

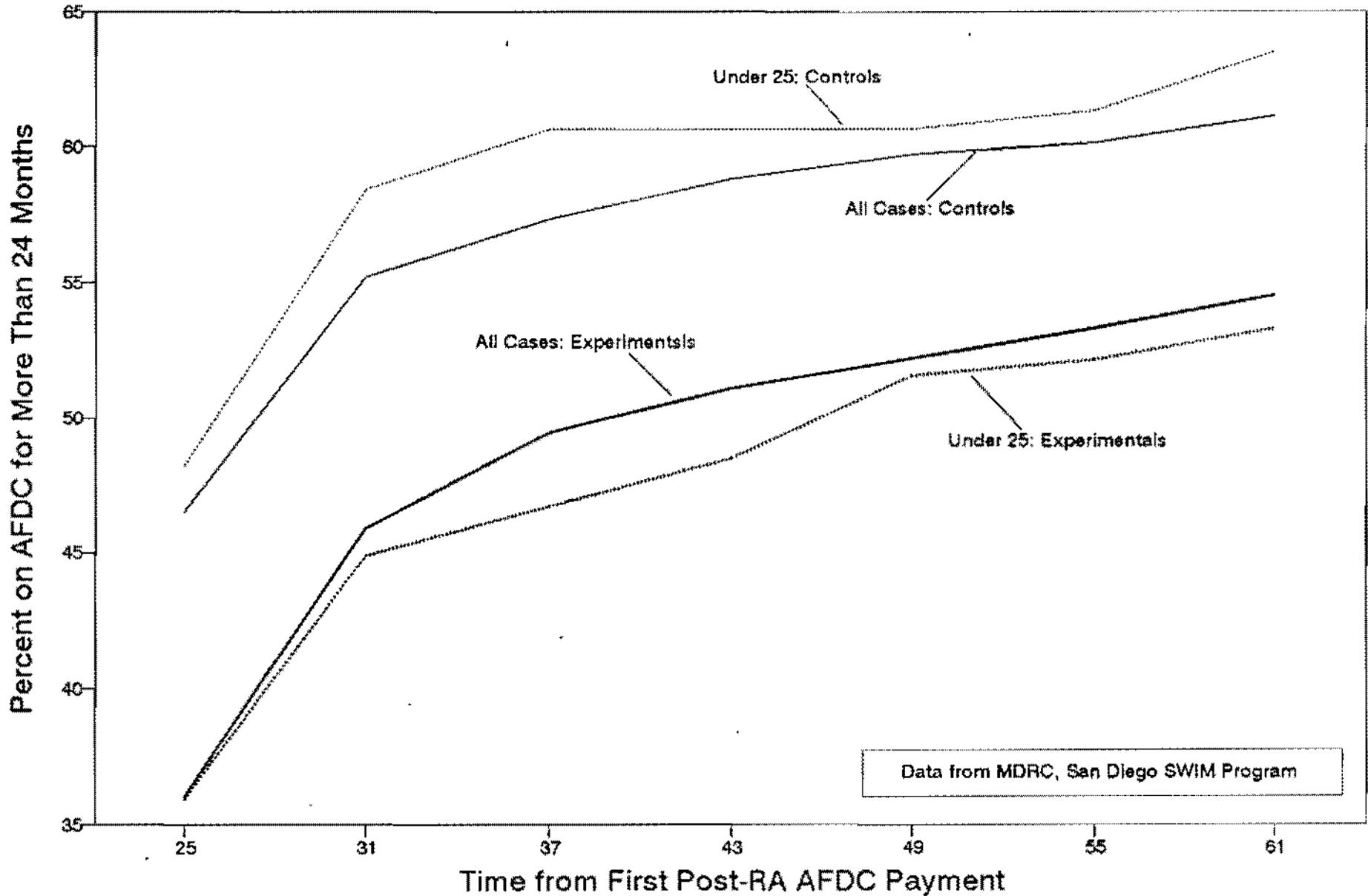
✓
TO: David, Wendell, Mary Jo, Bruce, Kathi, Howard
FROM: Don
RE: SWIM Impacts on women under 25
DATE: March 31, 1994

WR
Phase In

Questions have been raised regarding the application of SWIM impacts to modeling welfare reform. In particular, the welfare reform proposal phases-in with young women while the SWIM results are based on a broad cross section of the AFDC population. In response to these concerns I requested a special tabulation from MDRC on women under 25 at the time of random assignment.

The attached graph (produced by ASPE staff) depicts the percentage of those in experimental and control groups who hit the 24 month limit within specified time periods. The graph clearly indicates that the young women respond to treatment in a manner similar to the population as a whole. This is particularly interesting given the comments in Jim Riccio's memo which accompanied the tabulations that these young women were more likely to be never married, have children under age six and to be more educationally disadvantaged.

Single Parents with More Than 24 Months of Payments: All Cases & Under Age 25



**MANPOWER DEMONSTRATION
RESEARCH CORPORATION****MEMO**

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Regional Office: 88 Kearny Street, San Francisco, CA 94108 (415) 781-3800 Fax: (415) 781-3820

To: Don Oellerich Date: March 15, 1994

From: Jim Riccio 

Subject: Attached tables on AFDC receipt for the "under age 25" subgroup in SWIM

Attached are two SWIM tables (one for controls and one for experimentals) showing the proportion of research sample members under age 25 at random assignment who exceeded two years of AFDC within varying amounts of elapsed time.

The results are very similar to the results for the full SWIM sample. This finding is somewhat surprising, since we found large and statistically significant differences in various baseline characteristics between those under age 25 and the rest of the SWIM sample. The younger sample members had fewer children but were more likely to have a child under age six. They were also more likely to be "never married" than SWIM sample members who were age 25 or over, but were less likely to have more than two years of pre-random assignment AFDC receipt, and were less likely to have a high school diploma or GED.

If you would like more information on these and other differences in background characteristics, please let me know.

Revised 5:10 PM 14-MAR-94
Source: WRSS5027.314,WRSS5028.314

REP: HHS_WR1 = D:\DATA\123\HHS\HHS_S17A.WK1

HHS WELFARE/EMPLOYMENT DYNAMICS STUDY: TABLE S-17A

SWIM

AFDC SINGLE PARENTS (AFDC-FGs): CONTROLS
UNDER AGE 25 AT RANDOM ASSIGNMENT

PERCENT WITH MORE THAN TWO YEARS OF AFDC PAYMENTS WITHIN A
SPECIFIED NUMBER OF MONTHS FROM THE FIRST POST-RANDOM
ASSIGNMENT AFDC PAYMENT

Months from First Post-RA AFDC Payment	First-Time Applicants	Returning Applicants	Recipients	Full Sample
25 months	--	---	---	48.2
31 months	--	---	---	58.4
37 months	---	---	---	60.6
43 months	---	---	---	60.6
49 months	---	---	---	60.6
55 months	---	---	---	61.3
61 months	---	---	---	63.5
Sample size (percent of total)				137 (100%)

SOURCE: MDRC calculations from the County of San Diego AFDC records. The data were collected for the MDRC evaluation of the San Diego SWIM program. The data cover the period 1985 to 1991.

NOTES: The count of months of AFDC payments begins with the first month an AFDC payment was received after random assignment. This count includes the month of random assignment if a payment was received in that month.

With some exceptions, the sample for this analysis does not include single parents who had children under age 6 at the time of random assignment. It also excludes 9 people who did not have at least 61 months of follow up after their first post-random assignment AFDC payment. These excluded cases account for 6.2 percent of the original sample of 146 AFDC-FG controls under age 25 at random assignment.

Applicant/recipient definitions:

first-time applicants	Sample members who were applying for AFDC at the time they were referred to SWIM and who had previously never received AFDC.
returning applicants	Sample members who were applying for AFDC at the time they were referred to SWIM and who had previously received AFDC.
recipients	Sample members who were receiving AFDC at the time they were referred to SWIM.

HOW TO READ THIS TABLE:

The percentage 48.2 in the first row of the fourth column indicates that 48.2 percent of the sample would have exceeded a two-year limit on welfare receipt within 25 months of their first post-random assignment AFDC payment. The next number in this column, 58.4, indicates that 58.4 percent of this group would have exceeded a two-year limit within 31 months of their first post-random assignment AFDC payment.

HHS WELFARE/EMPLOYMENT DYNAMICS STUDY: TABLE S-17B

SWIM

AFDC SINGLE PARENTS (AFDC-FGs): EXPERIMENTALS
 UNDER AGE 25 AT RANDOM ASSIGNMENT

PERCENT WITH MORE THAN TWO YEARS OF AFDC PAYMENTS WITHIN A
 SPECIFIED NUMBER OF MONTHS FROM THE FIRST POST-RANDOM
 ASSIGNMENT AFDC PAYMENT

Months from First Post-RA AFDC Payment	First-Time Applicants	Returning Applicants	Recipients	Full Sample
25 months	--	--	--	35.9
31 months	--	--	--	44.9
37 months	--	--	--	46.7
43 months	--	--	--	48.5
49 months	--	--	--	51.5
55 months	--	--	--	52.1
61 months	--	--	--	53.3
Sample size (percent of total)				167 (100%)

SOURCE: MDRC calculations from the County of San Diego AFDC records. The data were collected for the MDRC evaluation of the San Diego SWIM program. The data cover the period 1985 to 1991.

NOTES: The count of months of AFDC payments begins with the first month an AFDC payment was received after random assignment. This count includes the month of random assignment if a payment was received in that month.

With some exceptions, the sample for this analysis does not include single parents who had children under age 6 at the time of random assignment. It also excludes 11 people who did not have at least 61 months of follow up after their first post-random assignment AFDC payment. These excluded cases account for 6.2 percent of the original sample of 178 AFDC-FG experimentals under age 25 at random assignment.

Applicant/recipient definitions:

- first-time applicants Sample members who were applying for AFDC at the time they were referred to SWIM and who had previously never received AFDC.
- returning applicants Sample members who were applying for AFDC at the time they were referred to SWIM and who had previously received AFDC.
- recipients Sample members who were receiving AFDC at the time they were referred to SWIM.

HOW TO READ THIS TABLE:

The percentage 35.9 in the first row of the fourth column indicates that 35.9 percent of the sample would have exceeded a two-year limit on welfare receipt within 25 months of their first post-random assignment AFDC payment. The next number in this column, 44.9, indicates that 44.9 percent of this group would have exceeded a two-year limit within 31 months of their first post-random assignment AFDC payment.

WR-~~XXXXXXXXXX~~
PHASE-IV

MEMORANDUM

To: David Ellwood
From: Donna Pavetti
Subject: Comparison of Results With and Without Provisions for Earning Back Time With Full Treatment Impacts
Date: March 23, 1994

I have attached two tables that compare the status of the caseload with and without the earnback provisions included. These tables include treatment effects but these should be interpreted as rough estimates and not exact comparisons. The difference between the two sets of estimates is between 6 and 7 percent, about the same as it was without the treatment impacts included.

Note on the comparability of these tables:

When I run the model with treatment impacts with different options included, the results include variation that results purely from the change in the path of the random number as well as the actual impacts from the treatment effect. Since it is impossible to separate these two components of the variation out from one another, it is not easy to compare two options with the treatment impacts included. To make these two tables comparable, I assumed the caseload reductions from the welfare treatment effects are equal with and without the earn back provisions, even though the model does not produce this result. (The caseload reductions are very close when I run the model so these tables should be a relatively close approximation to reality.)

Bruce

Note that w/ Earnback there are roughly 50,000 more people in JOBS + that # fewer in WORK in 2004.
Note earnback (in our model) only affects the # pre vs post time limit

D

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table I

Caseload (in thousands)

Fiscal Year	1996	1997	1998	1999	2000
Projected Caseload	5,252	5,363	5,460	5,575	5,679
Child Only/Carstaker	840	858	874	892	909
Adult Cases	4,412	4,505	4,586	4,683	4,770
Number of Adult Cases Subject to the Time Limit	239	1,433	1,683	1,934	2,190
Percent of Adult Cases Subject to the Time Limit	5.4%	31.8%	36.7%	41.3%	45.8%
Total Caseload Reduction from Non-Welfare Reforms (Cases)	44	68	92	117	334
Total Caseload Reduction from Non-Welfare Reforms (Percent)	1.00%	1.50%	2.00%	2.50%	7.00%
Total Projected Adult Caseload with Non-Welfare Reforms	4,368	4,437	4,495	4,566	4,436
Total Number of Cases Subject to the Time Limit	237	1,411	1,650	1,886	2,038
Caseload Reduction from Welfare Reforms (Cases)	0	16	54	40	53
Caseload Reduction from Welfare Reforms (Percent of Phased-In)	0.0%	1.1%	3.3%	2.1%	2.6%
Caseload Reduction from Welfare Reforms (Percent of Total Caseload)	0.0%	0.4%	1.2%	0.9%	1.2%
Projected Adult Caseload with Welfare and Non-Welfare Reforms	4,368	4,421	4,441	4,526	4,384
Number of Cases on Welfare Not Phased-In	4,131	3,026	2,845	2,680	2,400
Number of Cases in Transitional Assistance Program (TAP)	237	1,395	1,596	1,846	1,984
Status of Cases in TAP					
JOBS	124	750	848	768	723
JOBS Extensions	0	0	14	77	72
WORK	0	0	29	213	360
Combining Work and Welfare	18	115	130	161	174
JOBS Prep	95	530	575	628	655
JOBS Participation	95	577	666	667	629

For Options Included in the Model See Notes Following Table II

March 23, 1994 (E52CMA - 20% E5A; 80% E2A - Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback)

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table I (Con't)

Caseload (in thousands)

	Fiscal Year	2001	2002	2003	2004	2005
Projected Caseload		5,795	5,909	6,020	6,155	6,247
Child Only/Caretaker		927	945	963	985	1,000
Adult Cases		4,868	4,964	5,057	5,170	5,248
Number of Adult Cases Subject to the Time Limit		2,468	2,745	3,024	3,335	3,595
Percent of Cases Subject to the Time Limit		50.7%	55.3%	59.8%	64.5%	68.5%
Total Caseload Reduction from Non-Welfare Reforms (Cases)		438	548	657	776	787
Total Caseload Reduction from Non-Welfare Reforms (Percent)		9.00%	11.00%	13.00%	15.00%	15.00%
Total Projected Adult Caseload with Non-Welfare Reforms		4,430	4,418	4,399	4,395	4,461
Total Number of Cases Subject to the Time Limit		2,246	2,443	2,631	2,835	3,056
Caseload Reduction from Welfare Reforms (Cases)		127	219	227	278	303
Caseload Reduction from Welfare Reforms (Percent of Phased-In)		5.7%	9.0%	8.6%	9.8%	9.9%
Caseload Reduction from Welfare Reforms (Percent of Total Caseload)		2.9%	5.0%	5.2%	6.3%	6.8%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,303	4,198	4,172	4,117	4,158
Number of Cases on Welfare Not Phased-In		2,184	1,975	1,769	1,560	1,405
Number of Cases in Transitional Assistance Program (TAP)		2,119	2,223	2,404	2,556	2,753
Status of Cases in TAP						
JOBS		733	722	761	788	845
JOBS Extensions		73	72	76	79	84
WORK		455	550	642	708	822
Combining Work and Welfare		180	190	203	214	230
Deferrals		678	689	721	767	771
JOBS Participation		637	627	662	685	734

For Options Included in the Model See Notes Following Table II

March 23, 1994 (E52CMA -- 20% E5A; 80% E2A -- Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table II

Percent Distribution of Transitional Assistance Program Participants by Participation Status

Fiscal Year	1996	1997	1998	1999	2000
Phased-In Caseload (As A Percent of Caseload Before Reforms)					
Off Welfare	1.0%	2.6%	5.2%	4.6%	9.4%
JOBS	51.8%	52.3%	50.4%	39.7%	33.0%
JOBS Extensions	0.0%	0.0%	0.8%	4.0%	3.3%
WORK	0.0%	0.0%	1.7%	11.0%	16.4%
Combining Work and Welfare	7.6%	8.1%	7.7%	8.3%	8.0%
JOBS Prep	39.6%	37.0%	34.1%	32.5%	29.9%
Phased-In Caseload (As a Percent of Phased-In Caseload After Reforms)					
JOBS	52.3%	53.7%	53.2%	41.6%	36.5%
JOBS Extensions	0.0%	0.0%	0.9%	4.2%	3.6%
WORK	0.0%	0.0%	1.8%	11.5%	18.1%
Combining Work and Welfare	7.7%	8.3%	8.2%	8.7%	8.8%
JOBS Prep	40.0%	38.0%	36.0%	34.0%	33.0%
Additional Information on WORK Program					
WORK	0.0%	0.0%	100.0%	100.0%	97.8%
Extended WORK	0.0%	0.0%	0.0%	0.0%	2.2%

March 23, 1994 (E52CMA -- 20% E5A; 80% E2A -- Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback)

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table II (Con't)

Percent Distribution of Transitional Assistance Program Participants by Participation Status

	Fiscal Year	2001	2002	2003	2004	2005
Phased-In Caseload Including Those Off Welfare Due to Reforms						
Off Welfare		14.1%	19.0%	20.5%	23.3%	23.4%
JOBS		29.7%	26.3%	25.2%	23.6%	23.5%
JOBS Extensions		3.0%	2.6%	2.5%	2.4%	2.3%
WORK		16.5%	20.1%	21.2%	21.2%	22.9%
Combining Work and Welfare		7.3%	6.9%	6.7%	6.4%	6.4%
JOBS Prep		27.5%	25.1%	23.8%	23.0%	21.4%
Phased-In Caseload Excluding Those Off Welfare Due to Reforms						
JOBS		34.6%	32.5%	31.7%	30.8%	30.7%
JOBS Extensions		3.5%	3.2%	3.2%	3.1%	3.1%
WORK		21.5%	24.8%	26.7%	27.7%	29.9%
Combining Work and Welfare		6.5%	6.5%	6.4%	6.4%	6.4%
JOBS Prep		32.0%	31.0%	30.0%	30.0%	28.0%
Additional Information on WORK Program						
WORK		66.7%	72.2%	61.8%	52.5%	47.8%
Extended WORK		13.3%	27.8%	38.2%	47.5%	52.2%

March 23, 1994 (E52CMA -- 20% E5A; 80% E2A -- Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback)

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-in in October 1995

March 23, 1994 (E52CMA - 20% E5A; 80% E2A - Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback

Options	Included
Extensions for recipients who have not completed high school	Y
Deferrals for children under one (under five months for children born after initial AFDC receipt)	Y
Deferrals for recipients with work limitations and those caring for a severely disabled child	Y
Months combining work and welfare count toward the time limit	N
Level of Combining Welfare and Work (1=Current; 2=Double Current)	1
Recipients earn back one month for every four consecutive months off welfare	N
Behavioral Impacts Beyond Changes in Combining Work and Welfare	SWIM/L1/L2
SWIM - Treatment Impact from San Diego SWIM; EITC - 85% receive 2/3 of credit monthly	
L1 - Increase exit probability 3 months before and 3 months after hitting the time limit	
L2 - Work experience after 3 months of WORK	

March 23, 1994 (E52CMA - 20% E5A; 80% E2A - Full Welfare Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level; No Earnback

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

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Number of Adult Cases Subject to the Time Limit	239	1,433	1,683	1,934	2,190
Percent of Adult Cases Subject to the Time Limit	5.4%	31.8%	36.7%	41.3%	45.9%
Total Caseload Reduction from Non-Welfare Reforms (Cases)	44	68	92	117	334
Total Caseload Reduction from Non-Welfare Reforms (Percent)	1.00%	1.50%	2.00%	2.50%	7.00%
Total Projected Adult Caseload with Non-Welfare Reforms	4,368	4,437	4,495	4,566	4,436
Total Number of Cases Subject to the Time Limit	237	1,411	1,650	1,866	2,036
Caseload Reduction from Welfare Reforms (Cases)	0	16	53	40	53
Caseload Reduction from Welfare Reforms (Percent of Phased-In)	0.0%	1.2%	3.2%	2.1%	2.6%
Caseload Reduction from Welfare Reforms (Percent of Total Caseload)	0.0%	0.4%	1.2%	0.9%	1.2%
Projected Adult Caseload with Welfare and Non-Welfare Reforms	4,368	4,421	4,442	4,526	4,384
Number of Cases on Welfare Not Phased-In	4,131	3,026	2,845	2,680	2,400
Number of Cases in Transitional Assistance Program (TAP)	237	1,395	1,596	1,846	1,984
Status of Cases in TAP					
JOBS	123	743	858	807	745
JOBS Extensions	0	0	14	81	75
WORK	0	0	21	166	336
Combining Work and Welfare	19	122	128	165	173
JOBS Prep	95	530	575	628	655
JOBS Participation	95	572	676	701	648

For Options Included in the Model See Notes Following Table II

March 15, 1994 (C2324FCM -- 20% C23F; 80% C24F -- Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996: 20% Phase-In in October 1995

Table I (Con't)

Caseload (in thousands)

	Fiscal Year	2001	2002	2003	2004	2005
Projected Caseload		5,795	5,909	6,020	6,155	6,247
Child Only/Caretaker		927	945	963	985	1,000
Adult Cases		4,868	4,964	5,057	5,170	5,248
Number of Adult Cases Subject to the Time Limit		2,488	2,745	3,024	3,335	3,595
Percent of Cases Subject to the Time Limit		50.7%	55.3%	59.8%	64.5%	68.5%
Total Caseload Reduction from Non-Welfare Reforms (Cases)		438	546	657	776	787
Total Caseload Reduction from Non-Welfare Reforms (Percent)		9.00%	11.00%	13.00%	15.00%	15.00%
Total Projected Adult Caseload with Non-Welfare Reforms		4,430	4,418	4,399	4,395	4,461
Total Number of Cases Subject to the Time Limit		2,246	2,443	2,631	2,635	3,056
Caseload Reduction from Welfare Reforms (Cases)		127	219	228	277	303
Caseload Reduction from Welfare Reforms (Percent of Phased-In)		5.6%	9.0%	8.7%	9.8%	9.9%
Caseload Reduction from Welfare Reforms (Percent of Total Caseload)		2.9%	5.0%	5.2%	6.3%	6.8%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,303	4,199	4,172	4,117	4,158
Number of Cases on Welfare Not Phased-In		2,184	1,975	1,769	1,560	1,405
Number of Cases in Transitional Assistance Program (TAP)		2,119	2,224	2,403	2,557	2,753
Status of Cases in TAP						
JOBS		746	756	796	836	891
JOBS Extensions		75	76	80	84	89
WORK		440	515	600	658	771
Combining Work and Welfare		180	188	206	212	231
Deferrals		678	689	721	767	771
JOBS Participation		648	657	692	727	775

For Options Included in the Model See Notes Following Table II

March 15, 1994 (C2324FCM -- 20% C23F; 80% C24F -- Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table II

Percent Distribution of Transitional Assistance Program Participants by Participation Status

Fiscal Year	1996	1997	1998	1999	2000
Phased-In Caseload (As A Percent of Caseload Before Reforms)					
Off Welfare	1.0%	2.6%	5.2%	4.5%	9.4%
JOBS	51.4%	51.9%	51.0%	41.7%	34.0%
JOBS Extensions	0.0%	0.0%	0.9%	4.2%	3.4%
WORK	0.0%	0.0%	1.3%	8.6%	15.4%
Combining Work and Welfare	8.0%	8.5%	7.6%	8.5%	7.9%
JOBS Prep	39.6%	37.0%	34.1%	32.5%	29.9%
Phased-In Caseload (As a Percent of Phased-In Caseload After Reforms)					
JOBS	51.9%	53.3%	53.8%	43.7%	37.6%
JOBS Extensions	0.0%	0.0%	0.9%	4.4%	3.8%
WORK	0.0%	0.0%	1.3%	9.0%	17.0%
Combining Work and Welfare	8.1%	8.7%	8.0%	8.9%	8.7%
JOBS Prep	40.0%	38.0%	36.0%	34.0%	33.0%
Additional Information on WORK Program					
WORK	0.0%	0.0%	100.0%	100.0%	98.2%
Extended WORK	0.0%	0.0%	0.0%	0.0%	1.8%

March 15, 1994 (C2324FCM -- 20% C23F; 80% C24F -- Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level)

JOBS and WORK Phase-In

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

Table II (Con't)

Percent Distribution of Transitional Assistance Program Participants by Participation Status

Fiscal Year	2001	2002	2003	2004	2005
Phased-In Caseload Including Those Off Welfare Due to Reforms					
Off Welfare	14.1%	19.0%	20.5%	23.3%	23.4%
JOBS	30.2%	27.5%	26.3%	25.1%	24.8%
JOBS Extensions	3.0%	2.8%	2.6%	2.5%	2.5%
WORK	17.8%	18.8%	19.8%	19.7%	21.4%
Combining Work and Welfare	7.3%	6.9%	6.8%	6.4%	6.4%
JOBS Prep	27.5%	25.1%	23.8%	23.0%	21.4%
Phased-In Caseload Excluding Those Off Welfare Due to Reforms					
JOBS	35.2%	34.0%	33.1%	32.7%	32.4%
JOBS Extensions	3.5%	3.4%	3.3%	3.3%	3.2%
WORK	20.8%	23.1%	25.0%	25.7%	28.0%
Combining Work and Welfare	8.5%	8.5%	8.6%	8.3%	8.4%
JOBS Prep	32.0%	31.0%	30.0%	30.0%	28.0%
Additional information on WORK Program					
WORK	87.2%	71.8%	61.7%	52.0%	47.7%
Extended WORK	12.8%	28.2%	38.3%	48.0%	52.3%

March 15, 1994 (C2324FCM – 20% C23F; 80% C24F – Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level

Everyone 24 and under subject to the time limit beginning in October 1996; 20% Phase-In in October 1995

March 15, 1994 (C2324FCM -- 20% C23F; 80% C24F -- Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level

Options	Included
Extensions for recipients who have not completed high school	Y
Deferrals for children under one (under five months for children born after initial AFDC receipt)	Y
Deferrals for recipients with work limitations and those caring for a severely disabled child	Y
Months combining work and welfare count toward the time limit	N
Level of Combining Welfare and Work (1=Current; 2=Double Current)	1
Recipients earn back one month for every four consecutive months off welfare	Y
Behavioral Impacts Beyond Changes in Combining Work and Welfare	SWIM/L1/L2
SWIM -- Treatment Impact from San Diego SWIM; EITC -- 85% receive 2/3 of credit monthly	
L1 -- Increase exit probability 3 months before and 3 months after hitting the time limit	
L2 -- Work experience after 3 months of WORK)	

March 15, 1994 (C2324FCM -- 20% C23F; 80% C24F -- Full Treatment (TL 1.5/.75); PT work stops the clock; PT work at current level



DEPARTMENT OF THE TREASURY
WASHINGTON

WR - Phase in

ASSISTANT SECRETARY

March 16, 1994

MEMORANDUM FOR BRUCE REED
DAVID ELLWOOD
MARY JO BANE
Co-Chairs, Working Group on Welfare Reform,
Family Support, and Independence

From: Alicia Munnell *AMM*
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Subject: Phasing-in the Two-Year Limit: The Case for Relying on the
Age of the Youngest Child

The cost estimates for the first five years of welfare reform are a fraction of the cost in the out years, a result of the assumption that the two-year limit would be phased in very slowly. Three options have been discussed: (1) apply the limit only to new or returning recipients, (2) apply the limit only to women born after 1972, and (3) apply it only to mothers with older children, gradually reducing the age floor at such pace as may be permitted as resources for the necessary support programs are projected to become available. The Working Group, at its meeting on February 26th, favored applying the limit only to women born after 1972 because it is seen as the most viable option politically.

This memorandum presents the case for the third option.

1. The second option would produce a very rapid rise in required outlays in the second five years of welfare reform. Figure 1 displays the approximate age/birth-year profile of adult welfare recipients. The second option can be represented by the first bar in the figure: that is, all (able-bodied) adults in this bar would be subject to the two-year limit effective on October 1, 1996—roughly 27 percent of all able-bodied adults. On the assumption that the age distribution of adult welfare recipients remains approximately constant after reform is implemented, the eligibility can be envisioned as moving, automatically, one year (bar) to the right each calendar year. By the end of the 10th year of welfare reform, roughly 69 percent of able-bodied adults would be subject to the limit. The rise in the number of adults subject to the two-year limit is shown in Figure 2.

If the rapid rise in the number of persons subject to the two-year limit were to produce growth in required program outlays too rapid to be accommodated with the resources projected to be available, the obvious way to dampen the rise would be to halt the automatic rightward progression of eligibility through the age distribution. For example, if it were necessary to dampen the rate of growth projected for WORK outlays in 2002, given the two-year-or-so lag, it would be necessary to halt the phase-in in 2000. This would have the effect of applying the time-limit thereafter only to adults under the age of 28. This would create a variety of administrative difficulties and some very peculiar incentives for recipients. For example, if the phase-in were stopped in 2000, the time limit would thereafter only apply to recipients younger than 28. Recipients born in

1973 would then pass the age-limit. These recipients could leave welfare for a time, return, and be rewarded with lifetime exemption from the time limit. This result would not only be inequitable policy, it would create enormous record-keeping difficulties.

2. The third option would involve an initially larger number of adults subject to the two-year limit if the phase-in were to begin with adults whose youngest child is at least seven years old. The subsequent, automatic rise in the number of adults phased in would be much slower, however. Figure 3 shows the cumulative distribution of AFDC families by the age of the youngest child. The vertical axis of the graph shows the proportion of families whose youngest child is at least the age indicated on the horizontal axis. The number of adults who would be phased into the two-year limit each year beginning in 1996 under five definitions of the eligibility criterion is shown in Figure 4.¹

3. Figure 5 brings the information for options 2 and 3 into a comparative framework. The bold line is the phase-in path for the date-of-birth option. The other lines are the paths under the five definitions of the youngest-child option: the lowest line is youngest 7 years and older; the highest is youngest 3 and older. The rate of increase in the population subject to the two-year limit under all five definitions is very much slower than under the second option.²

As additional resources are projected to become available for support programs, it would be a simple matter, under option 3, to lower the minimum age of the youngest child that would make the adults in a case subject to the two-year limit. As noted above, the phase-in could start with cases whose youngest child is 7 or older. Then, when resources are projected to become available, adults in cases whose youngest child is 6 or older could be phased in, and so forth. It would clearly be possible to achieve the same basic pace of phase-in after 1999 under option 3 as under option 2 by judicious reduction of the minimum age from 7 by a year in, roughly, 2000, 2002, 2005, and 2010. Though option 3 would require higher JOBS and WORK expenditures during the first five years of welfare reform than option 2, these additional expenditures would be offset by lower child-care expenditures (see point 6, below). With the data that would be generated by the system put in place to implement the two-year limit, it should be relatively easy to estimate the age reduction that would be possible in a particular year without putting undue demands on the resources available in subsequent years.

¹The applicable cumulative proportion of families whose youngest child is as old or older than the indicated age is applied to estimates of the total number of adult AFDC recipients in each year. The estimates of adult recipients for 1996-98 are by the Administration for Children and Families; they appear in the *1993 Green Book* (1993), Table 24, p. 685 (defining "adults" as total recipients minus the number of children). The average annual growth rate in the number of adult recipients projected by ACF, 1996-98, is 1.6 percent. The number of adults is projected to rise after 1998 at 1 percent per year through 2017.

²The distribution of cases by the age of the youngest child is assumed to remain constant, so the number of adults subject to the limit under a given definition of the age floor rises only at the rate of growth in the total number of adult welfare recipients.

4. The rhetoric behind the second option, "ending the cycle of poverty," is noble. However, research indicates that young welfare mothers do not gain much from education and training programs. A recent JTPA study, for example, shows that JTPA training programs produce *no* significant effects on the post-program earnings of young (under 24) welfare mothers.³ The second option, by concentrating on younger recipients, would be a candidate for failure. However, training programs appear to produce results for older participants. The same JTPA study shows that training and education programs increase the post-program earnings of older (24 and older) welfare mothers by an average of \$2,400 per year. The third option clearly has a much higher chance of success in turning welfare mothers into working, self-sufficient participants in the nation's economy. Moreover, the flip side of the argument that the second option makes sense because it would try directly to "break the cycle of poverty" is that application of the limit only to the young would single out the most vulnerable welfare mothers for the hard-nosed edge of reform.

5. The third option offers the promise of the most cost-effective deployment of child-care resources. By, at least initially, subjecting only mothers with school-age children to the two-year limit, the child-care costs per woman in JOBS and WORK would be significantly lower than if the women were mothers of pre-schoolers, who would need many more hours of care per day than kids in school. HHS estimates indicate that the average cost of child care declines as the age of a child increases, and that the cost of full-time care for a pre-school child aged 1-5 averages almost \$5,000 per year, nearly six times the \$800 per year cost of the part-time care needed for children in school (see Table 1). Even if only part-time care were needed for all children, care for school-age children averages less than one-third as expensive (\$800 per year) as that for pre-schoolers 1-5 years old (\$2,600). It follows that, for every 3 children who are school-age rather than pre-school, the savings on child care would just about pay for 1 additional WORK slot.⁴ In addition, though there are notable and tragic exceptions (as the horrible stories out of Chicago in recent weeks document) that clearly need to be dealt with directly, there is a case for home care by mothers for pre-school children. The Administration's support for this general view could be underlined by earmarking some of the redirected resources under welfare reform for education and training in the arts of motherhood for younger welfare recipients.

6. The third option embodies a criterion for eligibility for the two-year limit that would be widely perceived as more relevant than an adult welfare recipient's date of birth. The second option would offer today's generation of adults over 23 lifetime exemption from the two-year limit. But it is, presumably, older welfare recipients (with

³Estimates from unpublished study sponsored by the Employment and Training Administration, U.S. Department of Labor.

⁴The cost of a WORK slot is calculated from an estimate of the total cost of 130,000 WORK slots in 1999 (\$690 million), for an average of \$5,300 per slot (HHS, *Welfare Reform Issue Paper*, prepared for February 26, 1994 meeting of the Working Group on Welfare Reform, Family Support and Independence, pp. 7 and 14).

their generally older children) that the voters most commonly associate with exploitation of welfare—with "welfare as a way of life." Viewed from this perspective, the politics of the second option would seem rather unappealing. The "sound bite" that comes immediately to mind, if the second option were ultimately put forward, is "the President's proposal won't touch the 30-year-old 'welfare queen.'" The third option, by contrast, would hold out assurance that every able-bodied welfare adult would eventually be subject to the two-year limit, as the youngest child eventually reaches the minimum age.

7. A possible problem with the third option would be the incentive it would create for a woman intent on remaining on welfare to ensure that she always has a pre-school child in her household. The Working Group is considering whether to allow or require a state to limit benefit increases for children conceived by parents already on welfare, if the state ensures that the parents have access to family-planning services. The logic of a "family-cap" provision could be extended to the third option by defining the youngest child as the youngest conceived prior to the effective date of the legislation or the beginning of a mother's spell on welfare, whichever is later. "Spell," in turn, might have to be defined as the first spell beginning after the effective date of the legislation in order to prevent a woman from leaving welfare temporarily to have another child and then return with an infant qualifying her for another five years of exemption from the limit.

8. A problem with the second option arises with cases involving two adults if one was born in or before 1972 and one after. Would a distinction be drawn in administering the option between men and women? For example, would the birth year of the woman be the controlling criterion for exemption from the two-year limit? No such problem arises with the third option because the criterion for exemption is the age of the youngest child, and the age, sex, and number of adults in the case are simply immaterial.

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Attachments

FIGURE 1

ADDITIONAL NUMBER OF RECIPIENTS PHASED INTO THE TWO-YEAR LIMIT EACH YEAR BY PHASING IN RECIPIENTS BORN AFTER 1972

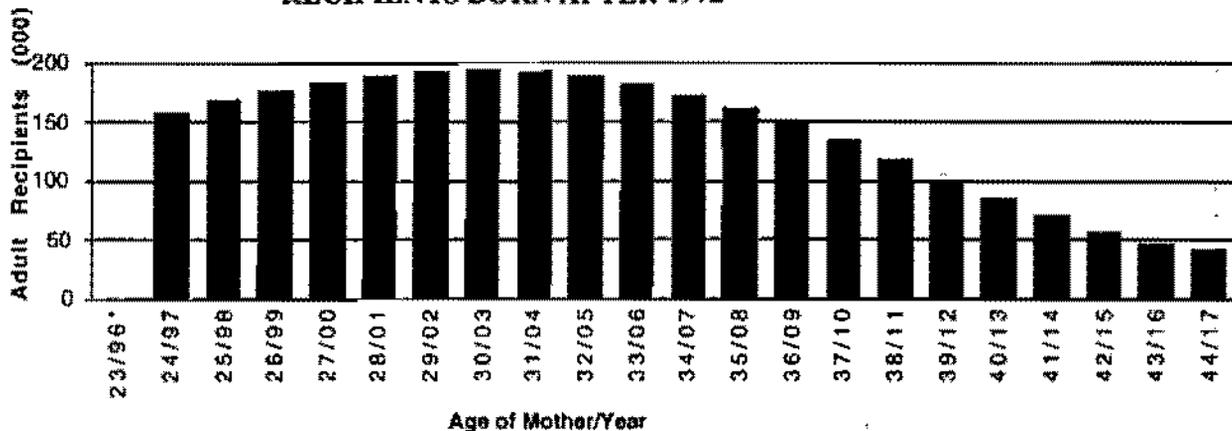
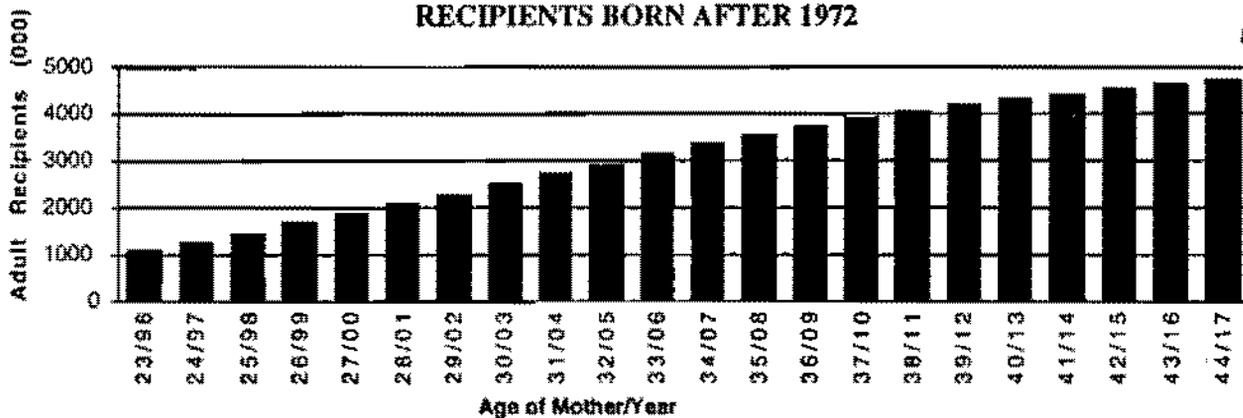


FIGURE 2

TOTAL NUMBER OF RECIPIENTS PHASED INTO THE TWO-YEAR LIMIT BY APPLYING THE LIMIT ONLY TO RECIPIENTS BORN AFTER 1972



* Because 1996 is the first year of the proposed phase-in, the additional number would include all women 23 or younger (roughly 1,100,000). Showing this bar would so distort the scale that it is not shown in Figure 2.

Source: Treasury estimates based on data from U.S. Department of Health and Human Services, Characteristics and Financial Circumstances of AFDC Recipients: FY 1991 (ca. 1993).

FIGURE 3

CUMULATIVE DISTRIBUTION OF FAMILIES BY AGE OF YOUNGEST CHILD

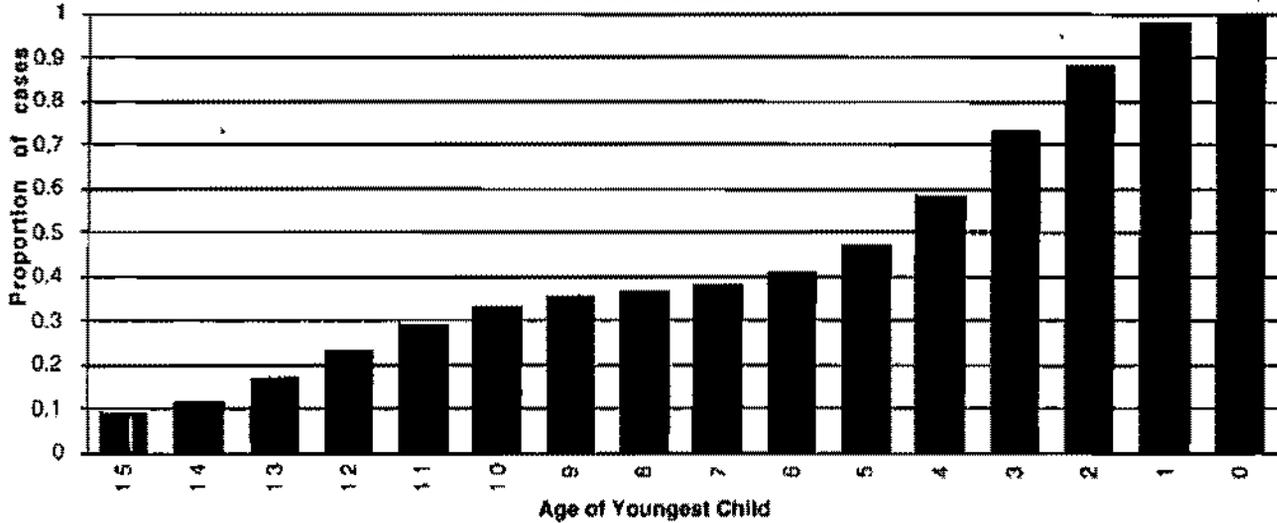
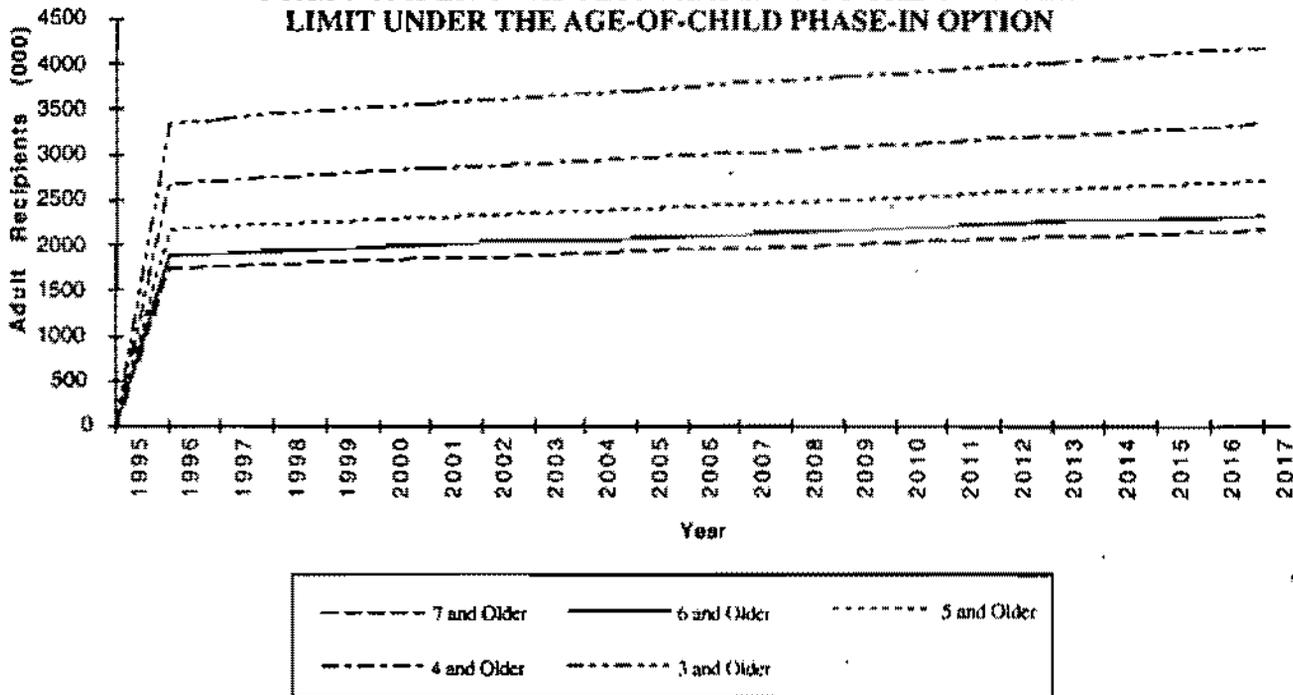


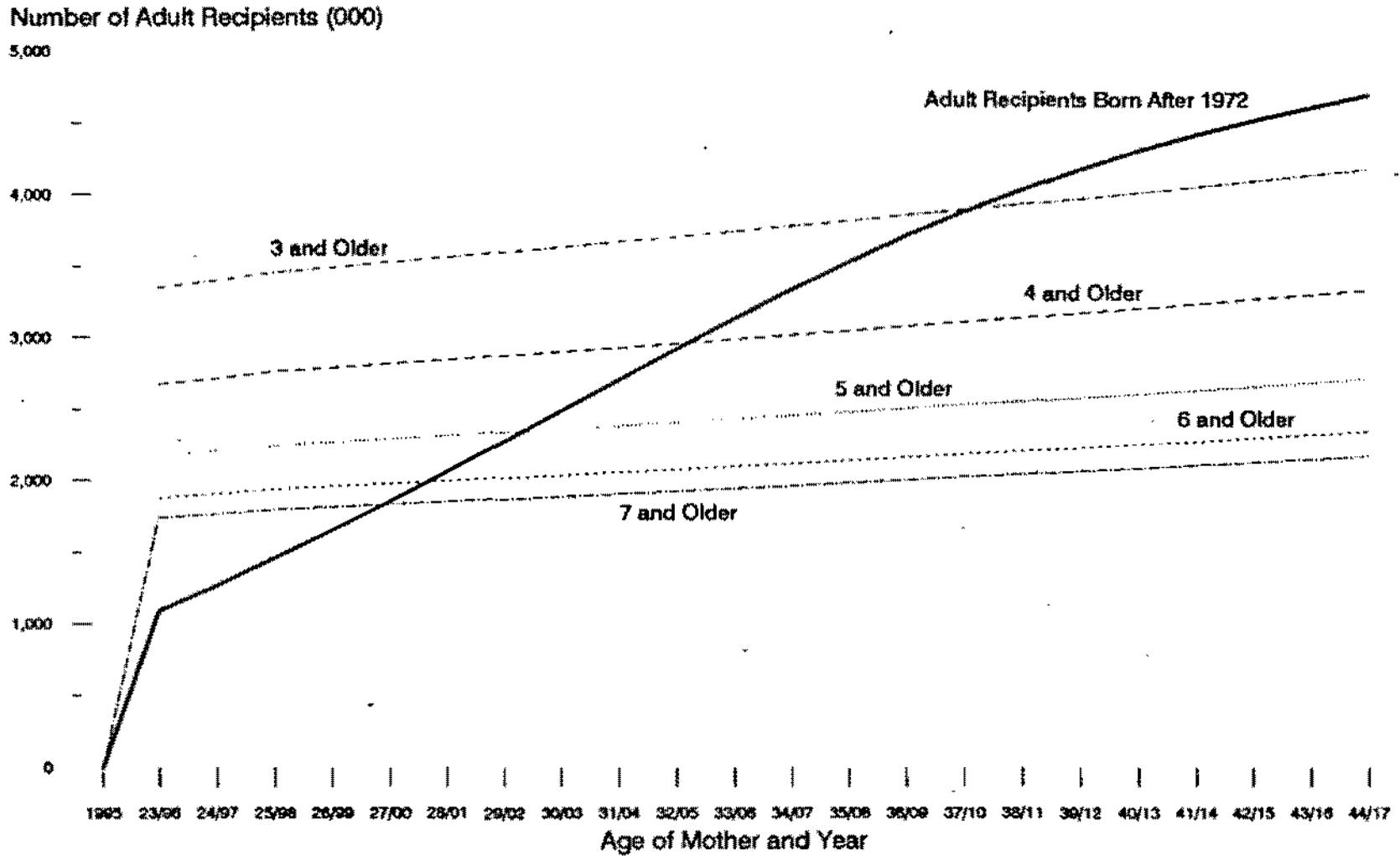
FIGURE 4

TOTAL NUMBER OF ADULTS PHASED INTO THE TWO-YEAR LIMIT UNDER THE AGE-OF-CHILD PHASE-IN OPTION



Source: Treasury estimates based on data from U.S. Department of Health and Human Services, Characteristics and Financial Circumstances of AFDC Recipients: FY 1991 (ca. 1993).

FIGURE 5
ADULT RECIPIENTS PHASED INTO THE TWO-YEAR LIMIT
UNDER TWO PHASE-IN OPTIONS



Source: Treasury estimates based on HHS data.

TABLE 1
AVERAGE ANNUAL COST OF CHILD CARE, BY AGE OF CHILD,
FROM A VARIETY OF CHILD-CARE PROGRAMS

Program	Age of Child				
	0-1	1-2	3-4	5	6-12
Average Full-Time	\$5,150	\$5,175	\$5,000	\$3,825	\$2,650
Average Part-Time	3,075	3,075	3,000	1,850	800
CCDBG					
Full-Time	4,100	4,100	4,100	3,200	2,300
Part-Time	2,500	2,500	2,500	1,600	700
PCCS-NCCS					
Full-Time	4,400	4,600	4,900	3,500	2,600
Part-Time	2,600	2,700	2,900	1,700	800
JOBS data					
Full-Time	4,900	4,800	3,800	3,000	1,600
Part-Time	2,900	2,800	2,300	1,400	500
NAEYC					
Full-Time	7,200	7,200	7,200	5,600	4,100
Part-Time	4,300	4,300	4,300	2,700	1,200

Source: HHS, "Child Care Cost Estimate Spreadsheet Model" (January 14, 1994), in the briefing package titled "Welfare Dynamics, JOBS, WORK and Child Care."

NOTE: CCDBG = Child Care Development Block Grant.
PCCS-NCCS = Profiles in Child Care Settings and National Child Care Surveys.
JOBS = JOBS.
NAEYC = National Association for the Education of Young Children.

WR-Phase-In

JOBS and WORK Phase-In
Option 5: All New and Reapplicants

Table 1

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,608
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Net Phase-In		3,369	2,887	1,820	1,408	1,157	0
Not Combining Work and Welfare		2,847	1,878	1,440	1,132	883	0
Combining Work and Welfare		722	509	380	276	275	0
Total Phased-In		963	2,032	2,690	3,200	3,552	4,709
JOBS		568	1,197	1,567	1,898	1,637	1,092
JOBS Extensions		0	0	11	51	98	124
WORK		0	0	31	184	392	1,583
Combining Work and Welfare		99	273	379	455	515	692
Deferrals		296	562	705	812	909	1,219
JOBS Participation (50% JOBS + 100% JOBS Extensions)		283	599	796	900	916	670

For Options Included in the Model See Attached Notes

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JOBS and WORK Phase-In
Option 5: All New and Reapplicants

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		77.77	54.02	40.33	30.56	24.58	0.00
Phased-In		22.23	45.98	59.67	69.44	75.42	100.00
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		13.06	27.09	34.72	38.88	34.73	23.18
JOBS Extensions		0.00	0.00	0.25	1.11	2.03	2.64
WORK		0.00	0.00	0.69	3.99	8.33	33.61
Combining Work and Welfare		2.28	8.17	8.39	9.87	10.94	14.70
Deferred		6.68	12.72	15.63	17.62	19.31	25.88
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		58.78	58.92	58.18	53.07	46.09	23.18
JOBS Extensions		0.00	0.00	0.41	1.60	2.78	2.64
WORK		0.00	0.00	1.16	5.75	11.05	33.61
Combining Work and Welfare		10.27	13.42	14.06	14.21	14.50	14.70
Deferred		30.94	27.66	26.19	25.37	25.61	25.88

JOBS and WORK Phase-In

Option B: 23 and Under in 1995, then one-year age increments in each subsequent year

Table 1

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,605	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		3,500	3,426	3,294	3,167	3,110	554
Not Combining Work and Welfare		2,794	2,738	2,654	2,578	2,454	441
Combining Work and Welfare		708	688	640	611	656	113
Total Phased-In		832	933	1,219	1,420	1,599	4,155
JOBS		450	558	629	640	641	1,078
JOBS Extensions		0	0	36	84	103	121
WORK		0	0	32	102	201	1,392
Combining Work and Welfare		111	156	178	206	222	630
Deferrals		271	299	344	389	431	927
JOBS Participation (50% JOBS + 100% JOBS Extensions)		225	279	350	404	423	659

For Options Included in the Model See Attached Notes

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 der in 1995, then one-year age increments in each subsequent year

eload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
		83.79	77.54	72.99	69.16	66.05	11.77
		19.21	22.48	27.01	30.62	33.95	88.23
(As A Percent of Adult Caseload)							
		10.39	12.63	13.93	13.90	13.62	22.84
		0.00	0.00	0.79	1.82	2.18	2.57
		0.00	0.00	0.71	2.20	4.27	29.55
id Welfare		2.56	3.07	3.95	4.46	4.72	13.58
		6.26	6.77	7.63	8.43	9.16	19.69
(As a Percent of Phased-In Caseload)							
		54.08	56.21	51.58	45.10	40.11	25.89
		0.00	0.00	2.93	5.91	6.42	2.92
		0.00	0.00	2.63	7.15	12.56	33.49
id Welfare		13.30	13.66	14.62	14.47	13.91	15.39
		32.61	30.13	26.24	27.36	26.96	22.31

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JOBS and WORK Phase-In

Option B: 25 and Under in 1995, then one-year age increments in each subsequent year

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,608	5,606
Child Only/Caregiver		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		3,117	3,047	2,918	2,768	2,661	451
Not Combining Work and Welfare		2,493	2,434	2,367	2,245	2,096	362
Combining Work and Welfare		624	613	551	523	566	89
Total Phased-In		1,215	1,372	1,596	1,940	2,048	4,258
JOBS		679	801	824	799	790	1,084
JOBS Extensions		0	0	44	108	119	122
WORK		0	0	68	183	319	1,437
Combining Work and Welfare		175	190	242	273	296	666
Deferrals		361	380	420	479	525	959
JOBS Participation (50% JOBS + 100% JOBS Extensions)		340	401	450	505	514	684

For Options Included In the Model See Attached Notes

JOBS and WORK Phase-In

Option B: 25 and Under in 1995, then one-year age increments in each subsequent year

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		71.95	68.99	64.65	60.00	56.51	9.58
Phased-In		28.05	31.04	35.35	38.92	43.49	90.42
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		15.60	18.13	18.25	17.34	16.77	23.01
JOBS Extensions		0.00	0.00	0.99	2.30	2.54	2.59
WORK		0.00	0.00	1.45	3.98	6.77	30.53
Combining Work and Welfare		4.03	4.31	5.35	5.93	6.27	13.92
Deferred		8.33	8.63	9.31	10.39	11.15	20.37
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		55.92	58.41	51.84	43.42	38.56	25.45
JOBS Extensions		0.00	0.00	2.76	5.75	5.83	2.87
WORK		0.00	0.00	4.11	9.98	15.56	33.76
Combining Work and Welfare		14.38	13.89	15.14	14.84	14.41	15.40
Deferred		29.70	27.70	28.35	26.02	25.64	22.52

JOBS and WORK Phase-In

Option 6: 26 and Under in 1995, then one-year age increments in each subsequent year

Table I

Caseload (In thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,608	5,608
Child Only/Carotaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		2,929	2,866	2,712	2,553	2,454	385
Not Combining Work and Welfare		2,344	2,291	2,189	2,075	1,927	307
Combining Work and Welfare		585	575	523	478	528	78
Total Phased-In		1,400	1,552	1,802	2,055	2,255	4,324
JOBS		799	916	918	887	872	1,085
JOBS Extensions		0	0	48	113	126	122
WORK		0	0	84	220	368	1,470
Combining Work and Welfare		208	220	271	309	329	664
Deferrals		398	417	480	528	567	982
JOBS Participation (50% JOBS + 100% JOBS Extensions)		400	458	507	557	587	665

For Options Included in the Model See Attached Notes

JOBS and WORK Phase-In

Option 5: 26 and Under in 1995, then one-year age increments in each subsequent year

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		67.61	64.66	60.08	55.41	52.12	8.18
Phased-In		32.39	35.14	39.92	44.59	47.88	91.82
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		18.45	20.72	20.34	18.25	18.52	23.04
JOBS Extensions		3.00	0.00	1.07	2.46	2.66	2.60
WORK		0.00	0.00	1.87	4.77	7.61	31.22
Combining Work and Welfare		4.78	4.97	6.00	6.70	6.98	14.10
Deferred		9.18	9.44	10.64	11.42	11.91	20.85
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		58.98	58.99	50.96	43.16	38.68	25.09
JOBS Extensions		0.00	0.00	2.68	5.51	5.55	2.83
WORK		0.00	0.00	4.67	10.69	16.32	34.00
Combining Work and Welfare		14.70	14.14	15.03	15.03	14.58	15.36
Deferred		28.34	26.86	26.64	25.60	24.87	22.71

JOBS and WORK Phase-In

Option 6: 30 and Under in 1995, then one-year age increments in each subsequent year

Table 1

Caseload (In thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		2,097	2,007	1,866	1,733	1,650	247
Not Combining Work and Welfare		1,679	1,609	1,508	1,413	1,305	194
Combining Work and Welfare		418	399	358	320	346	53
Total Phased-In		2,235	2,412	2,647	2,874	3,059	4,462
JOBS		1,344	1,461	1,368	1,194	1,089	1,090
JOBS Extensions		0	0	62	147	179	123
WORK		0	0	192	448	617	1,540
Combining Work and Welfare		334	368	412	439	468	679
Deferrals		557	582	614	646	688	1,031
JOBS Participation (50% JOBS + 100% JOBS Extensions)		672	740	746	744	723	668

For Options Included in the Model See Attached Notes

JOBS and WORK Phase-In

Option 6: 30 and Under in 1995, then one-year age increments in each subsequent year

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		48.40	45.42	41.35	37.62	35.05	5.24
Phased-In		51.60	54.58	58.65	62.38	64.95	94.76
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		31.04	33.51	30.31	25.91	23.12	23.14
JOBS Extensions		0.00	0.00	1.37	3.19	3.79	2.61
WORK		0.00	0.00	4.25	9.73	13.11	32.70
Combining Work and Welfare		7.70	8.34	9.12	9.54	10.32	14.43
Deferred		12.66	12.73	13.60	14.01	14.61	21.69
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		60.15	61.40	51.68	41.64	35.59	24.42
JOBS Extensions		0.00	0.00	2.34	5.11	5.84	2.75
WORK		0.00	0.00	7.24	15.60	20.19	34.51
Combining Work and Welfare		14.93	15.28	15.56	15.29	15.89	15.22
Deferred		24.92	23.32	23.18	22.46	22.50	23.10

JOBS and WORK Phase-In ^{no}
 Option 7: 24 and Under in 1995, then one-year age increments

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		4,085	3,009	2,717	2,435	2,169	123
Not Combining Work and Welfare		3,269	2,402	2,180	1,853	1,738	98
Combining Work and Welfare		816	607	537	482	431	25
Total Phased-In		247	1,409	1,797	2,172	2,540	4,686
JOBS		151	880	1,092	1,132	1,145	1,078
JOBS Extensions		0	0	4	76	127	129
WORK		0	0	4	134	320	1,712
Combining Work and Welfare		35	213	273	341	388	744
Deferrals		61	336	424	489	559	924
JOBS Participation (50% JOBS + 100% JOBS Extensions)		76	430	550	642	699	668

For Options Included in the Model See Attached Notes

JOBS and WORK Phase-In ^{two}
 Option 7: 24 and Under in 1995, then one-year age increments

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		84.29	68.11	60.19	52.86	46.06	2.61
Phased-In		5.71	31.89	39.81	47.14	53.94	97.39
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		3.49	19.45	24.19	24.57	24.32	22.89
JOBS Extensions		0.00	0.00	0.09	1.65	2.69	2.73
WORK		0.00	0.00	0.08	2.91	6.81	36.96
Combining Work and Welfare		0.81	4.82	6.06	7.40	8.25	15.80
Deferred		1.41	7.61	9.40	10.61	11.87	19.61
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		61.11	61.01	60.76	62.13	45.08	29.50
JOBS Extensions		0.00	0.00	0.22	3.50	4.99	2.81
WORK		0.00	0.00	0.21	6.16	12.62	37.33
Combining Work and Welfare		14.19	15.12	15.21	15.71	15.29	16.22
Deferred		24.70	23.87	23.60	22.50	22.01	20.14

JOBS and WORK Phase-In
Option 1: Eleven-Year Phase-In By Age

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		4,010	3,743	3,427	3,155	2,834	0
Not Combining Work and Welfare		3,202	2,994	2,761	2,549	2,231	0
Combining Work and Welfare		808	749	666	606	602	0
Total Phased-In		322	676	1,086	1,452	1,875	4,709
JOBS		168	372	591	752	916	1,092
JOBS Extensions		0	0	18	53	63	123
WORK		0	0	6	42	118	1,584
Combining Work and Welfare		44	93	157	239	265	692
Deferrals		110	210	315	396	495	1,219
JOBS Participation (50% JOBS + 100% JOBS Extensions)		84	168	313	428	541	669

For Options Included in the Model See Attached Notes

JOBS and WORK Phase-In
 Option 1: Eleven-Year Phase-In By Age

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1985	1986	1987	1990	1999	Steady State
Not Phased-In		92.58	84.71	75.93	66.48	60.17	0.00
Phased-In		7.42	15.29	24.07	31.52	39.83	100.00
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		3.88	6.43	13.10	16.32	19.45	23.18
JOBS Extensions		0.00	0.00	0.39	1.14	1.76	2.62
WORK		0.00	0.00	0.13	0.81	2.47	33.63
Combining Work and Welfare		1.01	2.10	3.48	4.54	5.62	14.70
Deferred		2.54	4.76	6.97	8.60	10.52	25.88
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		52.21	55.11	54.43	51.78	48.85	23.18
JOBS Extensions		0.00	0.00	1.63	3.63	4.43	2.62
WORK		0.00	0.00	0.53	2.90	6.19	33.63
Combining Work and Welfare		13.61	13.76	14.45	14.41	14.12	14.70
Deferred		34.19	31.13	28.95	27.28	26.41	25.88

JOBS and WORK Phase-In
Option 2: Six-Year Phase-In By Age

Table 1

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,608	5,608
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		3,880	3,365	2,653	1,938	1,509	0
Not Combining Work and Welfare		3,179	2,692	2,143	1,574	1,191	0
Combining Work and Welfare		602	674	510	363	318	0
Total Phased-In		351	1,053	1,661	2,671	3,200	4,709
JOBS		184	594	1,066	1,522	1,620	1,091
JOBS Extensions		0	0	18	66	128	123
WORK		0	0	6	68	219	1,584
Combining Work and Welfare		48	148	282	405	508	692
Deferrals		119	313	489	612	727	1,219
JOBS Participation (50% JOBS + 100% JOBS Extensions)		92	297	551	827	938	669

For Options Included In the Model See Attached Notes

JOBS and WORK Phase-In
 Option 2: Six-Year Phase-In By Age

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		91.89	76.17	58.77	42.03	32.05	0.00
Phased-In		8.11	23.83	41.23	57.97	67.95	100.00
Phased-in Caseload (As A Percent of Adult Caseload)							
JOBS		4.26	13.45	23.61	33.04	34.41	23.18
JOBS Extensions		0.00	0.00	0.39	1.43	2.71	2.62
WORK		0.00	0.00	0.13	1.44	4.85	33.64
Combining Work and Welfare		1.10	3.30	6.25	8.79	10.75	14.70
Deferred		2.75	7.08	10.84	13.28	15.43	25.68
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		52.47	56.46	57.27	58.99	50.64	23.18
JOBS Extensions		0.00	0.00	0.95	2.48	3.99	2.62
WORK		0.00	0.00	0.31	2.48	6.84	33.64
Combining Work and Welfare		13.60	13.85	15.16	15.16	15.82	14.70
Deferred		33.93	29.69	26.30	22.91	22.71	25.68

JOBS and WORK Phase-In
Option 3: All New Applicants

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		3,898	3,458	3,082	2,782	2,517	111
Not Combining Work and Welfare		3,097	2,758	2,468	2,251	1,983	91
Combining Work and Welfare		800	700	614	530	534	21
Total Phased-In		434	960	1,431	1,828	2,182	4,596
JOBS		207	512	790	957	1,058	1,091
JOBS Extensions		0	0	5	27	58	123
WORK		0	0	11	61	147	1,530
Combining Work and Welfare		39	121	188	269	311	662
Deferrals		189	327	437	517	619	1,171
JOBS Participation (50% JOBS + 100% JOBS Extensions)		103	256	400	536	586	669

For Options Included in the Model See Attached Notes

JOBS and WORK Phase-In
 Option 3: All New Applicants

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Forms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		89.98	78.27	68.29	60.97	53.46	2.37
Phased-In		10.02	21.73	31.71	39.63	46.54	97.63
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		4.77	11.59	17.50	20.77	22.46	23.17
JOBS Extensions		0.00	0.00	0.11	0.59	1.22	2.62
WORK		0.00	0.00	0.25	1.33	3.12	32.50
Combining Work and Welfare		0.90	2.74	4.17	5.72	6.60	14.49
Deferred		4.38	7.40	9.68	11.22	13.14	24.66
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		47.60	53.35	55.19	52.42	48.26	23.74
JOBS Extensions		0.00	0.00	0.33	1.48	2.62	2.68
WORK		0.00	0.00	0.80	3.38	6.70	33.28
Combining Work and Welfare		6.93	12.58	13.15	14.43	14.19	14.84
Deferred		43.47	34.07	30.53	28.31	28.22	25.46

JOBS and WORK Phase-In
 Option 4: Everyone Phased-In in 1995

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,485	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		0	0	0	0	0	0
Not Combining Work and Welfare		0	0	0	0	0	0
Combining Work and Welfare		0	0	0	0	0	0
Total Phased-In		4,332	4,418	4,513	4,607	4,709	4,709
JOBS		2,563	2,664	2,269	1,779	1,489	1,091
JOBS Extensions		0	0	123	272	295	123
WORK		0	0	350	738	1,060	1,584
Combining Work and Welfare		642	660	693	668	739	692
Deferrals		1,128	1,094	1,079	1,000	1,128	1,219
JOBS Participation (50% JOBS + 100% JOBS Extensions)		1,282	1,332	1,258	1,162	1,039	669

For Options Included in the Model See Attached Notes

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JOBS and WORK Phase-In
 Option 4: Everyone Phased-In In 1995

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken Into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		0.00	0.00	0.00	0.00	0.00	0.00
Phased-In		100.00	100.00	100.00	100.00	100.00	100.00
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		59.18	60.30	50.28	38.61	31.63	23.18
JOBS Extensions		0.00	0.00	2.72	5.91	6.25	2.62
WORK		0.00	0.00	7.74	17.32	22.52	33.64
Combining Work and Welfare		14.83	14.85	15.35	14.50	15.69	14.70
Deferred		26.00	24.75	23.91	23.65	23.91	25.88
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		59.18	60.30	50.28	38.61	31.63	23.18
JOBS Extensions		0.00	0.00	2.72	5.91	6.25	2.62
WORK		0.00	0.00	7.74	17.32	22.52	33.64
Combining Work and Welfare		14.83	14.85	15.35	14.50	15.69	14.70
Deferred		26.00	24.75	23.91	23.65	23.91	25.88

JOBS and WORK Phase-In

Option 6: 24 and Under in 1995, then one-year age increments in each subsequent year

Table I

Caseload (in thousands)

	Year	1995	1996	1997	1998	1999	Steady State
Projected Caseload		5,157	5,260	5,373	5,486	5,606	5,606
Child Only/Caretaker		825	842	860	878	897	897
Adult Cases		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Non-Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Non-Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Caseload Reduction from Welfare Reforms (Cases)		0	0	0	0	0	0
Caseload Reduction from Welfare Reforms (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Projected Adult Caseload with Welfare and Non-Welfare Reforms		4,332	4,418	4,513	4,607	4,709	4,709
Total Not Phased-In		3,263	3,219	3,085	2,970	2,871	603
Not Combining Work and Welfare		2,625	2,575	2,488	2,405	2,262	402
Combining Work and Welfare		638	643	597	565	609	101
Total Phased-In		1,049	1,203	1,429	1,638	1,838	4,206
JOBS		574	688	734	717	703	1,078
JOBS Extensions		0	0	43	101	115	122
WORK		0	0	50	148	270	1,415
Combining Work and Welfare		149	168	212	242	259	648
Deferrals		326	343	389	431	489	943
JOBS Participation (50% JOBS + 100% JOBS Extensions)		287	344	410	460	467	661

For Options Included In the Model See Attached Notes

JOBS and WORK Phase-In

Option 6: 24 and Under in 1995, then one-year age increments in each subsequent year

Table II

Percent Of Adult Caseload (With Welfare and Non-Welfare Reforms Taken into Account)

	Year	1995	1996	1997	1998	1999	Steady State
Not Phased-In		75.79	72.85	68.35	64.45	60.98	10.68
Phased-In		24.21	27.15	31.65	35.55	39.02	89.32
Phased-In Caseload (As A Percent of Adult Caseload)							
JOBS		13.24	15.57	16.27	15.57	14.93	22.90
JOBS Extensions		0.00	0.00	0.94	2.20	2.45	2.58
WORK		0.00	0.00	1.11	3.18	5.74	30.05
Combining Work and Welfare		3.44	3.63	4.70	5.25	5.50	13.76
Deferred		7.53	7.70	6.62	9.36	10.39	20.03
Phased-In Caseload (As a Percent of Phased-In Caseload)							
JOBS		54.69	57.32	51.41	43.80	38.27	25.64
JOBS Extensions		0.00	0.00	2.98	6.19	6.28	2.89
WORK		0.00	0.00	3.52	6.89	14.71	33.64
Combining Work and Welfare		14.21	14.10	14.96	14.77	14.10	15.40
Deferred		31.10	28.57	27.23	26.94	26.63	22.42

Why?

GAO

**Report to the Chairman, Subcommittee
on Human Resources, Committee on
Ways and Means, House of
Representatives**

May 1994

**FAMILIES ON
WELFARE**

**Teenage Mothers Least
Likely to Become
Self-Sufficient**



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Report to the Chairman, Subcommittee
on Human Resources, Committee on
Ways and Means, House of
Representatives

May 1994

**FAMILIES ON
WELFARE**

**Focus on Teenage
Mothers Could
Enhance Welfare
Reform Efforts**



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Teen-age mothers stay dependent on welfare longer

Factors make leaving rolls difficult

By Cheryl Wetzstein
THE WASHINGTON TIMES

Teen welfare mothers are likely to have several children but little education, job experience or income — a combination that makes it hard for them to leave the welfare rolls, new government reports say.

Teen mothers and their children are also growing more costly to care for: the federal government spent \$25 billion on teen families in 1990 and \$34 billion in 1992, according to a private group.

The three studies on families on welfare issued this week by the General Accounting Office (GAO) are likely to fuel the debate over teen-age pregnancy. Conservatives and others, who view welfare as an "economic lifeline" to illegitimacy, say the problem threatens American society.

The Clinton administration's welfare reform proposal, which could be released this month, would give young mothers two years of cash benefits and education, day care and job training. Those still unemployed after two years would be required to enroll in a work program.

"Our approach will include both sanctions and rewards to encourage them to stay in school, live at home, go to job training as appropriate, and to take parenting class to help them deal with the demands of single parenthood," a senior administration official told the Associated Press.

"Clearly, teen-agers are the most at risk for long-term welfare dependency and have the most to gain from welfare reform. The focus of the administration's plan will be these young mothers, many of whom do not have high school diplomas," the official said.

The nation's largest cash welfare program, Aid to Families With Dependent Children (AFDC), paid out about \$22.2 billion in fiscal 1992. More than 5 million families were enrolled in November.

The GAO reports say that teen mothers have consistently accounted for about 42 percent of the AFDC caseload from 1976 to 1992.

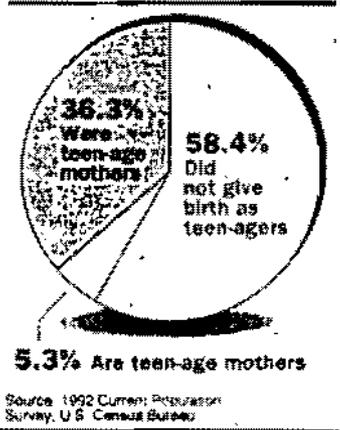
"This proportion remained roughly the same throughout the 17-year time period, although the number of women receiving AFDC who gave birth as teens increased from about 734,000 to almost 1.2 million," the GAO said in its report, "Families on Welfare: Teenage Mothers Least Likely to Become Self-Sufficient."

The GAO, citing the Center for Population Options, said that in 1990, the federal government spent \$25 billion on AFDC, food stamps and Medicaid to support teen-agers and their children.

The center, now known as Advocates for Youth, has since released figures for 1992, which say these

TEEN-AGE MOMS ON WELFARE

The percentage of single women receiving Aid to Families With Dependent Children who:



"Clearly, teen-agers are the most at risk for long-term welfare dependency."

costs increased to \$34 billion.

Meanwhile, teen welfare mothers remain "among the poorest of the poor," said Cynthia M. Fagnoni, an assistant director with the GAO division that issued the reports.

Given these circumstances, teen moms "may have the most difficulty earning their way off welfare and becoming self-sufficient," the GAO report said. "As the Congress considers welfare reform, it may need to explore preventative strategies aimed at discouraging young mothers from becoming dependent on welfare and encouraging those that do to become self-sufficient."

Other findings about welfare mothers:

- Women with a high school diploma and/or recent work experience left welfare faster than those who did not.

- Women who were working when they entered the welfare system left faster than those who were not working.

- Women with children older than 6 left the rolls faster than those with younger children.

- In 1992, 18 percent of welfare mothers who gave birth as teens had four or more children. By contrast, of welfare mothers who waited until they were older to give birth, only 9 percent had families this large.

- In 1992, almost two-thirds of the mothers who gave birth as teens had never been married. Of the women who had waited until they were older to give birth, 45 percent had never married.

NAACP gaining ground but faces \$2.7 million deficit

Image Awards TV show costly

By Ronald A. Taylor
THE WASHINGTON TIMES

The NAACP is facing a \$2.7 million budget deficit, including \$1.4 million in losses over the last four years on its annual NAACP Image Awards show, even with the addition of 150,000 new members in the last year.

The organization's budget deficit through the end of March 1994, according to a recent report to the board of directors, included a \$300,000 overdraft to help meet daily expenses.

NAACP Executive Director Benjamin Chavis denied that the organization, which has a yearly budget of \$18 million, can't meet its bills but acknowledged it frequently pays them late.

In an interview with The Washington Times, he noted that the nation's oldest and largest civil rights organization is often on shaky financial grounds and that he inherited a \$2 million deficit from his predecessor.

In his 14 months in office, he said, the group's finances have improved but are still shaky.

Now, he said, the organization "has shifted from very, very, very late payments to late payments."

Money problems have stalked the National Association for the Advancement of Colored People throughout its 85-year history, but rarely has a detailed picture of the dimensions of the problem been available.

"I came on board on April 10, 1993, and one of the things I first saw when I arrived here was an organization that had a venerable history, a proud record, a long list of achievements. But it also was an organization that was in some financial difficulties," Mr. Chavis said.

"The accumulated deficit when I arrived was \$2 million," he said.

In that period, Mr. Chavis said, the organization's paid membership has increased from 490,000 members at the end of April 1993 to 650,000 members at the end of April 1994. The cost ranges from \$10 to \$500 for life membership.

The surge in membership includes a 16 percent increase in lifetime members, he said.

Still, the deficit grew during his term in office with a \$680,000 settlement of a workers' compensation claim that was paid in January 1994, he said.

Board members said they believed the organization was solvent when Mr. Chavis' predecessor, the Rev. Benjamin Hooks, stepped down. Mr. Hooks has declined to discuss the current financial state of affairs.

"Throughout the history of the NAACP we've had our ups and downs," said Mr. Hooks, now with the Chapman Co., a Baltimore investment banking firm. "Sometimes things happen during the year that you haven't budgeted for."

According to organization insid-



Benjamin Chavis

ers, the principal drain on the budget comes from the NAACP Image Awards show, an annual observance to honor corporations, groups and individuals who promote positive images of blacks.

Mr. Poole, who heads a committee of the board that oversees the show, had no experience in the television production arena until 1989, when the national NAACP took over production of the show from its Hollywood branch.

The takeover came amid a dispute between the NAACP headquarters in Baltimore and the Beverly Hills-Hollywood branch. At issue was whether the branch was acting beyond its authority and whether finances were properly handled.

In the four-year period since then, the losses totaled \$1.4 million.

The dimensions of the NAACP's troubled financial state were detailed to the board of directors at a recent meeting in Columbia, S.C.

The report to the 64-member board of directors came at a time of mounting concerns about the NAACP's future and Mr. Chavis' approach to the job.

Although Mr. Chavis survived his first year in office without a serious internal challenge, nagging questions about the organization's direction have prompted the board and its executive director to plan a retreat.

The purpose of the retreat, to be held later this summer, is, according to one board member, "to get everybody on the same page" regarding the organization's philosophical and practical agenda.

In his first year, Mr. Chavis has drawn private scoldings for acting without clearing his ideas with board members.

In addition, Mr. Chavis, 46, the youngest executive director in the NAACP's history, has embarked on issues and policies that have rarely been addressed by the organization, including the fledgling environmental justice movement.

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Lawsuits rare in assaults on police

Roles in King case seldom reversed

By Joyce Vance
THE WASHINGTON TIMES

Rodney King won millions in the civil suit resulting from his beating by Los Angeles police officers, but families of slain police officers generally find it useless to file such suits.

A jury ordered the city of Los Angeles to pay Mr. King \$3.8 million in compensatory damages for pain, suffering and lost earning power as a result of the 1991 beating.

"But 'only in rare circumstances could an officer sue the state, county or city that employs him' is a result of injuries incurred while on duty, said Dewey Stokes, president of the Fraternal Order of Police. 'He'd have to prove negligence [by the jurisdiction] enhanced his risk of injury or death.'"

Mr. King also tried unsuccessfully to win punitive damages from the individual police officers involved in his beating and arrest, which followed a car chase. That approach is usually a futile option for survivors of murdered police officers.

"Usually it's a losing proposition, because crooks don't have deep pockets," said Sgt. Doug Elder, president of the Houston Police Officers' Association.

Mr. Stokes agreed. "In 99 percent of the time, you are dealing with someone who's indigent, or if they had a little money, it's already been spent for legal fees."

And if an officer is slain by a wealthy drug lord, he said, "then you run into the IRS. They go after back taxes, and they take precedence over you."

About 158 officers die in the line of duty each year, and about 80 percent of those are murdered. Nevertheless, neither the FOP nor the National Sheriffs Association nor the National Association of Police Organizations could think of one case in which a survivor of a slain police officer went to court seeking damages from the officer's assailant.

Sgt. Elder cited a case involving a trooper from Victoria, Texas, who was shot to death by a man who claimed he was under the influence of "gangsta" rap music. Trooper Bill Davidson's widow, Linda, filed suit against the man accused of the killing, as well as

Jim Cole, Mrs. Davidson's attorney, did not return repeated phone calls requesting comment on the case's status. Others said they believed rulings in the cases are still pending.

When a police officer is killed in the line of duty, the federal government contributes \$120,000 to his or her survivors.

Gerald Arenberg, spokesman for the Miami-based National Association of Chiefs of Police, contrasted Mr. King's situation with that of a former Florida highway patrol officer he knows — who lost his arm when he was struck and thrown 300 feet by a drunken driver. The former officer is struggling to raise a family on a pension of less than \$20,000 a year.

"They captured the guy who hit him, but the driver had no auto insurance," Mr. Arenberg said.

Largely overlooked in press accounts of Mr. King's damage suit was the countersuit filed by a suspended Los Angeles police officer, who said Mr. King hit him in the chest before the famous videotape began to roll.

At a news conference last month, Greg Petersen, attorney for Theodore Briseno, said his client was hoping to receive \$1.9 million in damages from Mr. King. But Mr. Briseno didn't get a cent.

"The jury found that Rodney King started the fight but decided no one was going to get any money," Mr. Petersen said, adding: "Everybody thinks it's a policeman's lot to get knocked on his butt" and that compensating them for this "is unnecessary unless there's permanent injury."

Nevertheless, Mr. Petersen said he's mystified as to why more injured police officers don't go after those who cause them harm. "We had a case in Burbank where we sued a man who assaulted and battered two police officers... and we got \$100,000 for each officer," he said.

And even if someone is penniless now, it doesn't mean that will always be the case, Mr. Petersen said. "People have 20 years to collect on judgments, and somewhere down the road, that now penniless person just might inherit a fortune."

By James Morrison

Melady saw it coming

If President Clinton had ever talked to Thomas Patrick Melady, he might have avoided two tense meetings with Pope John Paul II.

Mr. Melady was the U.S. ambassador to the Vatican under President Bush when the United States and the Holy See had excellent relations, even after the pope's objection to the Gulf war.

Now relations are strained over Mr. Clinton's advocacy of abortion and the Catholic Church's unbending opposition.

The retired diplomat has just written his 12th book, "The Ambassador's Story," about his mission to the Vatican from 1989 to 1993, when communism collapsed, the United States emerged as the only functioning superpower and the "new world order" rose and fell.

Through all of those developments, Mr. Melady had an insider's view as Washington and the Vatican maintained close contacts, sharing comments, analyses and even diplomatic rumors that helped each deal with world events.

But Mr. Clinton never spoke with Mr. Melady, who attempted to see him after returning from Rome in March 1993.

By August, when the president first met the pope, John Paul II publicly had condemned Mr. Clinton for supporting abortion. Yesterday at the Vatican, the pope avoided a joint appearance with the president after their meeting in Rome, leaving Mr. Clinton alone to concede that he and the pope have



Melady

"genuine disagreements" over birth control and abortion, which might be irreconcilable.

Mr. Melady foresaw this in his book. "The challenge facing us now is to maintain this vital and very important cooperation that diplomatic relations facilitate on an international basis," he wrote.

"There is every indication that the relations may become more complicated."

Mr. Melady wrote that the cooperation between the two governments in the 1980s came partially from the "compatible positions of Presidents Reagan and Bush with the papal positions on abortion... and other moral matters."

term attitude of the pope and his colleagues will be toward an administration that so strongly supports social policies that the Holy See considers seriously wrong."

His description of Mr. Bush's meeting with the pontiff after the Gulf war in 1991 shows the depth of the relationship then. The pope made special efforts to demonstrate his support for Mr. Bush, even though he had opposed the use of force to liberate Kuwait.

Their private meeting was planned for about 30 minutes but lasted more than an hour. The pope then departed from the schedule and escorted Mr. Bush to greet 350 Americans who either worked or studied at the Vatican. He also praised the president.

"I knew the implications," Mr. Melady wrote. "The pope's personal diplomacy signaled his respect for the president."

Mr. Melady also served as ambassador to Burundi in the 1960s and to Uganda in the early 1970s, during the last years of dictator Idi Amin.

Mondale: No war soon

Walter Mondale, the U.S. ambassador to Japan, sees no imminent war on the Korean Peninsula but believes North Korea's possible development of nuclear weapons would greatly destabilize East Asia.

Mr. Mondale told Reuters news agency this week that Pyongyang's refusal to allow inspection of its nuclear program is a violation of its obligations under the nuclear Non-Proliferation Treaty.

Mr. Mondale gave the interview before Washington yesterday said it expected to seek economic sanctions against North Korea.

"We're not talking about conflict right now," he said. "We're talking about the dangerous development of a new nuclear power here, coupled with a missile delivery system, which together could be a very destabilizing force in this area."

"The North Koreans have a solemn treaty responsibility not to develop nuclear weapons, and... the Japanese, the United States, the South Koreans in particular... have been pressing them very hard to live up to that treaty responsibility," he said. "But it's been tough."

If you have a tip, suggestion or question, call Embassy Row at 202/636-3297.