many more individuals will be trained at one time in the new facility versus the old one?

3) Is the new facility an entirely new building or set of buildings or an expansion of the previously-used building?

4) Were all the trainees welfare recipients, i.e., been on AFDC or TANF? The proposal refers to "men and women who were unemployable and subsisting on welfare" which indicates some were

not actually on welfare.

5) How much per person does the training program cost, when all the public and private contributions are totaled?

6) Do all the trainees get hired by Cessna? If other employers are involved, what percent of the trainees get hired by Cessna?



Cynthia A. Rice

10/23/97 05:40:26 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
Subject: Spoke to Kate Carr about recruiting companies in Wichita

She said, not entirely tongue-in-cheek, that she'd have more time for a recruitment effort leading up to the 17th if she wasn't worrying about how disappointed her board members will be when they can't see the President on the 19th.

She said they have 2,500 companies to date and they have not announced that number yet and that it could be done in Wichita. November 17th will be six months from May 20th, when they pledged to have 1,000 companies within 6 months -- so it will be a good announcement. Also on my list are:

New caseload numbers (down for 40 months in a row);
Welfare to Work grant application --\$ available for more communities
to do innovative projects like these
Hammer award (usually awarded by VP, but POTUS or Cuomo could do it)



Cynthia A. Rice

10/21/97 07:37:11 PM

Record Type: Record

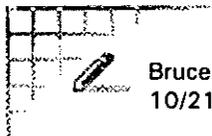
To: Bruce N. Reed/OPD/EOP
 cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
 bcc:
 Subject: Re: Information on Cessna/Wichita Event 

For what it's worth, Kate Carr made the pitch that the 17th and 19th should be a package deal -- they help us get good attention at Cessna on the 17th and we help them keep their board pumped with a private, non-message event on the 19th.

It sounds like Eli's been working the Cessna idea mostly without his staff -- they're focusing on other things considered more central to their mission, including:

- 1) Oct 23rd event with Sect. Shalala to help get health care companies to commit to the Partnership
- 2) Follow up in St. Louis to ensure the 360 businesses that committed actual hire people
- 3) November 13th event in Boston opening a new Strive center (with the Governor, the mayor, and Sen. John Kerry).
- 4) Nov. 18th: a fundraiser in D.C.
- 5) Nov. 19th: a press breakfast announcing their advisory board, followed by their first full board meeting and (they hope) a drop by with the President
- 6) Dec. 3rd: an all-day workshop in L.A. for their member companies on strategies for hiring and retaining recipients
- 7) Dec. 15th -- a "cities challenge" in Indianapolis, with both the Governor, Mayor Goldsmith, and other mayors from around the state.

Bruce N. Reed



Bruce N. Reed
10/21/97 06:11:15 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
 cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
 Subject: Re: Information on Cessna/Wichita Event 

Thanks -- that's helpful. It would also be nice to know if the 200 are still working. We shouldn't fly all the way to Kansas unless we're very high on it.

I tried to reach Eli. He was very high on this before; I'm surprised Lyn et al are not more enthused. It almost certainly tubes their face time in DC.



Cynthia A. Rice

10/22/97 09:43:23 AM

Record Type: Record

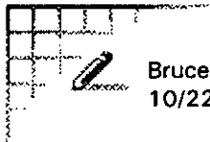
To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
bcc:
Subject: Re: Information on Cessna/Wichita Event

The memo from the Cessna CEO says that they plan to "officially dedicate what we believe are the finest 'Welfare to Work' facilities in the entire country" and that it would be meaningful, especially for "past graduates" if the President could be there. Later the memo refers to having the President "congratulate the 200 graduates who have completed the program and are now gainfully employed." All of this sounds like a ribbon-cutting ceremony, not a commencement.

Also, other information I have about the program says that the training individualized and has no fixed period -- trainees advance based on their skills, which would also indicate they don't have a "graduating class." I assume the audience would include other public-private partners that have contributed to this project and some business leaders the Partnership would recruit.

I will talk to the Cessna folks today to find out the answers to these and our other questions. I'll also find out if it's the only facility of its kind. I also have a former Kassebaum staffer checking it out for us.

Bruce N. Reed



Bruce N. Reed
10/22/97 08:55:37 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP
Subject: Re: Information on Cessna/Wichita Event

Do you know who the audience would be in Wichita? Is it just a new facility, not really a commencement? Is this the only facility of its kind?

THE WELFARE TO WORK PARTNERSHIP

cc
Tom,
CR,
Chritz
EK

FACSIMILE TRANSMITTAL SHEET

TO: Bruce Reed	FROM: Eli Segal
COMPANY: The White House	DATE: September 16, 1997
FAX NUMBER: 456-5542	TOTAL NO. OF PAGES INCLUDING COVER: 5
PHONE NUMBER: 456-6515	SENDER'S EXTENSION NUMBER: 303
RE:	

URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE RECYCLE

NOTES/COMMENTS:

1250 CONNECTICUT AVENUE, NW
SUITE 610
WASHINGTON, DC 20036
PHONE (202) 955-3005 • FAX (202) 637-9195



The Welfare to Work
P A R T N E R S H I P

MEMORANDUM

To: Bruce Reed
From: Eli Segal
Date: September 16, 1997
Subject: Scheduling Requests

We have two scheduling requests for the President: one for November 14 in San Francisco; and one for November 18 or 19 in DC. The first involves a significant time commitment during what I understand to be an already planned West Coast swing. The latter involves a minor time commitment incidental to the first full Board of Directors meeting of The Welfare to Work Partnership. The President is already aware of these requests.

We believe that the St. Louis event was extremely positive. Over 350 companies committed to hiring a significant number of the 20,000 adults presently on public assistance. What is equally significant is that we polled attitudes of the St. Louis business community on welfare to work pre and post event and saw a dramatic positive swing (see attached article). We believe that San Francisco is the perfect place to do this next -- this time with substantially more than 350 companies in attendance. Mayor Willie Brown, the Chamber of Commerce, a half dozen major corporate champions are certain to take up the challenge and help us create an extraordinary event -- modeled on St. Louis. As in St. Louis, the earlier we can lock this in, the better.

The DC event could be as modest as a drop-by at the White House with the approximately 20 major CEOs to be thanked and challenged anew by the President, or a more major undertaking on a theme yet to be determined. I know it's hard to commit to

this just now, but we're putting in the request because we believe the President is in town on the two days in question.

Please advise what additional details you might need.

Cc: Erskine Bowles
Jennifer Palmieri
John Podesta

The Welfare to Work Partnership is a not-for-profit corporation organized under the laws of the District of Columbia.

WR - WR-to-work - CEOs

Welfare Reform Daily Report - August 18, 1997 (PAGE 14)

The agency also plans to post information on the SBA Internet home page and to develop an outreach plan to help small companies locate potential employees.

For more information on the SBA and its programs, visit the agency's home page at www.sba.gov or call the SBA Answer Desk at 800-8-ASK-SBA.

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Business Wire 00 August 14, 1997, Thursday

Cynthia/Diana -
You've seen this, right?
Some interesting statistics -

Welfare-to-Work Initiative Sparks Interest of America's Fastest Growing Companies, Finds Coopers & Lybrand L.L.P.

Larger Firms, and Those Needing Most New Workers, Express Most Interest

Think about what we
can make use of. Etc

Coopers & Lybrand's Trendsetter Barometer interviewed CEOs of 444 product and service companies identified in the media as the fastest growing U.S. businesses over the last five years. The surveyed companies range in size from approximately \$ 1 million to \$ 50 million in revenue/sales. Half of these CEOs say their companies are recognized as high tech businesses.

cc: Bruce

Helping welfare recipients transition into America's workforce is catching on among the country's fastest growing companies. More than one-quarter (26 percent) already have hired workers from the welfare rolls, and another 4 percent plan to soon. And, overall, 60 percent of the CEOs of America's fastest growing companies say they are interested in partnering with other businesses to help move welfare recipients into the labor market, according to Coopers & Lybrand's latest "Trendsetter Barometer" survey, released today. The interest in a welfare-to-work initiative spans all major industry groups, and is greatest among larger growth firms and those planning to hire the most new workers over the next 12 months. More than half of the CEOs interested in a welfare-to-work effort (54 percent) say they believe it could be beneficial to the overall business climate and their own company's growth over the next three to five years. "America's 'Trendsetter' companies are known for their innovation and flexibility," says Jim Lafond, mid-atlantic cluster managing partner for Coopers & Lybrand L.L.P. "It's not surprising that these successful companies are seizing the opportunity to hire these workers, as 30 percent have or plan to." The 60 percent of fast-growth firms that support a joint welfare hiring initiative include: 20 of the 26 percent of CEOs currently employing workers from welfare; 4 percent who are making plans to hire welfare recipients, and 36 percent who have not yet hired an employee from welfare. "This survey illustrates that businesses understand that hiring former welfare recipients is a smart solution for business," comments Eli Segal, president of The Welfare to Work Partnership, a group of businesses committed to hiring former welfare recipients. "A joint effort among fast growth companies to hire workers from welfare could facilitate an 'everybody wins' situation, as these firms have an ongoing need for workers," says Lafond. "However, to achieve its full potential, a well-organized effort is necessary." Among the "Trendsetter" CEOs interested in a welfare initiative, nearly eight in ten (78 percent) are looking for employees who can be trained; only 22 percent seek pre-trained workers. However, more than four-fifths (82 percent) would hire from intermediary job placement agencies offering readiness and support services prior to and during job placement.

Larger Growth Firms Have More Interest in Welfare Initiative

The "Trendsetter Barometer" survey also found a correlation between the size of a growth company and its interest in a welfare-related hiring initiative: In firms with one to nine employees, 46 percent of CEOs expressed interest. The interest level rose to 61 percent among firms employing ten or more, and increased to 74 percent for firms with more than 500 employees. Overall, the firms interested in a welfare hiring initiative are 12 percent larger than their peers (76 median employees, compared to 68), grew 12 percent faster over the past five years, and expect to add 12.6 percent new workers to their labor force over the next 12 months. The appeal of a welfare-to-work initiative extends broadly across all industry groups: 61 percent of "Trendsetter" product-oriented businesses expressed interest, as did 60 percent of service firms, and 49 percent of retail trade/distribution firms. Among individual industries, personnel services companies voiced the greatest interest, at 92 percent - due to a potential increase in business opportunities. Financial services, transportation, communications, and certain types of manufacturing firms indicated above-average interest, while computer software, engineering and business services showed below-average interest. "As might be expected, interest was a bit lower among high tech growth firms than the non-high tech firms - 54 percent versus 67 percent, respectively," notes

Please contact Dana Colarulli if you would like to receive the WR Daily Report by e-mail or if you have questions about articles found in this publication. (dcolarulli@acf.dhhs.gov (e-mail) or 202-401-6951 (voice)).

Welfare Reform Daily Report - August 18, 1997 (PAGE 15)

Lafond. "High tech firms and those from other industries dealing with emerging technologies have a greater and more-immediate need for highly skilled, trained workers than for trainable entry level people."

Incentives Make Welfare Initiative More Attractive

The "Trendsetter" findings also revealed that firms interested in a hiring initiative from welfare view the following incentives as important for their participation: pre-employment job readiness and support programs (cited by 82 percent); temporary wage subsidies for workers paid to the employer (75 percent), tax credits for hiring (75 percent), and job-specific training prior to starting employment (69 percent). Currently, nearly all interested fast-growth CEOs have the resources to provide healthcare benefits to their low-income employees (94 percent), but relatively few (only 13 percent) say they are able to offer child care subsidies or on-site child care services. Over half (56 percent) indicate their firms would be more likely to hire welfare recipients if temporary child care and healthcare subsidies were provided for at least the first year of employment. However, 29 percent disagreed, and the remaining 15 percent were uncertain. "Although incentives are important to draw new businesses to hire off the welfare rolls, it is the employee commitment, dedication and hard work that will be the true incentive in the long run," said Segal. The Welfare to Work Partnership is a national nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. It is organized as a non-profit corporation. In its first year, the Partnership will build an expanding network of companies committed to making a difference regarding welfare reform. Membership is open to all businesses that are committed to hiring and retaining those on public assistance without displacing current workers. Coopers & Lybrand's "Trendsetter Barometer" is developed with assistance from the opinion and economic research firm of Business Science International. One of the world's leading professional services firms, Coopers & Lybrand L.L.P. provides services for enterprises in a wide range of industries. The firm offers its clients the expertise of more than 16,000 professionals and staff in offices located in 100 U.S. cities and, through the global network of Coopers & Lybrand International, more than 74,000 people in 142 countries worldwide. -0-

If you would like to learn more about Coopers & Lybrand L.L.P., our Internet address is: <http://www.us.coopers.com>

Additional comments on Coopers & Lybrand's Trendsetter Barometer findings:

Jeff Joseph, Vice President, Domestic Policy, Chamber of Commerce: "The U.S. Chamber and its members are committed to supporting effective welfare-to-work programs to try and place current recipients in real, private sector jobs with the potential of upward mobility. However, this will not be easy because some recipients have never worked in their life and others still lack the general knowledge and skills necessary to succeed in the workforce." Aida Alvarez, Administrator, U.S. Small Business Administration "Small business owners tell me time and again of their need for qualified workers. Welfare to Work can help bridge that need. SBA's nationwide network of advisors, counselors and women's business centers are ideally placed to deliver Welfare to Work information to small business owners. I personally intend to make this a top priority in the months ahead."

CONTACT: Coopers & Lybrand, L.L.P., Marcy Brucellaria, 212/259-2109
or The Welfare to Work Partnership, Luis Vizcaino, 202/955-3005 ext. 322

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The Washington Post
August 13, 1997, Wednesday, Final Edition*

Welfare Rolls Continue Sharp Decline; Percentage on Assistance Is Lowest Since 1970; Many Factors Are Cited

BYLINE: John F. Harris; Judith Havemann, Washington Post Staff Writers

One year after a far-reaching welfare reform law ended 60 years of guaranteed support for the poor, the Clinton administration released figures yesterday showing public assistance rolls continuing to decline sharply with the percentage of people on welfare at its lowest level since 1970.

Please contact Dana Colarulli if you would like to receive the WR Daily Report by e-mail or if you have questions about articles found in this publication. (dcolarulli@acf.dhhs.gov (e-mail) or 202-401-6951 (voice)).

The Welfare to Work Partnership
 1250 Connecticut Ave. NW, Suite 610
 Washington, DC 20036-2603

All About *The Partnership*

Welfare to Work is a Smart Solution for Business.

At a time when many businesses are facing a critical shortage of workers, a new, non-traditional source of employees is being discovered in communities across the country. With the advent of welfare reform, nearly four million people will be exiting the welfare system and looking for gainful employment to improve their lives. With America in the midst of a sustained recovery and the best economic conditions in 30 years, what better time to bring together the mutual interests of business and people needing to find employment? Welfare to Work is a smart solution for business.

A New, National Initiative to Move People from Welfare to Work

The Welfare to Work Partnership (*The Partnership*) was launched on May 20, 1997 at the White House by President Clinton, Governors Tommy Thompson (R-WI) and Tom Carper (D-DE) and over 100 participating businesses. This newly formed, national, nonpartisan, not-for-profit organization was created to encourage and assist businesses hiring individuals from public assistance without displacing current workers. Founded by United Airlines, UPS, Burger King, Monsanto and Sprint, *The Partnership* is focused on supporting small, medium and large businesses hiring former welfare recipients.

Expanding the American Workforce for Greater Productivity

Finding workers to sustain the growth of American businesses is becoming one of the most crucial concerns of business owners and managers all across the United States. The large pool of workers within the welfare system can be recruited and trained to fill many entry-level jobs as well as other positions that are currently going unfilled. Businesses that hire former welfare recipients have experienced higher retention, lower turnover and have reaped the benefits of hiring workers that are trainable and ready to work. New tax incentives offer additional encouragement to hire people from public assistance.

Welfare Recipients – A New Source of Workers for U. S. Businesses

Many welfare recipients are work-ready or nearly work-ready. According to the Urban Institute, over two-thirds of women on welfare had recent work experience before applying for public assistance. In fact, on average, the Urban Institute found that welfare mothers—typically the family bread winner for the nearly 4 million families receiving assistance—have over *four years* of work experience. The average age of adult recipients is 31 years and families receiving cash assistance have an average of two children. Welfare recipients are from racially and ethnically diverse backgrounds: 36 percent are white; 37 percent are African-American; and 21 percent are Hispanic. Employers are already tapping into the welfare roles for workforce development. Since the welfare law was passed in August of 1996, welfare roles have declined by 1.2 million individuals. With job readiness training, placement opportunities, and follow-up retention services, individuals currently receiving welfare assistance can become productive and valuable employees further expanding the American economy.

Building a National Welfare to Work Network

The Partnership is building a network of Business Partners with experience hiring former welfare recipients and/or pledging to hire at least one person from welfare. Through our network, businesses can convey successes as well as the challenges of having employed individuals from public assistance so that others may learn from them. Business leaders can serve as mentors to those without experience at hiring people from welfare. Regardless of size and type, businesses participating in *The Partnership* will be encouraged and provided with assistance and tools to aid them in hiring welfare recipients. There are no dues or fees to participate and be recognized.

The Partnership recognizes that most businesses will need help hiring people from public assistance. In order to support its expanding network of businesses, *The Partnership* is building a database of organizations, often referred to as service providers, to offer such assistance. Qualified and capable service providers can make the task easier for businesses seeking to hire former welfare recipients.

A national network of businesses and service providers can learn from each other, exchange ideas, and communicate the promise and the challenge of welfare to work efforts for greater success.

Providing Technical Assistance and Support

The Partnership supports its network of Business Partners with technical information including a “*Blueprint for Business*” manual that serves as a guide for finding, recruiting, training, hiring and retaining former welfare recipients. *The Partnership* will also publish a directory of Business Partners and a database of service providers to facilitate business-to-business connections. Additional publications will include a newsletter, fax updates, and other materials as they are developed. Much of this information will be made available through *The Partnership's* World Wide Web site, www.welfaretowork.org.

Business to business education, communication and interaction will help owners and managers avoid the risks of hiring welfare recipients and promote successful employment practices. Special seminars and community events will be announced to provide additional training, support and guidance. Exceptional businesses, service providers, and communities will be recognized for their efforts at award ceremonies recognizing their leadership, success and creativity within the welfare to work initiative.

Provide Leadership and Encourage Corporate Social Responsibility

Participation in the welfare to work initiative signals a corporate willingness to strengthen American families and communities. Constructively engaged, productive employees provide healthy family environments and contribute to safer and more successful communities in which to grow and expand businesses. *The Partnership* will air public service announcements from time to time to further motivate and engage businesses in the welfare to work initiative. Owners and managers will be encouraged to become Business Partners and learn more about how to successfully hire welfare recipients.

Becoming a Business Partner in The Welfare to Work Partnership demonstrates your support for this effort. Private sector employers can learn from each other and help meet the challenge of expanding America's workforce and further grow their business capacity at the same time.

National Scope with a Community Focus

The Partnership is national in scope with a mission to promote and engage businesses across the country in the welfare to work initiative. At the same time, *The Partnership* recognizes that jobs are created and filled locally. And so, *The Partnership* serves as a catalyst to communities seeking to participate in the national welfare to work effort.

Metropolitan areas, cities of all sizes as well as smaller communities and rural areas will be challenged to confront the demand for more workers and the need to find jobs for people on welfare. Key stakeholders will be encouraged to join together in local efforts to expand welfare to work opportunities. Together, they support local businesses hiring local people.

Welfare to Work is Good for You and Your Business! It is a Smart Solution!

The Welfare to Work Partnership is located in Washington, DC. Its President, Eli J. Segal, manages its staff and guides its operations within the mission and objectives established by the Board of Directors made up entirely of private sector CEO's and business owners.

For more information, please contact Lisa Dawe, Business Outreach, at *The Partnership* office.

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The Welfare to Work Partnership

Frequently Asked Questions

What is The Welfare to Work Partnership?

The Partnership is a national, independent, nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. The Partnership will concentrate on energizing the business community to hire and retain welfare recipients without displacement of existing workers. The Partnership provides information, technical assistance and support for businesses of all sizes, from all industries and from all areas of the country.

Is this President Clinton's program?

President Clinton fully supports the Partnership's initiative. However, the Partnership is a nonpartisan effort which relies on the support of both Republican and Democratic leadership as well as state and local government officials. The Partnership also will coordinate its efforts with local and state private and public social service agencies. In order to make the welfare-to-work successful business leaders and government must work together.

How did the initiative get started?

On August 22, 1996, the Personal Responsibility and Work Opportunity Act was signed ending welfare as we know it. Following the enactment of the new welfare law, many businesses recognized that the government alone could not meet the goals of the new law. Accordingly, the CEOs of United Airlines, Burger King, Sprint, Monsanto and UPS joined together to form a nonpartisan, nonprofit organization that would spearhead the welfare-to-work effort from a business to business perspective.

Together with President and CEO Eli Segal, the five founding companies formed the Welfare to Work Partnership as a response to the law and to President Clinton's challenge to the private sector to initiate welfare-to-work programs.

What are the goals of the Partnership?

In the first year, the Partnership plans to build an expanding network of companies committed to hiring and retaining persons on public assistance. In addition to mobilizing companies, the Partnership will publish and broadly disseminate a Blueprint for Business manual that will serve as a guide to hiring welfare recipients. It expects to develop a customer-friendly database of organizations that provide job training and readiness, childcare and related services.

Who are the five founding companies?

The founding companies of the Partnership are UAL Corporation, Burger King, Monsanto Company, Sprint Corporation and United Parcel Service of America, Inc. United Airlines CEO Gerald Greenwald is the Chairman of the Board.

Who can participate in the Partnership?

Membership is open to all businesses of all sizes, who have hired, or who will commit to hire welfare recipients without the displacement of existing workers.

Why should businesses get involved in the Partnership or any type of welfare-to-work effort?

Welfare to work is a solution that's smart for business. Many companies find it difficult to locate entry-level workers. By actively recruiting welfare recipients, companies will greatly enlarge their pool of potential entry-level workers; a non-traditional pool that companies that has not previously been actively recruited. Tax credits are also available. In addition, companies can actively participate in their communities to strengthen families and improve children's lives.

What is the new welfare reform law?

The Personal Responsibility and Work Opportunity Act of 1996 replaced the Aid to Families with Dependent Children (AFDC) program with block grants to the states. The prior AFDC program was relatively open-ended, while the block grant programs are capped. The Act, effective this year, imposes a 5-year, lifetime limits on welfare benefits, and requires adults in families to work to receive benefits after two years.

What are some current welfare statistics?

Since 1993, the number of Americans receiving public assistance has fallen about 20 percent, or by over one million, the largest decline in the past five decades.

A recent report released in May 1997, by the Council of Economic Advisors determined that low unemployment and a growing economy accounted for 40 percent of the decline in caseloads. Welfare reform experiments explained 31 percent of the decline, and the remainder was due to other policies, including the Earned Income Tax Credit for low-income workers, increased child support collections and more spending on child care for welfare mothers.

To date, eleven states – Alabama, Colorado, Indiana, Massachusetts, Mississippi, North Dakota, Oklahoma, Oregon, Utah, Wisconsin, and Wyoming, have reported more than 25 percent decline in welfare rolls.

W SOLUTIONS

The Newsletter of The Welfare to Work Partnership, a not-for-profit corporation

Summer 1997

MEET ME IN ST. LOUIS CITY TO CITY TOUR KICKS OFF AUGUST 12

As part of the Partnership's national outreach effort, we are organizing a regional tour to identify, motivate and assist the private sector in hiring and retaining former welfare recipients without displacing existing workers.

The Partnership is honored to kick off its city to city tour in St. Louis on August 12, 1997. President Clinton will join local leaders, including Governor Mel Carnahan (D-MO) and Senator Christopher Bond (R-MO), to bring national attention to established welfare to work initiatives in the bi-state St. Louis region and to motivate additional businesses to begin hiring welfare recipients.

"The St. Louis region is a fantastic area that has been at the forefront of welfare reform," said Lyn A. Hogan, Vice President for Policy and Planning at the Partnership.



"The St. Louis event is the next step in an exciting journey." - Eli Segal

The Partnership is working closely with local companies, including Monsanto, one of our founding companies, the St. Louis Regional Jobs Initiative, Civic Progress, the St. Louis

Regional Commerce and Growth Association, the St. Louis Community Partnership, East-West Gateway and an array of other members of the business community.

Welfare to Work Calendar For August

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act was signed, ending welfare as we know it. One year later, the Partnership is organizing a series of events to highlight existing initiatives and to energize the business community.

<p>12 City to City Launch in St. Louis</p> <p>The first of several regional events planned by the Partnership.</p>	<p>14 Welfare to Work: A Small Business Strategy</p> <p>CEOs from America's fastest growing companies are heard.</p>	<p>22 Spotlight on Wisconsin</p> <p>The State of Wisconsin and Governor Tommy Thompson (R-WI) are champions in welfare reform.</p>
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NOTABLE

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The Partnership Salutes the Commitment of our Board Members

Mr. August Busch
Anheuser-Busch

Mr. Ronald Compton
Aetna, Inc.

Mr. Mitchell Fromstein
Manpower, Inc.

Mr. James P. Kelly
United Parcel Service of America, Inc.

Mr. Dennis Malamatinas
Burger King Corporation

Mr. Robert B. Shapiro
Monsanto

Mr. Jonathan M. Tisch
Loews

Mr. Les Wexner
The Limited

WE CAN HELP YOU GET STARTED

The Partnership is providing businesses the resources necessary to successfully hire people from public assistance. We have produced the following informational resources to highlight the welfare to work message and aid businesses across the country.

PUBLICATIONS The Partnership's publications include *Solutions*, our quarterly newsletter, and *Blueprint for Business*, a manual written to aid new businesses in starting welfare to work initiatives.

TOLL-FREE NUMBER The toll-free number will help identify interested businesses and provide start-up information. Our number is 1-888-USA-JOB1.

WEB PAGE Business partners and potential new members can now access the Partnership on the web. Please visit our web page at www.welfaretowork.org

Database Through the database, the business partners will have access to service providers that train and prepare welfare recipients for the workforce.

PSA CAMPAIGN A series of print and radio Public Service Announcements highlight the positive bottom-line benefits for businesses that hire welfare recipients, and encourage businesses to join the welfare to work team.

How To Seminars Seminars are planned as both informational and networking sessions to allow businesses to tap into a new workforce through one another's experiences.

Award Ceremonies The Partnership will award national honors for an individual business and service provider.

The Annie E. Casey Foundation is providing funding to produce the first publication and develop the database.

MR. STINSON GOES TO WASHINGTON

When George Stinson started training and hiring people off public assistance 28 years ago, he never imagined that someday he would be sharing a podium with the President of the United States. But on May 20th, when The Welfare to Work Partnership was officially launched at The White House, Bill Clinton and George Stinson stood side-by-side.

"Meeting the President was an exciting opportunity," said Stinson. "But this event was to celebrate the hundreds of companies that are already working toward welfare reform, and to encourage thousands more to start."



Stinson (left) is the President of General Converter & Assemblers in Racine, Wisc., a small company that has hired more than one-half of its 211 person workforce off of public assistance.

The Partnership Salutes the
Commitment of our
Advisory Council
and Co-Chairs,
Governors Tommy
Thompson (R-WI) and
Tom Carper (D-DE)

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Spotlight

LAWAN REACHES NEW HIGHTS AT THE PARTNERSHIP

LaWan Hight has been a model employee since the first day she started working at The Partnership. She is punctual and handles her job flawlessly, but we expected nothing less. What makes LaWan special is the positive attitude she exudes everyday. It truly is contagious. She has grown into a crucial member of our team. One that we look forward to seeing and depend on everyday.

— Grace Orestis, Assistant to the President at The Welfare to Work Partnership.

By LaWan A. Hight

After being a welfare recipient for seven years, going to work every day truly is a delight. I am a 26-year-old wife and mother with four beautiful children — Courtney, Kendall, Kenard and Kent (I love the letter K).

On welfare, my self-esteem was low. I didn't feel productive from day to day. But I'm very lucky to have a loving father, Michael Taylor, who encouraged me and kept me motivated to find work.

My strategy was simple. I applied everywhere I saw the words "Help Wanted." I made sure I didn't get discouraged and said to myself, "One day, I'm going to get off welfare."

After an intense month of searching, I got a job at a fast food restaurant making \$5.25 an hour. I was so excited, you would have thought I was just elected president. I told my dad: "Yes! I got a job. Thank the Lord." I told my

The Welfare to Work Partnership will spotlight an exceptional employee in every Solutions newsletter. Please fax your nominations to Mike Barbera of The Welfare to Work Partnership at (202) 637-9195.

kids, teachers and people who probably didn't even care. It's funny, when you get a job after being on welfare for so long, you feel more alive.

I was doing great at my job and they offered me a job in management. It wasn't for me though, I was looking for more. One day my friend, Chandra, told me about a company that would train me to

become an office manager, then place me in a job making \$21,000 a year. I interviewed and they liked my positive attitude and offered me a job.

My employer was thrilled for me. I quit my job on Tuesday and started my new job on Wednesday at 9 a.m.

Norrell, a temporary service provider in Greenbelt, Maryland. I went for an appointment, explained what happened and took some tests. Tonia Gray put me in touch with The Welfare to Work Partnership.

I have been working at the Partnership since May 20. I am



LaWan is inspired by her children, Kenard, Kendall, Kent and Courtney (from left to right).

By 9:30 a.m., I knew something wasn't right for me. For the first month, I was supposed to sell perfume door-to-door and there was no guarantee that I would make any money. I said, "I have kids at home, I can't risk not bringing home a paycheck." I went back to my old job that day, but they said they were no longer hiring. I said, "I just had a job here yesterday. It's me, LaWan."

I went home, shut my door and started crying. I don't care how strong you try to be, there are times when you feel the more you do, the more things come against you. But my Pastor, Bishop Owens, always said, "It's okay to cry, you're human. But don't throw a pity party for yourself. Wipe your eyes and keep going."

The next day, another friend, Lenya, gave me the number for

pursuing my GED. I bought a car and established a bank account. I've even taught my kids how to write checks. (It's okay, I trust them.)

I get great joy in getting up in the morning, getting my babies ready for a productive day at school and getting myself ready for a successful day at work. I never would have thought after being on welfare for seven years that I would be in a position to help other people get off welfare. When my friends found out I was working here, we just cried out of happiness.

I feel like there's no looking back now. I keep moving ahead with faith.

62.8

Percent of companies that do not hire welfare applicants or do not have a well defined program because of lack of information. (According to the American Management Association survey).

1.2

Number, in millions, that the welfare rolls have dropped from August 22, 1996 (the date the welfare law was signed) to April 1997. (According to the U.S. Department of Health & Human Services Administration for Children and Families; April 1997).

46

Number of states, out of 50, that have seen their caseload of welfare recipients decline in the last four years. Thirty states dropped by more than 25 percent. (According to the U.S. Department of Health & Human Services Administration for Children and Families; April 1997).

117,340

Number of AFDC/TANF welfare recipients the state of Wisconsin has moved off public assistance in the past four years — the best performance in the country. (According to the U.S. Department of Health & Human Services Administration for Children and Families; April 1997).

94

Percent of welfare recipients that do not have automobiles. (According to President Clinton at the National Governor's Conference in Las Vegas.)

The Welfare to Work Partnership

1250 Connecticut Avenue, NW • Suite 610
Washington, DC 20036
Phone 202/955-3005 • Fax 202/637-9195

Business Partner Enrollment Form

The Welfare to Work Partnership (the Partnership) is an independent, nonpartisan, national effort of the business community to help move those on public assistance into jobs in the private sector. The Partnership is seeking to identify and engage employers who will help to expand this effort in their own community, in their state and in other regions of the country. You are cordially invited to become a Business Partner in The Welfare to Work Partnership. There is no fee for participation.

In order to become a Business Partner, we ask you to check one of the following statements:

- Yes, my business *has hired* at least one person from public assistance without displacing current employees.
 Yes, my business *pledges to hire* at least one person from public assistance without displacing current employees.

We ask that you allow the Partnership to provide your company name - with the appropriate welfare to work contact - to other businesses interested in welfare to work and for general Partnership materials.

- Yes, I give my permission for The Welfare to Work Partnership to include my company and a contact name as a Business Partner in materials developed and distributed by the Partnership.
 Yes, I am willing to be a mentor to another business seeking to hire individuals from public assistance.

We would like to know more about your business. Please complete and sign the form below and attach a brief summary of your company's experience with hiring welfare recipients.

Primary Contact Person _____
Title _____ E-Mail Address _____
Company/Business Name _____
CEO/Business Owner _____
Address _____
Telephone _____ Fax _____
Industry/Product/Service _____ # of Employees _____
Corporate Web site _____ # of Locations _____
Primary Scope of Business Activity - please circle one: Local, State, Regional, National, International
Signature _____ Date _____

I am interested in The Partnership, please send me additional information. Source Code: Solutions
Please return this form to the above address or fax attention Lisa Dawe - 202/637-9195.

The Welfare to Work Partnership is a not-for-profit corporation organized under the laws of the District of Columbia.

BPAF-63097

The Welfare to Work Partnership
1250 Connecticut Avenue, NW • Suite 610
Washington, DC 20036
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BLUEPRINT FOR BUSINESS

REACHING A NEW WORK FORCE

THE WELFARE TO WORK PARTNERSHIP
AND
NATIONAL ALLIANCE OF BUSINESS

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BLUEPRINT FOR BUSINESS

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About The Welfare to Work Partnership

1250 Connecticut Ave. NW, Suite 610 Washington, DC 20036-2603

Telephone 202-955-3005 Telefax 202-637-9195

Toll free Information Line: 1-888-USA-Job-1

Web Site: <http://www.welfaretowork.org>

E-mail: info@welfaretowork.org

Welfare-to-work...a smart solution for business.

The Welfare to Work Partnership (*The Partnership*) is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector. Founding Board members: **United Airlines, United Parcel Service, Burger King, Monsanto, and Sprint**, helped launch *The Partnership* on May 20, 1997 at the White House along with President Bill Clinton, Governors Tommy Thompson (R-WI) and Tom Carper (D-DE), and more than 100 business partners. *The Partnership* is focused on supporting small, medium, and large businesses who have hired or pledge to hire welfare recipients. So far, more than 300 businesses have joined the *Welfare-to-Work Partnership* team.

The Partnership mission is two-fold: 1) to encourage companies to hire and retain former welfare recipients without displacing existing workers; and 2) to provide those companies with the information, technical assistance, and support necessary to create and run successful welfare-to-work programs.

A National Business Network

The Partnership is building a national network of business partners with experience hiring former welfare recipients and/or a commitment to hire one or more people from welfare. Through our network, businesses can help others by conveying the successes and challenges of employing individuals from public assistance. There are no dues or fees to participate and be recognized. Membership in *The Partnership* is open to all businesses who have hired, or will commit to hiring, at least one welfare recipient.

Benefits of Membership

The Partnership recognizes that many businesses may need help hiring people off public assistance. To provide that help, *The Partnership* supports its network of business partners with technical information, including a database of service providers and businesses to facilitate business-to-business and service-providers-to-business connections, a web site, and a toll-free 888 number. To ensure continued learning, we will publish best practices from our Partners' accumulated experience. Other publications planned include quarterly newsletters and weekly fax updates. This information will be available through *The Partnership's* World Wide Web site.

A National Effort with a Local Impact

The Partnership's activities are both national and local in scope. While *The Partnership* promotes and engages businesses across the country in welfare-to-work, it recognizes that jobs are created and filled locally. Therefore, *The Partnership* serves as a catalyst to communities seeking to participate in the national welfare-to-work movement. Cities and towns of all sizes will be challenged to confront finding jobs for people moving from welfare. Stakeholders in the communities will be encouraged to join together in local efforts to expand welfare-to-work opportunities.

About the National Alliance of Business

**1201 New York Avenue, N.W., Suite 700
Washington, D.C. 20005
Telephone 800-787-2848 Telefax 202-289-2875
Website: www.nab.com
E-mail: info@nab.com**

The National Alliance of Business (NAB) is a business-led, non-profit organization advancing business leadership at local, state, and national levels to improve workforce quality through enhanced education and training. Founded in 1968 to enhance employment opportunities for the disadvantaged, NAB's mission today is to build the capacity of the private and public sectors in national, state, and local workforce development initiatives, by shaping public policy; working with state and local coalitions concerned with education and workforce issues; and building partnerships among business, education, and community leaders.

This mission is more important than ever. Today, the key to American business competitiveness lies in a quality workforce—where every citizen is educated and trained to world-class standards, beginning in the schools and continuing in the workplace. NAB works to ensure that business needs drive improvements in our nation's education and training systems, and that businesses have the access to resources needed to make improvements in their own workforces.

NAB serves as a catalyst to mobilize business involvement and hasten the welfare-to-work transition. NAB's vision is to extend the ladder of business involvement so that more businesses will hire, train, and retain welfare recipients with greater success, imbued with the confidence that only success can bring.

To facilitate the welfare-to-work effort, NAB is engaged in a partnership with businesses across the country to research best practices and disseminate information in order to provide tools and resources that facilitate business involvement, and to establish a communications network to support peer-to-peer contacts, and benchmarking. NAB is also working to identify and enhance the responsiveness of the public welfare systems and intermediary organizations to business needs, and to carry out appropriate and effective outreach strategies to the business community through customized seminars and technical assistance. NAB believes that as know-how is passed from business to business, more businesses will hire greater numbers of welfare recipients so that they may enjoy unprecedented labor market success, now and in the future.

NAB has more than 3,000 members, including many Fortune 500 corporations. The Board of Directors is comprised largely of chief executives and senior officers of major corporations. NAB operates national committees on Education Excellence and Workforce Development, as well as three regional boards. Through its membership, the Board of Directors, advisory boards, committees, and its close working relationship with virtually all major business organizations, NAB has strong ties to private sector leadership in the United States.

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Executive Summary

On August 22, 1996, President Clinton signed a bipartisan bill, supported overwhelmingly by the American public, designed to radically reform the country's welfare system. The new law, called the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), fundamentally redesigned the welfare system, shifting it from an income maintenance system to one requiring work. Furthermore, for the first time in history, welfare recipients' benefits became subject to time limits.

Since the welfare law was signed, the strong economy, combined with changes enacted by the new law, have combined to reduce the welfare roles by 1.2 million people. As of April 1997, there were 11 million people—or close to four million potential wage earners and their families—receiving public assistance. (U.S. Department of Health and Human Services Administration for Children and Families, July, 1997.) The majority of these potential wage earners will need to move off welfare and permanently into the labor market over the next five years. This represents a significant challenge, not just for welfare recipients, but for the country as a whole.

No one entity has a more significant role in meeting this challenge than the business community.

If welfare recipients are to successfully move into the workforce, they need jobs that will allow them to contribute in the workplace. Public sector jobs and subsidized work experience are available, but these pursuits are limited and still paid for by the taxpayers. The biggest opportunity for jobs will come from the private sector.

This guide *Blueprint for Business: Reaching a New Workforce* is designed to help American businesses successfully hire and retain those moving from welfare to work. Business executives, human resources directors, and others responsible for hiring who are concerned about the future of their businesses can benefit from this publication.

Blueprint for Business: Reaching a New Workforce is broken into eight sections that will help businesses decide whether to participate in the welfare-to-work movement. It will also help businesses decide what method makes the most sense for them.

Section One: Genuine Change discusses the different circumstances created by the new law, and specifically talks about how those changes affect business.

Section Two: A Smart Solution for Business reviews the bottom-line benefits realized by companies already participating in welfare-to-work programs. Most companies that hire welfare recipients do so because it makes good business sense.

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Section Three: Incentives for Business discusses how businesses can take advantage of the existing Work Opportunity Tax Credit and the new welfare law's wage subsidy program, as well as indirect incentives for business that help them retain employees.

Section Four: Dispelling the Myths with Facts debunks the common misperceptions associated with the welfare population, illustrating that people receiving public assistance are a diverse population with work experience and the drive to become permanently employed.

Section Five: Getting Started discusses the first steps a business should take when deciding whether to begin hiring public assistance recipients. The section provides a step-by-step process to conduct a situational analysis and build a strategic plan leading to success. Different approaches are outlined. While former welfare recipients make valuable employees, there are necessary steps every business must take to succeed.

Section Six: Intermediaries illustrates how businesses can successfully tap into the growing market of intermediary organizations. These organizations act as a broker between the company and the public sector to provide businesses with work-ready individuals. This section lists several successful intermediaries and how each may be contacted.

Section Seven: Businesses Making the Case presents various examples of welfare-to-work programs started by small, medium, and large companies. Welfare-to-work programs can differ, offering many ways to approach the same challenge. The business examples listed range from companies that have created in-house programs, to those that rely on private intermediaries to provide training, job readiness, and job retention, to companies that work closely with the public sector to tap into work-ready employees.

The Appendix: The Appendix provides web site addresses to access additional welfare-to work information and resource listings as well as information on Federal Department of Labor programs.

Blueprint for Business: Reaching a New Workforce provides information for businesses to successfully hire and retain welfare recipients. If welfare-to-work is right for a business, this guide will help that business move forward.

Roberts T. Jones
National Alliance of Business

Eli J. Segal
The Welfare to Work Partnership

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Section One: Genuine Change

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) breaks away from 60 years of social policy that granted welfare benefits through the Aid to Families with Dependent Children (AFDC) program. The passage of PRWORA creates a very different set of circumstances:

- PRWORA redefines benefits as time-limited, identifying them as Temporary Aid to Needy Families (TANF) available for up to five years over a recipient's lifetime (some states may opt for less).
- TANF requires a large percentage of the beneficiaries to begin working within two years of receiving assistance (or less at state option).
- The entire public system of income maintenance, social welfare, and training is now motivated to place beneficiaries in jobs. The level of motivation in the government is unprecedented.
- PRWORA affords new flexibility to the states to set time limits, benefit levels, and other aspects of the welfare program previously left to the federal government.

The change in social policy is genuine, vast, and significant. The business community has every right to expect governors, mayors, and county officials to put together programs smoothing the transition to economic self-sufficiency for former welfare recipients. Businesses can choose to participate and benefit in a number of ways.

During the next five years, approximately four million beneficiaries will seek to break the cycle of welfare dependency and re-enter the workforce. As employers are approached by an unprecedented number of welfare recipients and benevolent organizations seeking work opportunities for those recipients, businesses stand at the crossroads:

- Will businesses have a human resources strategy that derives significant value from the welfare-to-work labor pool?
- Or...
- Will businesses hire a few former welfare recipients on an ad-hoc basis and with lackluster results?

Tender Loving Things Inc., a California-based producer of products that relieve stress, has hired 21 of its 84-person staff off the welfare rolls. The positions offered pay between \$8 to \$10 an hour.

Employers can leverage these real changes in social policy to maximize potential for their company. This can be a positive net effect on the bottom line. It just takes a modest level of discovery, planning, and action. *Blueprint for Business: Reaching a New Workforce* shows employers how.

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Section Two: A Smart Solution for Business

With America in the midst of the best economic conditions in 30 years, there is no better time to bring together the mutual interests of business and people needing to find employment.

Finding workers to sustain the America's economic growth is becoming one of the most crucial concerns of business owners and managers across the United States. The large pool of workers within the welfare system can be recruited and trained to fill many available entry-level jobs, as well as positions that are currently being created. This is neither theory nor hype. It is simply good business. Visible successes have been achieved by companies as diverse as United Airlines, General Contractors, Standard Furniture, and Cessna. Companies who have hired welfare recipients say they have experienced higher job retention and lower turnover with former recipients than with many non-welfare employees.

Further, employers who hire welfare recipients through a public or private welfare-to-work program often learn more about the applicants than they would about other job seekers who are not screened by an outside organization. Improving a company's welfare-to-work hiring process. Routine screening may include employment history, educational background, skills assessment, and drug testing.

Additional compelling reasons motivate businesses to hire welfare recipients who are ready, willing, and able to work:

TJX Companies, Inc.,

known for its chain of retail stores T.J. Maxx and Marshalls, currently employs 25 welfare recipients and has set ambitious plans to hire at least 1,000 more people off the welfare rolls during the coming year. TJX plans to establish a toll-free phone referral service for store managers to access welfare recipients.

- The company achieves positive bottom-line results by hiring motivated, hard-working new employees.
- The productivity of existing employees increases because implementing a welfare-to-work program builds a sense of pride and service among employees.
- The company reduces social costs and improves its local economy by shrinking community dependence on public assistance.
- Prosperous communities build additional demand for products and services.
- Participation in the welfare-to-work initiative signals a corporate willingness to strengthen American families and communities.

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Section Three: Incentives for Business

Successful hiring, training, and retention of new employees is, in a tight labor market, its own reward. Recent conversations with businesses concerning company motivation to participate in welfare-to-work efforts revealed several factors:

- Everyone needs a pool from which to select good employees. Businesses are always looking for a source for new hires and the public assistance rolls can become a valuable resource.
- Participation builds internal morale. Implementing a program to help people move from welfare to work breeds a sense of pride and service among employees which leads to higher productivity. Internal image is often more positively impacted than a company's external corporate image.
- Welfare is today's critical issue. The realities of welfare reform necessitate private business' involvement in addressing these pressing realities.

FHC Options, Inc.,

a health services management company with 1,000 employees, has hired 45 welfare recipients this year and plans to hire an additional 35. Former welfare recipients receive \$20,000 annual salaries with full benefits from the Norfolk, VA company.

However, apart from the incentives described above, there are some dollar incentives that may be appropriate for your company. Stated directly, some of these incentives appeal to some companies, while others do not.

Direct Dollar Incentives

Federal, state, and local governments have long used tax incentives to encourage specific business practices. More recently, new tax breaks have been created to entice businesses to operate in certain urban areas in need of revitalization, and to encourage business to reduce pollution and other unwanted activities. Welfare reform is no exception: it comes with its own set of useful incentives for business.

Two key incentives are offered to businesses by the federal government to encourage them to hire welfare recipients: the Work Opportunity Tax Credit (WOTC) and the wage subsidy program offered under the new welfare law. In addition, every state offers its own tax incentives. Some companies find these incentives helpful in offsetting the initial costs associated with hiring.

The Work Opportunity Tax Credit (WOTC)

The WOTC* is a federal tax incentive designed to encourage employers to hire low-income individuals and to help employers offset the costs they incur in hiring and training low-income, entry-level workers. The WOTC can reduce employer federal tax liability by as much as \$2,100 per qualified worker. The current tax credit for employers for hiring eligible low-income workers is 35 percent of the first \$6,000 in wages, but only when the employee completes 400 hours of work. The program was first enacted last year as part of the Small Business Job Protection Act of 1996 and replaces the Targeted Jobs Tax Credit (TJTC). The WOTC replaced the TJTC to address criticisms raised against the program by requiring employers to pre-screen for eligibility based predominantly upon participation in means-tested public assistance programs.

Any employee hired after September 30, 1996 and before October 1, 1997 may qualify if he or she belongs to one of the following seven target groups: persons on AFDC for nine consecutive months out of a previous 18 months; 18-24 year-olds who live in Empowerment zones (EZ) or Enterprise communities (EC); 18-24 year-olds who are members of families on food stamps for the last six months; veterans on food stamps; vocational rehabilitation referrals; low-income felons; and 16-17 year olds in ECs and EZs for summer employment.

To receive certification that a new employee qualifies for this tax credit, the employer must: complete the one-page IRS Form 8850 by the day the job offer is made, complete either the one-page Employment and Training Administration Form 9061 or Form 9062 and mail the IRS and ETA forms to the employer's state public employment/job service office within 21 days of the employee's start date.

**As of this writing, Congress is currently considering an enhanced and expanded WOTC which, if passed this year, could be signed into law as early as September 1997.*

Wage Subsidy

The new federal law gives states the option to create a wage subsidy program and allows each state to create a program suitable to that state's needs. Currently, 36 states have enacted wage subsidy programs. Also known as subsidized employment, grant diversion, and wage supplementation, it allows TANF and food stamp funds that would have otherwise gone to a family to temporarily subsidize a welfare recipients wage. The employer by law is required to pay at least the minimum wage to any welfare recipient hired, so must add in additional funds necessary to bring the wage up to the minimum. For example:

Assume that a potential new employee receives \$250 per month in TANF benefits and another \$350 a month in food stamps, bringing the available monthly subsidy to \$600. If that employee is working in a minimum wage position for 40 hours a week (160 hours a month), the employer would receive \$3.75 an hour from the state toward the employee's wage. The employer would make up the difference between the subsidy and the minimum wage

It is important to note that welfare recipients' benefits vary by state, therefore the available wage subsidy will vary by state.

Grand Casinos, Inc.,
headquartered in Minnetonka,
MN, employed 900 welfare
recipients this year and is
committed to hiring an additional
500-750. Employee salaries start
at \$22,000 with full benefits.
Grand Casinos partners with the
Goodwill Industries of South
Mississippi and others to identify
and train welfare recipients.

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In addition to these two direct federal incentives, many states have developed their own package of incentives for businesses located in a particular state. For a listing of all available state incentives for hiring welfare recipients, contact the Washington, D.C.-based American Public Welfare Association, 202-682-0100.

Indirect Financial Incentives

Besides the direct benefits available to employers for hiring low-income workers, there are also several federal and state benefits available to full-time, low-income workers that can help a company retain workers and improve their well-being at no cost to the employer.

Earned-Income Tax Credit (EITC)

The Earned-Income Tax Credit is available to low-income individuals who have at least one child living with them in a home in the United States. It is based on a percentage of the employee's earned income. For 1997, the maximum EITC is \$2,210 for an employee with one qualifying child; \$3,656 for an employee with more than one qualifying child, or \$332 for a single person without a qualifying child. A spouse's income is considered when determining EITC eligibility. An eligible employee can claim the credit on the individual tax return *at the end of the year* (Form 1040). For 1997, the maximum amount that may be advanced is \$1,326 and no credit will be allowed to a person making over \$25,760.

An eligible employee who has a qualifying child is also entitled to receive the EITC payments with his or her pay *during* the year. To get these payments, the employee must give the employer a properly completed W-5 Form, the Earned Income Credit Advanced Payment Certificate. The employer is required to make advance EITC payments to employees who provide a completed and signed W-5.

Employers must notify employees who have no income tax withheld that they may be eligible to claim the EITC. Employers are encouraged to notify any employees whose wages for 1997 were less than \$25,760.

For more information on the EITC, an employer can contact the IRS of the Department of Treasury. In addition to the federal EITC, many states have also passed their own earned-income credit. To find out about state-specific credits, contact the state government directly.

Medicaid

Families who move from welfare-to-work, and other low-income families, may be eligible for Medicaid coverage. Medicaid is subsidized health care coverage provided by the federal and state government to people within certain eligibility categories. Most families leaving welfare for work are eligible for at least one year of transitional Medicaid. Other families meeting certain income requirements may also receive Medicaid.

Walgreen Company,

based in Deerfield, IL, has hired 160 welfare recipients and plans to hire at least 200 more. Walgreen pays minimum wage with health benefits. The company works with Chicago Catholic Charities and many state welfare-to-work programs to recruit welfare recipients.

Childcare

Many low-income employees are eligible for various childcare subsidies, even if they work full-time. Assistance is available on a state-by-state basis for formal and informal childcare, and is based on income and the number of children in a family. Further, most families who leave welfare for work are guaranteed one year of transitional childcare benefits.

Food Stamps

Food Stamps are part of a federally funded coupon program to help low-income families meet nutritional standards. Again, this subsidy program is based on income and helps many full-time workers supplement their families' food budgets. Many states are moving away from food stamp coupons and instead are using electronic benefit transfer systems. Other states are turning food stamps and other welfare benefits into wage subsidies for employers.

Section Four: Dispelling the Myths with Facts

Despite popular belief, the welfare population is far from homogeneous. People who receive welfare benefits are no different than anyone who has required some short-term assistance at some point in time. Debunking the common myths about those on welfare is an important first step for companies considering hiring welfare recipients. (The following statistics are from the U.S. Department of Health and Human Services and the Urban Institute.)

- Forty-two percent of all families going on welfare receive benefits for less than two years.
- Seventy percent of welfare recipients have recent work experience.
- The real challenge for most recipients is not getting a job; it is keeping a job. Lack of child care, health care, and transportation are all challenges making it tough for recipients to stay in the labor market.
- Over 90 percent of welfare parents are single mothers.
- The typical welfare family is a single mother with two children.
- Welfare recipients are fairly evenly distributed among the major racial groups:
 - 37 percent African-American
 - 36 percent Caucasian
 - 21 percent Hispanic
- Recipients have varied skill/education levels:
 - 42 percent are high school dropouts
 - 42 percent are high school graduates (or GED)
 - 16 percent have some post-secondary education

What do these demographics mean for my business?

A fundamental understanding of welfare demographics will enable companies to design successful programs. The demographics show that welfare recipients represent a diverse group made up largely of single mothers who have work experience. When making hiring decisions, a company needs to evaluate welfare recipients just as that company would evaluate any potential employee.

Section Five: Getting Started

Companies of all sizes, in all industries, and all parts of the country can become involved in hiring people off public assistance. Smaller businesses are especially important to this effort because they create over two-thirds of the new jobs in the economy. In the first half of the 1990s, companies with fewer than 500 employees added nearly 11 million new jobs to the economy.

Whether a company is large or small, or has plans to hire one or 1,000 welfare recipients, success depends on an approach that closely follows the steps used to hire and retain any employee. When filling vacant jobs or expanding its workforce, a company will generally conduct an informal or formal analysis of its employment needs before hiring. A company will analyze its internal resources; review the various recruiting avenues; and assess its support systems necessary to keep employees on the job once hired. Companies then fold all of that information into a strategic plan for hiring. Larger companies often conduct a more formal analysis. Smaller companies may not have the time or resources for a formal analysis, but will almost certainly conduct an informal assessment and enact a hiring plan based on their conclusions.

The information in this section presents a detailed five-step process to success designed for a business of any size to develop a plan for hiring and retaining welfare recipients.

This five-step process can help companies tap into the welfare population and other unemployed or underemployed workers, all of whom have something in common: they need a job and they want to work.

The Five-Step Process To Success

- Step One: Find or Assign a Company Champion**
- Step Two: Assess the Company's Internal Situation**
- Step Three: Review the Hiring Models**
- Step Four: Understand the Welfare Population**
- Step Five: Develop a Strategic Plan for Hiring**

Step One: Find or Assign a Company Champion

This step is perhaps the easiest to explain but one of the toughest to implement. If a company is interested in recruiting employees from the welfare rolls, that company must choose to commit resources to hiring. The best way to ensure company commitment is through a "champion."

A champion is generally a company's high level decision-maker who can build support for a project at the top levels of that company, while organizing those at other levels to carry out the project. In smaller companies, the champion may be the owner or another senior leader.

If there is no ready champion, there are alternatives. An employee interested in convincing his or her company to hire welfare recipients might begin by presenting the idea to the top management team. If the plan is convincing, an affirmative decision will be made and a champion may emerge or a project manager will be selected.

Another effective method is the team approach. One can gather much needed support by organizing fellow employees from different departments around the objective—in this case, hiring welfare recipients. In larger companies, a human resources department may become very involved in the process.

The common thread of these alternatives is that the company explicitly commits to hire people from welfare.

Step Two: Assess the Company's Internal Situation

Each company should realistically assess its opportunities to integrate welfare recipients into its workforce and its ability to support and motivate these new employees.

Before hiring, a company should conduct an evaluation of its existing resources, labor needs, personnel practices, company culture, and level of commitment to creating and maintaining these hiring practices. An evaluation of these components will allow a company to decide how many people to hire, how to hire them, what services to offer, and whether or not outside services will bolster the employees' success. In other words, an honest evaluation will yield good decision-making.

For instance, if a company does not have established access to support systems such as child care, health care, or employee counseling, a company might want to consider forming a partnership with a community-based nonprofit organization that would be willing to provide free-of-charge information and services to new employees.

Following are several key components a company might want to evaluate before moving forward. After each component is a series of questions to help frame the evaluation.

● **Company Resources**

Just as in any hiring decision, a company's size and its available resources can dictate what sort of approach that company can pursue. Companies can take an in-house approach in which up-front investments and time commitments are required to realize long-term gains. Or companies can take an approach suitable to smaller organizations in which cost and time commitments are minimal. Both are equally effective, just different.

Questions a company should consider:

- What resources are available for this program?
- What program model or models can be supported with these resources?

● **Labor Needs**

Managers should define specific available positions and delineate the requirements for those positions. A thorough and realistic inventory of jobs and skill requirements is the basis for creating a good match between the candidate and the job.

Questions a company should consider:

- What positions are available?
- What specific skills does an employee need to successfully fill that position?
- Can those skills be learned on the job without formal training, and if so, how fast must the employee develop those skills?
- Is formal training required to succeed at the available job?

● **Internal Personnel Practices**

A company's internal personnel practices impact an employer's recruitment plan and dictate who can be hired. Further, managers can determine whether appropriate resources exist to create an in-house program or whether they will want to rely on an external third party to prepare and provide labor.

For instance, as a company is building its employment plan, the company should consider that many welfare recipients will have some transitional needs such as child care, transportation, and mentor supports—some of the same needs that many entry-level and incumbent workers face. These needs can be difficult to meet. Many intermediaries are already experienced in ensuring that these needs are adequately met. In other communities, selected public or quasi-public organizations may offer the necessary expertise and resources.

Questions a company should consider:

- What are the company's hiring requirements and can these requirements be provided by a social service agency, nonprofit, or other organization working with welfare recipients?
- Is a high school degree or GED required?
- Will a criminal record automatically disqualify the applicant?
- Are internal support services already available, or are they better met by an outside organization?
- What kind of health benefits, child care subsidies, or transportation subsidies does a company offer?
- Does a company have an existing mentoring program or plan to create one? If not, does that company have access to non-profit organizations to offer job mentoring?

● **Level of Commitment**

A company's commitment to welfare-to-work will have a bearing on the program design. Whether a company has decided to make a long-term commitment, or is just "testing the water" may dictate how it proceeds. If a company is experimenting, it may want to start by using an intermediary. A company may consider designing an in-house program if resources exist, but this requires a more substantial commitment. (However, the experience of successful companies suggests that they may not know their level of commitment until they actually try.)

Questions a company should consider:

- Is the company in need of a long-term solution to accessing more labor, or is the company just experiencing unusual or short-term job openings?
- Is this an experimental process or one the company hopes will yield long-term results?
- To what lengths will the company pursue its labor needs?

Note:

Many employers exploring whether or not to create welfare-to-work programs worry that they will face increased liability. Specifically, employers fear workers compensation, disability insurance, and unemployment claims by those they hire from welfare. In fact, there is no evidence that claims made by the welfare population are any different than the claims made by non-welfare recipients.

However, an employer should also be aware that if a welfare recipient is working for that employer, even temporarily in a subsidized job, the welfare recipient will likely meet the state definition of an employee, making the employer responsible for enforcing all workplace laws enforced for any employee.

Step Three: Review the Hiring Models

There are various ways to tap into welfare recipients as potential employees, and many methods to integrate those employees into the workforce. Further, public dollars indirectly or directly offset a portion of training and hiring costs in many cases. While no one company's welfare to work program is exactly the same, there are three general hiring models businesses typically follow:

- Build an In-House Program
- Contract with an Intermediary
- Hire Directly From the Public Sector

Boscart Construction, Inc.,
a Washington, D.C. based company with 22 employees, partners with trade unions to sponsor welfare recipients in an apprenticeship program leading to employment.

● **Build an In-House Hiring Model**

Many businesses choose to build an in-house program, doing everything themselves from recruiting and training to job placement and retention.

Marriott's now well-known *Pathways to Independence* program is a textbook case of an in-house model. Marriott offers welfare recipients a 10-week, in-house training program to prepare them for the world of work. Once a former welfare recipient graduates from the program, Marriott places her in a full-time, unsubsidized job in one of the Marriott hotels. Further, Marriott sticks with the employee, making sure on-the-job conflicts, and issues such as child care and transportation, do not cause the new employee to lose her job. Marriott has built its program to suit its training needs and operates independently of the government. However, the program is supported with public funds from two sources: Federal JTPA dollars and the Federal Work Opportunity Tax Credit (discussed in section three) to offset its hiring and training costs.

Advantages...

- Total control over training and job readiness.
- Ability to access outside public funding sources to offset hiring and training costs.
- Easy for new employees to access program trainers who can offer a ready support system.

Points to Consider...

- More commitment, money, and staff time required.
- Employers immediately subject to payroll taxes and other standard workplace liabilities.
- Less flexibility to dismiss a trainee or new worker than when using an intermediary that absorbs liability and provides temporary employment.

● **Contract with an Intermediary**

Some businesses choose to work through an intermediary—a private or public entity that acts as the broker between the public welfare system and the employer. Intermediaries recruit, train, and place recipients with businesses, and follow-up to make sure that job placements are successful. Small companies, in particular, find intermediaries offer easy access to work-ready welfare recipients. Intermediaries range from for-profit companies such as America Works and temporary staffing organizations to nonprofit community-based organizations and local Chambers of Commerce. Some intermediaries will charge a

company for this service, while others may contract with the state and therefore offer training and placement free of charge. (See Section Six: Intermediaries.) Intermediaries negate the need for an in-house program.

Opportunity America is a national, for-profit welfare reform services company based in New York City (212-730-1818) with operations in Chicago and San Francisco. The company helps private employers and government develop and operate welfare-to-work hiring programs. Services offered include consulting with employers on the creation of effective in-house hiring programs, conducting full-service hiring programs for a wide variety of businesses, and serving as a liaison between companies and government to help sort out the new welfare laws. Employment candidates are recruited from the best training and work experience sources, and are processed carefully through state-of-the-art screening, testing, and orientation procedures. Opportunity America stresses "soft skills" that all employers require—reliability, punctuality, working well with supervisors and colleagues, and learning on the job. Clients include **United Airlines, Sears Roebuck, and Paine Webber.**

It is also important to note that temporary service staffing organizations, such as Manpower, Kelly Services, **Norrell Services**, and **Adecco Employment Services**, are partnering with government offices and intermediaries to train and place welfare recipients in temporary positions. Such temporary positions offer welfare recipients valuable work experience that can lead to the next and better job. (See LaWan Hight story on p.25.)

Advantages...

- Opportunity to try out workers before actually hiring them.
- Absorbs liabilities during trial job placements.
- Employers thoroughly screened, trained, and tested before they walk through the door.
- Competitive bidding by intermediaries typically done, ensuring better services for business.

Points to Consider...

- Possible fees for successful job placement and retention.
- Training and operating methods of intermediary may differ from employer.
- Support and retention services not on-site and not always available to handle a crisis.

● Hire Directly From the Public Sector

Other companies choose to work directly with the public job training or welfare systems, creating public-private partnerships that allow the business and the public entity to jointly move welfare recipients into jobs. For example, some companies may go directly to the JTP's private industry councils (PICs), Workforce Development Boards, Job Corps Centers, One Stop Career Centers, or other publicly run organizations to find work-ready welfare recipients.

Some companies might also go to local social service offices for referrals. Many states have adopted a wage-subsidy program that gives a company the option to turn a welfare recipient's TANF and food stamp benefit into a temporary wage. In many cases, the company temporarily hires the welfare recipient and simply invoices the state for the wage subsidy. (For information on wage subsidy programs see Section Three: Incentives for Business.)

Remember:

It is important to examine the strengths, weaknesses, and track record of a public or private partner, just as a company would for any business venture.

Brookwood Companies, Inc.,
a New York based textile producer with 400 employees, hired two welfare recipients and plans to hire many more in the future.

A business choosing to hire directly from the public sector should contact the agency or organization directly to ask for referrals of job-ready welfare recipients looking for work. (See appendix for web sites with information on whom to contact in your state.)

Advantages...

- Programs possibly already in place to help employers tap into pool of available welfare recipients.
- Transportation and other support services possibly provided.
- Assistance in accessing tax incentives, subsidized wages, and other state-specific employer incentives.

Points to Consider...

- Dramatic variation in public program quality, depending on whether or not a state or local entity has been very active in welfare reform.
- Possible frustrations in dealing with bureaucracy.
- Possible insufficient screening of workers who are not work-ready.

Step Four: Understand the Welfare Population

From an employer's viewpoint, three useful categories generally define the majority of the welfare population relative to their readiness to work. These groups can be described as:

- Work-Ready
- Investment Needed
- More Investment Needed

Businesses can work with intermediaries and public organizations to better target training and service strategies to fit each welfare-to-work category: work ready, investment needed, and more investment needed. A "matching principle" for investing in human resources provides the formula for success: less extensive services matched with less extensive needs, and more extensive services matched to more complex needs.

● **Work-Ready**

These individuals constitute roughly 25 percent of the total welfare population. Typically, this group requires short-term training and job-readiness (e.g., relatively brief workshops on interview techniques, resume writing, job applications, workplace survival skills, positive attitudes, and basic interpersonal work maturity). Work-ready individuals benefit from mentoring that is sometimes provided by the employer. Job retention is not automatic—aggressive case management, coaching, and mentoring work best. When employers have specific skill requirements such as computer skills, the work-ready benefit from specific technical training.

● Investment Needed

Roughly half of the welfare population falls into this category. More intensive training and job readiness services are usually required for this group. In some instances, work habits and attitude need to be corrected while, for others, more extensive training is called for. For those in this category, the aim is significant behavior modification. Intensive, post-employment retention services are also generally needed with this population. Objective assessment of interim and end-of-training behaviors and skills is needed to ensure that graduates are genuinely job-ready.

● More Investment Needed

This group requires the most effort to bring them to job-ready and workplace standards. Often, this group has alcohol and drug-abuse problems, physical and mental challenges, and emotional disorders.

Burrito Brothers, Inc.,

a Washington, D.C. based restaurant chain, has 100 employees, two of whom are former welfare recipients. Burrito Brothers plans to open a training kitchen at which 30 percent of the employees will be welfare recipients.

The public sector has significant interaction with this group because of the levels of crisis intervention, psychological counseling, therapy, and other services required before they can “graduate” to the medium investment needed category. Many months of assistance may be required for the most difficult cases.

Welfare-to-work is a challenge that many companies have enthusiastically embraced. Success requires an up-front investment to realize long-term gains. As we will see in Section Seven, many of these companies have developed sufficiently powerful approaches to enable them to hire from all three categories.

Step Five: Develop a Strategic Plan for Hiring

Developing a strategic plan gives a company an excellent opportunity to evaluate all options and to offer internal and external stakeholders the option to craft plans to deliver results. There are at least four major activities associated with developing a quality plan as outlined below:

● Delineate internal organizational expectations.

Spell out all of the desired outcomes and sequences of activity.

● Select a model.

After assessing the company’s resources, labor needs, internal personnel practices, company culture, and strength of commitment, arrive at a conscious “make-or-buy” decision, meaning choose to:

- Create an in-house program.
- Directly contract it out to a private for-profit or nonprofit intermediary.
- Work with the public system to hire directly.

- **Establish and identify support services for employees.**

Set forth objectives, specifications, and arrangements for support service requirements including transportation, child care, health care, mentoring, and counseling.

- **Delineate external expectations and performance measures for partners.**

Communicate frequently with the intermediary and/or public system responsible for providing work-ready beneficiaries to the company, and don't be afraid to expect and demand quality work from any vendor.

C.C. Magnum, Inc.,
a highway contractor based
in Raleigh, NC, has hired
about one quarter of its 450-
person workforce from the
welfare rolls. C.C. Magnum
works with the North
Carolina Departments of
Labor and Transportation to
train welfare recipients.

The remaining chapters of this guide provide additional information to help a company decide on its welfare-to-work approach and contact the appropriate partners.

Section Six: Intermediaries

Intermediaries, one of the three hiring models discussed in section four, are fast emerging as the business favorite for hiring and retaining welfare recipients. Cheaper and easier than building an in-house model, and far more effective than government-run programs, intermediaries are filling a critical market need. Businesses can rely upon intermediaries to screen, train, and place welfare recipients in jobs, and then follow up with employers to make sure employees succeed in their new jobs. Further, intermediaries have significant contacts and experience with both employers and the public sector, putting them in a unique position to bridge the gap between the two entities. Intermediaries are an efficient method for employers to access work-ready labor.

An “intermediary” is an entity that acts as a broker between the employer and public sector to train, place, and help retain welfare recipients in jobs. They include private, for-profit or non-profit vendors. The best way to use intermediaries is just the same as for any vendor or contractor: set high standards for quality and enforce them. When your company has defined what “job-ready” means to the organization in unmistakable terms, then it is positioned to insist that this standard be met.

Generally, intermediaries appeal to businesses because they operate as an efficient link between the company and the welfare system, relieving much of the administrative burdens. Intermediaries present other advantages, as well. For example, they:

- Operate more like a subcontractor by developing a relationship with the company, determining business requirements, and delivering against these requirements.
- Enjoy credibility with employers because they effectively screen clients, perform job-readiness certification, and post-entry job retention services. Their job developers often coordinate short-term customized training to fit a company’s needs.
- Provide a combination of training that addresses job readiness and life skills as well as specific job skills.
- Prosper or fail on demonstrated performance. It is not uncommon for businesses and local governments to enter into pay-for-performance contracts for services rendered, nor is it uncommon for companies to expect intermediaries to share job placement and retention data before entering into a service contract.

Cessna Aircraft Company,

a 9,400-person firm based in Wichita, KS, has hired 150 welfare recipients and has plans to hire 50 more. Cessna guarantees employment to those on public assistance who graduate from a Cessna-sponsored training program.

Temporary employment agencies are used increasingly as intermediaries. While their fees are more expensive for employers, they offer the least risk for businesses that want a one-or two-month trial period prior to committing to hire the candidate being considered.

Temporary firms such as Manpower, Kelly Services, Norrell Services, and Adecco Employment Services are successfully working with welfare recipients to place them in short-term jobs. These temporary job placements offer welfare recipients valuable work experience and often lead to full-time jobs within the companies in which the recipients are placed. At the very least, the placements give recipients an added edge when applying for a full-time job.

After being on welfare for seven years, LaWan Hight, a 26-year-old mother of four, entered the workforce two years ago and has been moving up the ladder of success ever since. LaWan's success stems from her determination and her willingness to take any job offered her. Despite the fact that LaWan did not have her GED, and with four children at home, did not have flexible hours, she stuck to her job search.

"My strategy was simple—I applied everywhere I saw the words 'Help Wanted.'" I was determined that someone was going to hire me. I made sure I didn't get discouraged and said to myself, 'One day, I'm going to get off welfare.'"

After a month of searching, she got a job at McDonalds making \$5.25, soon followed by an offer for a management position. However, she left McDonalds to pursue what sounded like a winning sales job. When that job turned out to be less than promised, LaWan contacted Norrell Services, a temporary job service.

On May 20, 1997, Norrell placed LaWan at a nonprofit organization as a receptionist, paying her \$7 an hour. Because of her hard work, good attitude, and friendly disposition, the nonprofit offered her a full-time job, bringing her hourly rate to \$10.

"I get great joy in getting up in the morning, getting my babies ready for a productive day at school, and getting myself ready for a successful day at work...I feel like there's no looking back now. I keep moving ahead with faith."

Just as communities cannot successfully move welfare recipients into the private sector workforce without the help of the business community, the business community will have a tough time successfully hiring large numbers of welfare recipients without the help and support of intermediaries or other performance-based service providers. In other words, in part, the success of welfare-to-work hiring depends upon its partnerships with intermediaries and the quality of services these intermediaries offer.

Businesses around the country report very positive experiences working with intermediaries. Each intermediary is unique in its approach: some offer life skills and attitudinal training followed by job placement; some offer longer-term job-specific skills followed by placement; and still others offer a broader mix of services. However, each shares some specific characteristics that account for their success. If a business decides it can benefit from using an intermediary to help access work-ready labor, the company may want to consider intermediaries who offer the following:

- **Employer-centered training**, that is, training based on needs expressed by employers.
- **Job-readiness training**, including skills refreshment, punctuality, dress, interviewing skills, attitudinal training, supervisor-supervisee relationships, life skills, and problem-solving including budgeting and conflict resolution.
- **Job placement into unsubsidized, private sector work.**
- **Retention services** including direct or indirect contact with childcare, health care, transportation, counseling, and mentoring services over a period of at least six months.
- **Strong and continuing relationships with employers in their surrounding communities.**
- **Paid via performance-based contracts** or willing to be paid based on performance.
- **Required to track success** through the number of job placements and retention in those jobs.

Described below are a host of intermediaries that have demonstrated success in cities throughout the country. If you are having difficulty locating appropriate assistance in your community, please consult resources listed in the appendix, or feel free to contact the National Alliance of Business or The Welfare to Work Partnership.

America Works

America Works, a for-profit placement and support organization in Baltimore, Indianapolis, New York, and Philadelphia has worked with the business community to help more than 15,000 welfare recipients find full-time private sector jobs. Recipients are hired permanently at an average wage of \$16,000 per year, including benefits. The state of New York found that 81 percent of those placed by America Works are still off the rolls after two years.

America Works
New York, NY 10018
212-244-5627

America Works, a model placement and support organization, has helped more than 15,000 welfare recipients find full-time private sector jobs. The organization will enroll any welfare recipient who applies, but sets tough attendance requirements, not unlike those in the real world of work. Any recipient who has an unexcused absence or arrives late leaves the program and goes to the end of the waiting list.

Following pre-employment training, America Works places former recipients in private sector work while maintaining those former recipients on the America Works payroll. After a four-month work experience, the employer chooses whether or not to hire the former recipient. America Works employs "corporate representatives" who help place the recipients in jobs and then follow up with the recipients while they are on the job, addressing problems such as day care, transportation, employer/employee relations, and day-to-day office conflicts.

America Works has built a network of at least 1500 client companies who use the company to fill entry-level positions.

Jobs Partnership of Raleigh

Jobs Partnership of Raleigh, a non-profit charitable organization, is a partnership between businesses and churches to provide meaningful employment opportunities to the unemployed in and around Raleigh. Twenty-five local churches and 18 local businesses joined forces to meet the mission of the organization. The program provides an 11-week training curriculum centered on biblical work practices. The series of formal classroom instruction teaches good work habits and proper attitude. In addition, the Jobs Partnership developed an agreement with Wake Technical Community College to provide training to orient and motivate participants to the world of work.

Together with the instruction, the participants are equipped with the basic skills necessary to be successful in the workplace. Once the classroom instruction is completed, the participant is referred to the Jobs Partnership Clearinghouse for evaluation and placement with a member business depending on ability and the applicant's interview. The business also provides a mentor at the workplace to assist in the new employee's orientation, to answer questions, and to help solve problems. Finally, participating church members also provide a mentor to support and counsel the applicant until the individual becomes successfully established at the workplace.

The Jobs Partnership of Raleigh
Raleigh, NC 27622
919-783-5700

Cleveland Works

Cleveland Works, a private nonprofit group funded by public grants, foundations, and private money, has placed more than 3,000 welfare recipients in full-time jobs since 1986, enabling 7,000 men, women, and children to go off welfare. Over 80 percent of the Cleveland Works families remain self-sufficient.

Cleveland Works has several affiliate programs around the country listed below. Cleveland Works and its affiliates provide clients with four weeks of general job readiness training and, in some cases, with basic education and occupation-specific courses. Cleveland Works and most of the affiliates also provide support services including legal services, drug rehabilitation, day care, and transportation. The group then matches clients with jobs offered by local employers. Once hired, clients receive transitional services and support from corporate counselors to ensure that they stay employed. Jobs are full-time with health benefits.

Cleveland Works Affiliates:

Cleveland Works
Cleveland, OH
216-589-WORK

Louisville Works
Louisville, KY
502-583-8317

This Valley Works
Roanoke, VA
540-345-6781

Orange County Works
Irvine, CA
714-509-1451

Washington Works
Seattle, WA
206-343-9731

Norfolk Works
Norfolk, VA
757-623-1111, Ext. 426

Columbus Works, Inc.
Columbus, OH
614-224-8009

Cincinnati Works
Cincinnati, OH
513-744-9675

Goodwill Industries International, Inc.

Goodwill Industries International, Inc. has 187 member organizations in the U.S., Canada, and the Pacific Basin, all diverse organizations, but all centered on one goal: to place individuals in productive and competitive employment. The largest constituency served by Goodwill includes people with vocational disadvantages such as welfare dependency, illiteracy, criminal history, and homelessness. People are referred to Goodwill by a variety of sources including the public welfare system, the U.S. Department of Labor, and the vocational rehabilitation system.

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Most Goodwill member organizations provide services that fall into four broad categories: vocational evaluation, vocational adjustment, job-seeking skills and placement, and transitional employment when competitive employment is not a realistic short-term goal. Many Goodwills also offer social adjustment training, supported employment, and skills training. Goodwill program graduates are hired by business, government, and non-profits and are successful, in part, because they continue to receive support even after entering the workforce. In 1996, Goodwills placed 32,584 people into competitive employment. Twice that number accessed employment training through Goodwill facilities, retail outlets, and community job sites.

Goodwill Industries International, Inc.
Bethesda, MD 20814
301-530-6500

Center for Employment Training (CET)

Center for Employment Training (CET) is a private, non-profit, community-based organization headquartered in San Jose, CA. CET San Jose oversees a national network of 39 CET centers in 14 states. CET trains people for jobs, places them in jobs, and follows up all placements to help promote stable employment and job growth. CET training is intensive. Students attend five days a week, from 35 to 40 hours, for an average of seven months. CET's training integrates specific skills training, basic skills training, and human development, all in a simulated work environment. CET's instructors are hired directly from the private sector and have an average of 12 years work

experience. A typical CET center offers training in four to five skills based on requirements submitted by the surrounding employers. Skills training includes, but is not limited to: automated office skills, building maintenance, electronics trades, commercial foods, printing and graphics, child care, medical occupations, and machining trades. On any given day, CET centers around the country are training about 2500 people. States in which CET operates include Arizona, California, Florida, Illinois, Maryland, Nevada, New York, North Carolina, Texas, and Virginia.

Center For Employment Training (CET)
San Jose, CA 95110
408-534-5433

Project Renewal

Project Renewal is a not-for-profit social service agency that works with welfare recipients and disabled people in New York City. For over 10 years, Project Renewal, through its Next Step Placement program, has provided trained, entry-level personnel to local businesses at no cost to the employer. Project Renewal/Next Step works with industry leaders to create courses in a variety of entry-level occupations. These courses stress on-the-job experience as well as classroom experience. Each student completes a 6-week workplace etiquette course that focuses on customer service and maintaining good work attitudes. Project Renewal/Next Step sees job placement as the beginning of its work. For the first six months of employment, Next Step

Employment Specialists monitor the placement to ensure employer satisfaction. They also offer a wide range of services to new employees, including: employee development to enhance customer service skills, on-the-job assistance for added support in the work place, and ongoing education through day or evening courses designed to develop better educated and more efficient workers. Welfare recipients are placed in jobs ranging from receptionist and warehouse assistant to cashier, telemarketer and nursing assistant. Project Renewal says 59 percent of those who complete vocational assessment obtained full-time jobs. Of those, 82 percent were still in their jobs three months later.

Project Renewal
New York, NY 10014
212-620-0340

Wildcat Service Corporation

Wildcat Service Corporation and its Private Industry Partnership (PIP) program is a New York based, white-collar employment service for welfare recipients. PIP operates on an employer-employee model, soliciting employers to hire while preparing welfare recipients for placement with those employers. PIP places welfare recipients in skilled, entry-level employment at starting salaries ranging from \$18,000-\$28,000. Currently, both Smith Barney and Drake Beam Morin, Inc. work closely with Wildcat.

Employers participate actively in designing and training the job readiness component of PIP. Each welfare recipient goes through a 16-week job readiness phase followed by a 16-week paid work experience position at a member company. Every recipient must go through a competitive interview process with the potential employer for the paid work experience. While enrolled in the paid work experience, a recipient remains an employee of Wildcat. During the last week of paid work experience, Wildcat works with employers to permanently place these trainees in jobs. Those employees not placed permanently with their work experience employer go to Wildcat's own job placement service. After placement, Wildcat and its PIP program regularly follow-up with employers and employees to help with job retention issues including problem-solving, childcare, and transportation. Wildcat/PIP also offers former recipients a cash bonus for their first 90 days of employment.

Essentially, Wildcat offers employers a low-cost, four-month trial employment period while eliminating liability and administrative burden for the employer.

Wildcat Service Corporation
New York, NY
212-219-9700

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STRIVE

STRIVE, an employment service based in Boston, Chicago, New York City, and Pittsburgh, helps chronically unemployed, low-income adults enter the work force and build stable work histories. With a priority to serve public aid recipients, STRIVE provides training for success in the workplace through personal responsibility, followed by lifetime support for employment needs. STRIVE provides participants tools to navigate the current job market. STRIVE staff, many of whom are former program graduates, work to prepare, train, place, and support their clients in obtaining unsubsidized entry-level jobs.

STRIVE offers a three-step program: attitudinal training, job placement, post-placement support. Approximately 80 percent of those who complete the three week training course are placed in jobs. Of those, about 75 percent retain employment for at least two years.

STRIVE

Boston Employment Service, Inc.
Dorchester, MA 02124
617-825-1800

STRIVE

East Harlem Employment Service, Inc.
New York, NY 10029
212-360-1100

STRIVE

Chicago Employment Service, Inc.
Chicago, IL 60615
312-624-9700

STRIVE

Three Rivers Employment Service, Inc.
Pittsburgh, PA 15233
412-323-0100

WorkSource Staffing Partnership Inc.

WorkSource Staffing Partnership Inc. in Boston, is a staffing and placement firm to help people transition into the workforce from public assistance. Through intensive support, WorkSource Staffing invests in welfare recipients to help them become long-term, successful employees.

Three main components drive WorkSource's operations. First, they find people committed to working by recruiting from job training organizations and community groups. Second, they form partnerships with employers who are committed to investing in potential employees, and who need a diverse, front-line workforce. Third, they provide team-based support for both workers and clients. To date, WorkSource has placed more than 65 welfare recipients into the workforce, 95 percent of whom are still working.

WorkSource Staffing Partnership Inc.
Boston, MA 02116
617-423-7256

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Vicki Lee, a single mother, is one person who has been helped by WorkSource Staffing Partnership Inc. One year ago, Vicki was placed in an entry-level job with a financial services company. Vicki had been out of the workforce for three years, and had very little work experience. While she was motivated, she was ill-equipped to handle many workplace pressures. WorkSource helped her arrange child care around her work hours, instead of the other way around; worked with her and her supervisor on positive conflict resolution; helped her learn how to dress professionally, and through positive reinforcement, gave her the confidence to keep pushing herself.

Career T.E.A.M.

Career T.E.A.M. is a national employment and training organization formulated to ease the employment process for employers, public and private agencies, staff members, and public assistance clients who possess a wide variety of barriers. With a proven track record in training staff and finding employment for welfare recipients, Career T.E.A.M. has cost-effectively trained and employed over 1,000 Connecticut welfare recipients with over 300 employers. Career T.E.A.M.'s core business is employing public assistance recipients via a 6-week, 140-hour welfare-to-work training program. In response to the challenges brought about by time-limited welfare, Career T.E.A.M. also conducts a successful staff training series for caseworkers and counselors. The organization also consults with several companies who aspire to hire

welfare recipients. As an example, American Airlines has selected Career T.E.A.M. to act as an intermediary for its corporate welfare-to-work initiative. Career T.E.A.M. has organized a statewide, private/public partnership designed to cost-effectively employ the most difficult to employ population, those who have completed the state-mandated jobs program without employment. This revolutionary partnership includes the identification of 5,000 entry-level jobs and brings together key employers, private funding, 24-hour case management, and a creative use of the Work Opportunity Tax Credit (WOTC).

Career T.E.A.M.
Hamden, CT 06517
(203) 407-8800

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Section Seven: Businesses Making the Case

For years, businesses around the country have been tapping into the welfare population as a source of labor to fill entry-level vacancies. Until now, those companies learned what works through trial and error. Since the welfare reform law passed, however, businesses have access to information to help them get started. Further, service providers, public agencies, intermediaries, temporary placement agencies, and others are changing to accommodate the business community's increased desire to hire from this pool of workers.

However, hiring welfare recipients and other entry-level workers is not easy. Companies are faced with challenges at every step of the process. But clearly, the effort is worthwhile, or these companies would not continue to draw their workers from the welfare rolls.

Following are several case histories of businesses, small and large, that have successfully hired welfare recipients. Each of these case histories illustrates the challenges and rewards companies face when hiring from the welfare rolls. Each case history also delineates variations of the three key approaches discussed above. When combined with the hiring methods laid out in this document, these case histories offer valuable insight to businesses considering or designing welfare-to-work programs.

KeyCorp

KeyCorp is one of the nation's largest financial services companies. Located in the heart of downtown Cleveland, KeyCorp provides retail and wholesale banking, investment, financing, and money management services to individuals and companies across the United States.

KeyCorp became involved with its welfare-to-work program several years ago after realizing a need to expand its applicant pool for entry-level positions. A recruiter saw an article in a Cleveland magazine highlighting Cleveland Works, an intermediary that prepares welfare recipients for jobs in the private sector. After researching Cleveland Work's credentials, KeyCorp was impressed and began accepting referrals.

Now, when KeyCorp has a need for an entry-level position, an employment recruiter works one-on-one with a Cleveland Works counselor to discuss the expectations and skills requirements for the position. Usually, requirements include a high school diploma, relevant work experience, organizational skills, and a high level of professionalism. The counselor identifies five to 10 candidates that fit the profile and forwards the resumes to KeyCorp for review. The recruiter screens the candidates, before an interview is scheduled with the department manager. After the interview, there is a pre-employment process that involving a drug test, and verification of address, educational background, and employment history. If approved, the candidate

attends an orientation, before entering the work force like any other new hire. New employees receive between \$6.50 to \$9 an hour and a full range of benefits, including medical, dental, tuition reimbursement, and immediate availability to the company's 401(k) program.

Because of its downtown location, employees can easily access transportation, and for those who need childcare, Cleveland Works offers a subsidized child care program only two blocks away.

KeyCorp has hired eight people off public assistance last year with a retention rate higher than regular hires. An in-house training program called Key Services College allows employees to further their education in the banking industry and achieve higher positions within KeyCorp. Already, one of last year's hires off public assistance has moved to a higher job level.

Contact Person: Dietrich Evege

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Fax: 216-689-0790

United Airlines

United Airlines is the largest, majority employee-owned corporation in the world, with more than 86,000 employees. United employment recruiters work closely with social service and other non-profit agencies in Chicago, Denver, Los Angeles, Miami, New York, San Francisco, Washington, D.C. and other communities to identify and recruit welfare recipients as potential job applicants. Many of the community-based agencies working with United have customized their employment-training programs to facilitate a better fit with the types of positions available at United, including everything from reservation agents to administrative-support positions. United provides new employees with on-the-job and/or off-site training, mentoring programs, solid benefits, and opportunities for career advancement. Scott Gilday, Director of People Services for United, said "The key to running a program like this is to have complete support right from the top. If it is understood from the top down how critical the program is, then it can be turned over to the employment department and the rest of the company to implement."

United has as of July 24, 1997, hired 214 former welfare recipients. Talani Wilson, a 23-year-old single mother who works as a personnel clerk, joined United Airlines in March 1997. Ms. Wilson has performed a variety of clerical activities to support personnel and employment functions, including entering and retrieving data from computers and assisting in tasks related to employment applications. "Through Employee and Employer Services, I was introduced to United and since then I have had a whole world of opportunities open up for me," said Ms. Wilson.

Contact Person: Scott Gilday

Telephone Number: 847-700-5011

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Borg-Warner Security Corporation

Borg-Warner Security Corporation is the nation's largest provider of security services. The company employs 73,000 security officers and offers a complex range of electronic and physical security services under the Wells Fargo and Burns names. The company services over 140,000 clients nationwide. It commenced its welfare-to-work program in New York City in 1995.

Borg-Warner created the Recruiting, Screening, and Training Center (RST). The RST trains and assists participants in receiving a state license and will also pay for the license to ensure participants can find work. The RST training program has expanded to Rhode Island, New York State, Massachusetts, Pennsylvania, and New Jersey.

Borg-Warner's biggest challenge in beginning its welfare-to-work program was establishing a good working relationship with community-based agencies that could refer welfare recipients looking for jobs. Borg-Warner has found an ally in Business Link, started by the New York City Mayor's Office. Business Link screens welfare recipients for work from many community-based agencies. The partnership between Borg-Warner and Business Link has been successful in assisting welfare recipients to find jobs.

This year Borg-Warner has found jobs for more than 1,000 welfare recipients and has set a goal to hire an additional 400 to 500.

Contact Person: Ilene Hauer
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Fax: 201-397-2491

Intel

Based in Santa Clara, California, Intel is the world's largest producer of microchips, and with over 40,000 employees, one of the fastest-growing companies. Intel has worked in partnership with seven community colleges around the state to establish new technical training programs for manufacturing technicians. Successful completion of these two year programs prepares individuals for technical positions at Intel. In promoting the program, it offers 100 targeted "opportunity scholarships" to New Mexicans. These scholarships favor under-represented minorities and women and attract many who seek changes in careers. The jobs start at \$30,000 per year for successful graduates. Program entrance is based on economic need rather than skill or educational level. The opportunity scholarship of \$3,000 helps the qualified pay for living expenses while they are pursuing their education. This new scholarship program began in 1994, and the success is still being assessed, but the creativity behind it offers significant and exciting promise.

Contact Person: William Garcia
Telephone Number: 505-893-4300
Fax: 505-893-3116

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American Airlines

Headquartered in Fort Worth, Texas, American Airlines employs more than 92,000 people and has initiated welfare-to-work efforts in Hartford, Connecticut and Miami, Florida. It's first research effort is to identify where the company can best target entry-level positions that offer a ladder of growth and opportunity. Next, the company identifies and contacts agencies in the region with which to move people off of public assistance. Part of the airline's strategy is to locate organizations committed to a well-developed training and placement program-whether they are private intermediaries or public agencies. American insists on working only with those organizations that are creative and interested in long-term placement results. The airline is now considering programs in Chicago, Dallas/Fort Worth, New York, and Raleigh/Durham.

American Airlines' challenge has been retaining welfare recipients in their newly acquired jobs. Most employees hired off welfare lack benefits they had while receiving public assistance, e.g., child care and health care. The targeted jobs selected for welfare recipients by the airline provide benefits after six months of employment; and it can be difficult convincing former welfare recipients to wait. Another problem has been locating agencies that share the company's goals. In Hartford, American met with more than 20 agencies before selecting a social agency with which to work. American Airlines boasts a number of successes thus far, including establishment of closer relationships with key job-readiness agencies and welfare-to-work organizations. The company is proud of the information sharing occurring among companies and public entities. Partnerships established by the airline in Hartford and Miami are beginning to creatively solve problems like transportation.

Contact Person: Fred Machado

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Fax: 817-967-4380

United Parcel Service

United Parcel Service (UPS) is the world's largest package distribution company. Its 340,000 employees serve more than 200 countries and territories. For more than 25 years, UPS has actively participated in a variety of programs to prepare adults to enter the workforce and retain jobs. Pioneering UPS efforts have grown into one of the top welfare-to-work initiatives in the country.

UPS partners with government and non-profit organizations, such as churches, state, and local government agencies, welfare support groups, and private foundations to develop qualified applicants for positions at UPS. UPS offers opportunities for individuals to move into part-time package handling jobs, starting at \$8 to \$9 per hour with full medical benefits. As part of its welfare-to-work efforts, UPS identifies candidates and provides employment and training in cooperation with local organizations. To help ensure that the transition to the workforce is successful, UPS commits a full-time manager to guide the program and provides many of the new employee's mentors.

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Like many other businesses participating in welfare-to-work initiatives, a challenge for UPS was providing transportation for those on public assistance. To overcome this problem in Philadelphia, UPS implemented a bus system to address new employee transportation needs. In Chicago, UPS was the first employer in Chicago to join the Illinois public-private initiative designed to move people from public assistance to work.

Since October 1996, UPS has helped move more than 1,000 people from public assistance to work. For example, Pamela Brown, a 24-year-old mother who currently works for UPS, is a package handler in charge of scanning time-sensitive air packages in New York City. Ms. Brown spent two years on and off public assistance before finding work at UPS. Since joining UPS in August 1995, Ms. Brown has held several positions, including loading, unloading and sorting packages. "Going from Medicaid to full benefits and from \$98.50 every two weeks to \$150 a week is like climbing a mountain with your head held high," said Ms. Brown, who in her spare time teaches sign language as a volunteer in the youth employment program at the Henry Street Settlement.

Contact Person: Joe Schneider

Telephone Number: 404-828-6297

Fax: 404-828-7472

Standard Furniture

Standard Furniture, a family-owned furniture manufacturer with 727 employees in Bay Minette, Alabama, began its welfare-to-work initiative prior to passage of the welfare reform law. Understanding that people on public assistance were anxious to work some had already applied for positions at Standard but did not qualify because of a failure to meet education or work experience requirements Standard entered into a local public/private partnership to expand its labor force.

Standard Furniture agreed to interview welfare recipients referred by the Department of Human Resources for jobs in its furniture plant. Many of the applicants had been on public assistance for more than five years. All were women. Most had young children. Standard hired 20 of the applicants who qualified for the training program and paid them \$6 per hour throughout their training sessions. The company developed a life skills training curriculum taught by instructors from the Faulkner State Community Adult Education Program. For the first 10 weeks, participants worked six hours each day and attended a two-hour class in which they learned life skills, including how to balance a checkbook, how to shop with coupons, and how to cope with being in the workforce.

The biggest challenge Standard Furniture faced was the expectations of the other employees in its workforce. For example, the people on public assistance worked only six-hour days, while everyone else worked eight-hour days. After some discussion and patience, it has worked out better than expected. "They're supporting themselves now and fit into the mainstream of society," said Jim Hanson, Director of Human Resources for Standard Furniture. "The key is patience. Don't expect them to be model employees the first week. It's an adjustment. But if you provide an opportunity for success, it most definitely works."

Since April 1996, two classes of former welfare recipients have graduated from the program and retention rates for program participants are higher than those of traditional employees. Of the 20 graduates, 10 are still with Standard Furniture, and two have moved to higher paying jobs at other companies. Standard plans to hire another 20 participants over the next year.

Contact Person: Gary Harbin

Telephone Number: 334-937-6741

Fax: 334-937-1178

A Discussion with The Limited

Q: What motivated you to hire welfare recipients?

The Limited: Our desire to employ welfare recipients is motivated by an interest in exploring all possible sources of quality personnel to work in our corporation; a desire to be a corporate leader in quality of life improvements in Columbus [Limited Headquarters in Ohio] and central Ohio; and by a need to respond to a very low unemployment and tight labor market in our community.

Q: Please describe how you got started with hiring welfare recipients?

The Limited: Our effort to hire welfare recipients into our family business is supported by a nonprofit corporation which we have formed with community organizations, public agencies, churches, educational institutions, human services organizations, and Manpower groups to identify, assess, train, and place the unemployed or under-employed.

Q: What is the greatest incentive motivating you to hire welfare recipients?

The Limited: The greatest incentive motivating us to hire welfare recipients is to meet corporate employment needs.

Q: What is the biggest concern you have in hiring welfare recipients?

The Limited: While we have a few concerns, most of these concerns are addressed though the nonprofit job consortium we have created. Our biggest concerns cover three areas: that work candidates might lack training or skills; that work candidates might lack job readiness; and that they do not have access to childcare, transportation, and other necessary resources.

General Converters and Assemblers, Inc.

You do not need to be a multi-billion dollar company to make a difference. General Converters and Assemblers, Inc. (GCA) is a minority-owned and operated manufacturing company with approximately 211 employees located in Racine, Wisconsin. With annual sales of more than \$30 million and with more than one-half of its work force formerly on public assistance, GCA truly has empowered its community.

George Stinson, President of General Converters and Assemblers, Inc. started GCA 28 years ago with the goal of creating employment potential in the community. He began with a very simple philosophy: make taxpayers out of tax users. Since then, Stinson and GCA have become one of the premier examples of how welfare-to-work programs can succeed. "Our employees recognize that we are genuine about wanting to help them and that makes them want to stick with us," said Stinson. "It was a social decision before it was a business decision."

The biggest challenge for GCA has been improving workers' basic education skills which GCA is striving to meet with it's literacy program. In addition, GCA faces new workers with low self-esteem. Keri Carlson, Director of Human Resources, addresses these issues by working with those on public assistance to feel a sense of

ownership in his or her position. Management makes efforts to let the workers know that they are vital to the company. "We have found that most welfare recipients are eager to leave the welfare rolls in favor of gaining valuable skills and employment," said Stinson.

Since the 1980s, GCA has hired more than 1200 workers off of public assistance. Retention is about 50 percent and with their new skills and credentials, many workers seek and find employment at higher paying jobs. After working at GCA for five years, one former public assistance recipient with four children advanced to night-shift supervisor and was then hired by a high-tech firm in South Milwaukee. This turnover makes room for others to enter employment at GCA.

Contact Person: George Stinson

Telephone Number: 414-634-1942

Fax: 414-632-7501

E-Mail: grs@wi.net

Rachel's Bus Company

Rachel's Bus Company, located in North Lawndale, Illinois, currently has 23 full time employees and 120 part-time bus drivers. Although many bus drivers are part-time, they can use the free time to attend school and receive an education while gaining experience and earning an income. Company owner and operator Rachel Hubka first became involved in welfare-to-work activities when she was searching to fill positions at her company during a school bus driver shortage. She found it difficult to find employees and began searching at the local public aid office.

Rachel's Bus Company's comprehensive training program is an excellent place to begin moving people from welfare-to-work. The on-site training program provides a physical exam, defensive driving and safety classes, and requires an applicant to be drug-free with no criminal background. This company also offers a charter incentive program that encourages drivers to bring in their own business by paying a commission.

The most challenging aspect of starting a welfare-to-work program for Hubka was finding community-based agencies that could provide work-ready welfare recipients. "But that is improving every day," said Hubka. "The most important reason to get involved in welfare-to-work activities is to break the stereotype of the public-aid recipient and to realize they to have skills to utilize in the workplace."

Rachel Hubka has pledged to hire as many welfare recipients as possible and is now participating in Chicago's welfare-to-work task force. The task force's main goal is to identify community-based agencies to provide potential employees. Hubka has given chances to many people, including Mary. As Mary struggled to support her three children five years ago, she enrolled in Rachel's Bus Company's training program. Since that time, Mary has gained seniority in the company, found a large apartment for her family, and has gained skills and self-esteem. Mary's greatest moment of achievement came at the company's award banquet when Mary was given one of the top awards for attendance and safe driving.

Contact Person: Lydell Johnson

Telephone Number: 773-533-1008

Fax: 773-533-1406

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JELD-WEN Corporation

Founded in 1960, in Klamath Falls, Oregon, JELD-WEN employs 14,000 people worldwide. The company, which manufactures building products, has been involved in welfare-to-work for more than a decade as a component of its community service policy. The company created the American Institute for Full Employment, an employment opportunities organization which, in turn, is sponsoring the Full Employment Program. This unique program centers around the concept of moving public aid recipients into the workforce immediately by converting their welfare benefits into wage subsidies for entry-level jobs. The program's participants bypass pre-employment training and move directly into the workforce. Each job provides an opportunity for advancement, and the Full Employment Program aims eventually to transfer the new workers to unsubsidized—and thus higher-paying—positions. This system helps aid recipients by steering them toward financial self-sufficiency, and it helps employers by providing them with a large workforce at initially low cost.

The challenges faced by JELD-WEN are different from those confronting other companies involved with welfare-to-work because of its unique statewide approach to encouraging employment. In order to encourage participation, the Full Employment Program guarantees supportive services throughout the transition to self-sufficiency. Medicaid and childcare are provided to families for at least a year after they move into unsubsidized employment.

Eight states have adopted versions of the Full Employment Program and enacted them into law—Oregon and Mississippi are two that have successfully turned the Institute's initiative into programs specifically tailored to the needs of their states. In Oregon, the Full Employment Program has helped reduce the welfare caseload from 44,000 people to 23,000, and similar results are occurring in Mississippi. JELD-WEN is now beginning to work with the "high investment" welfare population that features more challenging barriers.

Contact Person: Ted Abram

Telephone Number: 541-882-3451

Fax: 541-882-7454

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WTWP and NAB Talk with Businesses

On May 20, 1997, The Welfare to Work Partnership and the National Alliance of Business met with 80 companies who have hired welfare recipients. Present were CEOs and human resource directors representing small, medium, and large companies from various industries and various regions of the country. Wirthlin Worldwide, a strategy and polling organization, facilitated the focus groups.

On Company Motivation...

This effort works. In their words, these employers have found individuals hired off of public assistance to be among the most committed employees when properly guided through the process.

On Challenges in Recruitment and Identification...

The most frequently mentioned hurdle is knowing where to find welfare recipients or identifying a public entity or intermediary to identify work-ready welfare recipients to hire.

On Solutions to the Challenges...

Almost every success story shared involved the assistance of an intermediary organization that can speak both the business language and sift through the public system, allowing businesses to remain free of the red tape and frustration often associated with working directly with a public entity.

On Screening, Job Readiness, Hiring and Training...

Businesses worry about finding good job readiness and training programs or funding those programs themselves. Employers found that successful job readiness, training, and placement programs contain the following elements:

- Basic life skills.
- Partnerships with businesses, community organizations, and educational institutions.
- Programs with formal elements, i.e., specific objectives including at least three months of job-readiness and training, paid participation for welfare recipients, identified curriculum, and dominant job-readiness skills.
- Training that is on the job or specifically designed by employers.
- An intern period following basic instruction that acts as a buffer between full-time employment and training.

On Best Practices...

To help new hires successfully complete training programs, companies offered the following suggestions:

- Use intermediary agencies for the first three to six months after the hiring has taken place to offer new employees support and motivation.
- Make working life more rewarding than life on assistance, that is to say, provide health care and other benefits to show your commitment up front.
- Help welfare recipients with issues at home (usually the primary reason a former recipient will leave a job) including child care, health care, transportation, and counseling.
- Show new hires growth opportunities awaiting them and specifically demonstrate through others how it can be reached.

On Retention and Mentoring...

Business owners and executives clearly want their initial investments in employees to pay off through long-term employment and loyalty to the organization. Therefore, it is in everyone's best interest to institute procedures most likely to keep new-hires in their jobs for the long haul.

Specifically, the following were the most frequently mentioned practices:

- Provide personal attention during the first critical months on the job. Larger companies have human resources staff designated as case managers for new hires off of welfare while small companies typically contract with agencies that provide such services.
- Be flexible. Give new hires off welfare flexibility with accountability during this transitional phase of their life.
- Get help with what to expect. Employers also need training in what to expect and how to work with someone who comes off of public assistance into the workforce.
- Use mentors consistently throughout the program. Identifying a mentor from the outset is a key factor in retention.

Appendix: Resources

For Specific Information on Welfare and Welfare-to-Work Programs:

Department of Labor:

WWW.DOLETA.GOV/OHRW2W/INDEX/HTM

Further assists Federal Human Resource specialists in meeting the objectives of the Welfare-to-Work Initiative.

Department of Labor:

WWW.DOLETA.GOV/OHRW2W

A step-by-step guide for small businesses on hiring welfare-to-work employees.

Health and Human Services:

WWW.ACF.DHHS.GOV/NEWS/WELFARE

A database of welfare and welfare-to-work news.

American Public Welfare Association:

WWW.APWA.ORG/REFORM/REFORM.HTM

An analysis and background of the welfare reform bill.

Welfare Information Network:

WWW.WELFAREINFO.ORG

Information on welfare reform including policy analysis and technical assistance.

For General Resources:

Society of Human Resource Management:

WWW.SHRM.ORG

The leading voice of the human resource profession, representing the interests of more than 85,000 members from around the world.

Goodwill Industries International:

WWW.GOODWILL.ORG/ABOUT/EET.HTM

Assists welfare recipients with disabilities and other special needs to acquire the skills they need to enter the workforce.

NAM Center for Workforce Excellence:

WWW.NAM.ORG/WORKFORCE/ABOUT.HTML

Helps U.S. companies educate and train their employees for the jobs of today and the opportunities of tomorrow.

U.S. Chamber of Commerce:

WWW.USCHAMBER.ORG/ABOUT/WELCOME.HTML

The world's largest federation established to protect and represent businesses so they can grow and prosper in a free market economy.

The Urban Institute:

WWW.URBAN.ORG/WELFARE/OVERVIEW.HTML

A leading social policies think tank and program evaluation organization.

Liberty Net:

WWW.LIBERTYNET.ORG/~EDCIVIC/WELFREF.HTML

Conducts extensive research on the characteristics and program alternatives for the welfare population.

Electronic Policy Network:

WWW.EPN.ORG/IDEA/WELFARE.HTML

Provides list of welfare reform resources and welfare reform news.

In addition to starting points discussed in the text of the document, there are many other contacts at the national, state, and local levels to help businesses get started. Following are several existing public programs that can help businesses find and train workers:

The Jobs Training Partnership Act (JTPA) supports job training services to economically disadvantaged individuals. Although states play a key intermediary role in JTPA, most of the action takes place at the local level by Private Industry Councils (PICs). PIC members are appointed by local elected officials and are representatives of the public, private, and non-profit sectors.

PICs recruit, assess, train, and place workers into jobs. They deliver a wide range of services to their program participants including occupational training, on-the-job training, basic education, job and career counseling, and coordination of support services. In addition, PICs work closely with employers to match employees with job openings.

The State Employment/Job Service operates more than 1,800 local offices throughout the nation and assists job seekers and employers through a labor exchange. Depending on the needs of the community, state and local offices may provide specialized services to welfare recipients including assisting them to find employment, assisting employers in filling job vacancies, facilitating the match between the employer and job seeker's needs, and providing information about jobs and training opportunities.

The One-Stop Career Center System integrates training and employment services and provides customers with a single point of access to job search assistance, job referral, job placement, and information on education and training programs. Each state's one-stop system is being designed in conjunction with local communities to best meet their particular needs.

The U.S. Department of Labor has a publication entitled, *Tapping a New Workforce: From Welfare-to-Work in the Federal Government* that can provide businesses with a comprehensive directory containing names, addresses, and telephone numbers of people in communities working in the local workforce development system. This directory can be found on the Department of Labor's web site: <http://www.doleta.gov/ohrw2w>. In addition to the program list above, county executives in the local communities know organization budgets to transition welfare people into gainful employment. Furthermore, local Chambers of Commerce act as clearinghouses between businesses and the community.

A few sentences on Adult and Vocational Education: Vocational Education provides resources to state and local programs to improve vocational education programs which emphasize both practical and theoretical skill. Federal funds ensure access to programs for disadvantaged youths and adults. Program services are available in both secondary and post-secondary institutions and community colleges. Adult Education funds are used to support adult literacy programs, teach basic skills to illiterate adults and help adults attain high school equivalency. Most Adult Education is intended to prepare adult participants for work.

Glossary of Acronyms

AFDC:	Aid to Families with Dependent Children
EITC:	Earned-Income Tax Credit
ETA:	Employment and Training Administration
JTPA:	Job Training Partnership Act
NAB:	National Alliance of Business
PIC:	Private Industry Council
PRWORA:	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
TANF:	Temporary Assistance to Needy Families
TJTC:	Targeted Jobs Tax Credit
WOTC:	Work Opportunity Tax Credit
WTWP:	The Welfare to Work Partnership

Business Partner Enrollment Form

The Welfare to Work Partnership (The Partnership) is an independent, nonpartisan, national effort of the business community to help move those on public assistance into jobs in the private sector. The Partnership seeks to identify and engage employers who will help to expand this effort in their own community, state, and other regions of the country. You are cordially invited to become a Business Partner in The Welfare to Work Partnership. There is no fee for participation and the benefits to partnership are many.

Benefits to partners include access to a national database of business welfare-to-work programs and the service providers those businesses have used; access to regional how-to workshops taught by businesses already running successful programs; free subscriptions to our weekly fax and quarterly newsletter; free publications; and other partner-only benefits.

In order to qualify for and be recognized as a Business Partner, we ask you to check one of the following statements:

- Yes, my business has hired at least one person from public assistance without displacing current employees.
- Yes, my business pledges to hire at least one person from public assistance without displacing current employees.

We would like to know more about your business. Please complete and sign the form below and attach a brief summary of your company's experience with hiring welfare recipients.

Primary Contact Person _____

Title _____ **E-Mail Address/Web Site** _____

Company/Business Name _____

CEO/Business Owner _____

Address _____

City, State, Zip _____ **County** _____

Telephone _____ **Fax** _____

Industry/Product/Service _____ **# of Employees** _____

Primary Scope of Business Activity - please check one:

- Local
- State
- Regional
- National
- International

Sign _____ **Date** _____

I am interested in The Partnership, but need more information before joining. Source Code: BFB

Please return this form to the above address or fax attention Lisa Dawe - 202-637-9195.

For more information, visit our Web Page at **WWW.welfaretowork.org** or call our toll-free number, **1-888-USA-JOB1**

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