

WR -  
Welfare to Work  
Foundation

**TOWARDS A**  
**WELFARE TO WORK FOUNDATION**

**A PROJECT OF AMERICAN BUSINESS**

**DRAFT STRATEGIC PLAN**

February 21, 1997  
Washington, DC

## **CONTENTS**

- I. Introduction**
- II. Legislative and Statistical Background**
- III. Activities of the Organization**
  - A. Proposed Functions of the Organization**
  - B. Timeline for Organization Functions**
- IV. Structure of the Organization**
  - \* Proposed Staff and Duties**
- V. Financial Projections**
- VI. Goals and Indices of Success**
  - A. Fundraising**
  - B. Membership**
  - C. Achievements**

## Introduction

*The proposed Foundation is a coalition of businesses created to give employment opportunities to Americans seeking to leave public assistance. This document is intended to serve as a planning guide for the first month of decisions to be made by the founding Board members. It lists proposed functions, finances and timelines for the Foundation's creation.*

*At a preliminary meeting, representatives of the Board agreed the Board should incorporate itself as a non-profit organization, and agreed that Eli Segal would serve as interim Chair of the group. Subsequently, the Board agreed to the following Statement of Purpose.*

We believe America faces a challenge of historic importance: to help those on public assistance prepare for and obtain employment. We believe that in order for our nation to be strong in the next century, we must begin now to ensure that all our citizens' talents are utilized, and that all citizens have the opportunity to fully contribute. Therefore, as business leaders and CEO's in the private sector, we accept the challenge to help those seeking to make the transition from public assistance to self-sufficiency.

We know that government alone will not be able to provide meaningful work for the many Americans who are seeking to obtain employment. We offer our commitment to help solve this problem in tangible ways through education, training and hiring with a pledge that this effort will be non-profit, national in focus, and open to all like-minded businesses.

Our commitment is made without regard to political affiliation. We believe that helping Americans obtain employment opportunities is the shared task of every American, and we rise to meet that challenge not out of partisanship, but from the knowledge that our nation's success depends on all of us working together to achieve this goal.

## II. Legislative and Statistical Background

*The following are the key components of the recent welfare reform legislation.*

### A. Welfare Legislation

\* **Welfare Block Grants to States.** The legislation ends the federal entitlement to cash assistance to families with dependent children. Instead, states will receive block grants from the federal government and have the flexibility to determine who is eligible for cash assistance and to set benefit levels. States must still follow certain guidelines and timetables outlined in the law or their block grant will be reduced.

\* **Work Requirement for Welfare.** All welfare recipients must participate in work activities after receiving cash assistance for two years. In each state, the percentage of families receiving assistance that must have at least one member working must be at least 25% in 1997, and up to 50% by the year 2002 and thereafter, or the state will have its block grant reduced up to 21%.

\* **Five Year Time Limit for Welfare.** Families are eligible for cash assistance from the block grant for only a maximum total of 5 years, a period of time which does not have to be consecutive. States can use other federal funds to extend benefits for more than five years.

\* **State Plans and Options.** States must submit their own plans for distributing the block grant by July 1, 1997 and every two years thereafter. States have the option to establish a time limit shorter than 5 years, to deny assistance to additional children born into families already on welfare, to deny assistance to unmarried teens, and to require educational activities by parents and/or their children.

\* **Cuts in Benefits to Legal Immigrants.** Much of the estimated \$54.5 billion in savings from the law results from a reduction in benefits to legal immigrants and from changes in the food stamp program. Legal immigrants, with limited exceptions, will be barred from receiving Supplemental Security Income (SSI) or food stamps. States have the option to provide welfare, Medicaid, and other means-tested federally funded benefits to current and future legal immigrants, subject to a five year ban on benefits for future immigrants from the date of their arrival.

In determining an immigrant's eligibility for benefits, when the immigrant first applies or is required to reapply, states must "deem" his sponsor's income as available to the immigrant.

- \* **Medicaid.** There is no comprehensive Medicaid reform included in the new law. Unlike welfare benefits, Medicaid benefits will not be subject to work requirement or time limits or turned into a state-run program. However, as described above, states will have the option to deny Medicaid benefits to legal immigrants and, in any event, new immigrants will be barred from receiving Medicaid benefits for 5 years.
- \* **Child Care.** The law authorizes \$13.85 billion to states through 2002 for child care. At least 70% of those funds must go to child care for welfare recipients, those attempting to leave welfare and those at risk of going on welfare. States must adopt plans demonstrating, among other things, how they are meeting the needs of the aforementioned groups.
- \* **Child Support.** If a person receiving assistance fails to cooperate with the state in establishing paternity, the state must deduct a minimum of 25% of the family's cash assistance grant and may deny the entire amount. Also, states will have the option to deny food stamp benefits based on a failure to cooperate. Generally, the new law contains sweeping revisions of the federal child support statute and restructures the administration of child support into centralized collections and disbursement and nationwide registries.
- \* **Food Stamps.** While much of the savings in the law results from changes in the food stamp program, the program does remain a federal entitlement. The law does impose a work requirement on all able-bodied recipients aged 18-50 and without dependents. Recipients who find work may receive food stamps for a total period of only 3 months over a three-year period.
- \* **State Plans.** State plans must be in effect by July 1, 1997.

B-1 Statistical Background

Time on Welfare by Selected Characteristics for a Beginning Cohort of Recipients

Characteristics at 1st AFDC Spell	% of all First-Time Recipients	% Who Will Spend Longer than 24 Mnth's on AFDC	% Who Will Spend Longer than 60 Mnth's on AFDC
All Recipients	100.0	57.8	34.8
Education			
<9 years	13.0	75.3	63.4
9-11 years	34.0	66.2	40.0
12+ years	53.0	48.2	24.3
Work Experience			
No recent	38.7	67.1	44.9
Recent	61.3	52.0	28.3
Age			
Under 24	52.7	64.5	41.9
25-30	24.9	51.9	25.6
31-40	19.3	48.4	28.3
Over 40	3.1	51.1	25.2
Race			
White/other	55.6	50.9	26.7
Black	28.4	66.4	41.4
Hispanic	16.0	66.9	50.7
Marital Status			
Never married	58.2	65.5	43.1
Ever married	41.8	47.2	23.0
Age of youngest child			
<=12 months	52.1	64.8	39.2
13-36 months	16.6	55.5	37.9
37-60 months	10.9	54.3	29.5
61-120 months	11.2	49.7	29.9
121+ months	9.3	37.1	15.2
Number of Children			
1	57.2	57.0	35.8
2	33.2	58.2	31.9
3	7.5	58.7	35.9
Over 3	2.2	71.0	43.1

## III. Activities of the Organization

There are three broad categories of activities within which the Foundation will work: education; hiring; and grants. The Section that follows delineates the possible specific activities that the Foundation might undertake. Subsequently, the Section titled "Timelines" describes when those activities might be appropriately attempted. The categories and suggested activities are meant to be general directives to the staff regarding the type of programs the Foundation should undertake.

### A. Proposed Functions of the Organization

#### 1. Education

Activities include:

Business Outreach. The Foundation will be a comprehensive source of information to businesses interested in finding potential employees and uncovering what public and private resources are available. The Foundation will facilitate contacts between business people who have experience with employees who are former welfare recipients and companies interested in hiring employees who have received public assistance. The outreach effort will utilize a widely publicized toll-free telephone number.

Web Site. The Foundation will create a state of the art informational web site, with comprehensive information available to businesses.

Training. The Foundation will coordinate the use of company resources to aid in training workers, including using the training universities of companies (approximately 110 are in existence) and creating a human resources speakers' bureau to discuss successful programs with business leaders as well as prospective employees.

Recommendations to Government. The Foundation could seek to hold hearings and/or produce a report on what changes government should make to ease hiring of welfare recipients.

Job Readiness. The Foundation could investigate the feasibility and efficacy of using human resources personnel to teach Basic Skills classes, (directed to the 2 million Americans on welfare

who have never held a job), perhaps resulting in a Certificate which signifies the certificate holders understanding and competence in performing the basic skills needed to retain a job.

Targeted Companies. Whether a company has a job to offer or not, it is planned that they could participate in some education/training program. Companies of all sizes will participate.

## 2. Hiring

Pledges. Companies would pledge to hire or apprentice workers.

Awards. The Foundation will bestow recognition on participating companies creating an appropriate program, such as the *American Business Award*.

Consortium. Companies would agree to be part of a consortium, an ever-expanding group of businesses that would seek to hire workers who had left public assistance and received training or entry level positions at other member businesses.

Targeted Companies. It is planned that growing companies, or so-called intermediaries (job placement businesses) will participate in this program.

## 3. Grants

Among the options for disbursement of funds outside the Foundation:

Microenterprises. Grants to organizations that make loans to microenterprises.

Studies. Funding of studies to evaluate successful programs and successful non-profits in the field generally. Publicize successful models.

Model public-private partnership program. The project could organize businesses in different areas to help fund large-scale public works projects for the good of the community (rehabilitating a train station, creating a public park, etc.) using

a mix of skilled employees and mentoring former welfare recipients.

Advertising. Using paid and donated PSA's, the Foundation will encourage business and welfare recipients' participation.

Targeted Companies. All companies could donate funds; particularly large companies.

## B. Proposed Timeline for Organization Functions

*The Foundation will be capable of undertaking different tasks at different times. The following timeline is divided into three stages. First, Creation and Clearinghouse in which the Foundation is created and becomes a source of information for businesses seeking the names of like-minded businesses or useful resources in their area. Second, the Program Initiation stage in which the field organizing and education outreach programs are begun. In the final stage, In-Depth, the Foundation creates programs that evaluate model programs and award grants to successful models and in areas such as microenterprises*

### **STAGE I: CREATION & CLEARINGHOUSE (1-3 months)**

#### Logistics

- \* Incorporate with name
- \* Obtain funds
- \* Hire initial staff
- \* Obtain space
- \* Expand board
- \* Increase membership to "Golden 200"
- \* Name chairs
- \* Learn existing programs

#### Function

- \* Announce organization
- \* Announce Consortium idea
- \* Announce Gov't Report
  
- \* Open 800 number
  - Be able to connect businesses to existing resources
  - Accept Company's pledge to use their resources-- open training programs

- Accept pledges of new hires
- \* Create a web site.

***STAGE II: PROGRAM INITIATION (3-6 months)***

Logistics

- \* Field oriented staff expansion
- \* In-house support program
- \* Three program roll-outs

Functions

- \* Grants to study model programs
- \* Advertising/PSA's
- \* Basic Skills Certification-- commence program
- \* Complete Consortium and announcement
- \* Commence project in demonstration City

***STAGE THREE: IN-DEPTH PROGRAMS (6-9 months)***

Logistics

- \* Regular events with President, leading CEO's, Civic and Republican leaders
- \* Staff complete

Function

- \* Basic Skills Certification
- \* Model Public-Private Partnership
- \* Grants to organizations making microloans
- \* Begin to expand toll free line to welfare recipients

#### IV. STRUCTURE OF THE ORGANIZATION

*The following proposal for staffing is predicated on the notion of the Foundation operating in three arenas: Education, Hiring, and Grants. It is suggested that we hire as many former welfare recipients (minimum 2) as possible, particularly in the staffing of our "800" number. The Foundation staff are permanent staff to be paid for and hired directly by the Foundation.*

**Foundation Staff (to be in place within 6 months)**

**Executive Director--** Oversees all functions of the Foundation and Liaison to the President and Board

**Communications Director--** Directs press relations.

**Financial Director--** Responsible for budgeting and expenditures.

**Business Outreach Coordinator--** Supervises the "800" number, the awards program, and coordinates personal contacts with CEO's and business leaders who want to become involved.

**Education and Hiring Program Coordinator--** Senior policy analyst for coordination of education, training and hiring campaigns.

**Business Outreach Assistants--** Responsible for answering and operation of the "800" number. (2-3)

**Staff Assistants--** Assistants serve as receptionist, assistant to the Education Coordinator, and assistant to the Executive Director. (3)

**Loaned Staff**

The above staffing is predicated on the expectation of the following in-kind donations.

**Communication position--** Assist Director in formulation of press strategy and roll out of initial events.

**Marketing position--** To solicit in-kind donations of free publicity including periodical and electronic media space.

**Policy Analysts--** Personnel familiar with the Welfare to Work programs at their companies who can assist the Education coordinator in the creation of the

programs. These personnel could usefully rotate back to their companies, being replaced after 6 months by program directors from other companies.

**Human Resources--** Personnel with human resources backgrounds will be used for outreach to corporate H.R. departments, education, and perhaps in training programs.

**Staff Assistants--** One to work with business outreach, one to work with the finance director.

**Technical Assistant:** A person capable of setting up and maintaining a web site.

**Internship--** The Foundation anticipates an active internship program with up to three full-time college age interns each semester.

**Volunteers--** The Foundation will actively seek out volunteers, particularly to assist in Business Outreach and Education Program Coordination.

### **Staff Growth**

The most significant source of anticipated staff growth would be the Foundation's plan to provide direct services to welfare recipients. This effort would entail the creation of a second "800" number available to welfare recipients putting them in touch with employers in their area who are interested in hiring, and a list of resources they can draw upon.

This will require the addition of one more senior policy analyst with expertise in welfare training programs, three workers who are able to go into the field and help put together a database (and possibly set up training programs), and 5 more outreach personnel to staff the telephones.

V. FINANCIAL PROJECTIONS

*The following projections are predicated upon successfully carrying out the ambitious mission defined for the Foundation in the proceeding paragraphs. All dollar figures are in thousands. Non-bolded figures are in-kind grants.*

	<u>1st Year</u>	<u>2nd Year</u>
<u>Expenditures</u> (outlays)	1,743.4	1,980.2
<u>Expenditures</u> (from in-kind grants)	725.9	701.9

Expenditures by Category

Wages & Salaries	505 (11)	860 (20)
In-kind grants	470 (8)	470 (8)
Payroll taxes & benefits	111.1	189.2
In-kind grants	103.4	103.4

\* Figures based upon 22% of salary costs. Percentage calculated as experience at typical comparable non-profit. Figure includes taxes, health and life insurance, pension plan, and worker's compensation.

Hardware Expenditures: In-kind grant Computer @ 2000 w/software & networking (11), fax machine @1500 (1), copier @7000 a year lease (1)	30.5	25.5
---	------	------

Rent (In-kind grant)	50	50
----------------------	----	----

Utilities \*\*\*\*\*included in rent\*\*\*\*\*

Furniture In kind grant	10	8
----------------------------	----	---

Insurance (Directors liability insurance & property)	11	20
--	----	----

Accounting, Audit prep & Legal	40	25
Phones (purchase outright)	10	8
Monthly costs (1000)	12	12
General and Administrative Expenses	5	5
Printing	5	5
Postage and mailing	15	15
Research (newspapers and lexis)	1	1
TV & VCR	.3	0
<u>Projects of the Foundation</u>		
Marketing	300	150
Education	250	500
Report on Government (Conference)	90	0
Grants (Models study by academics and support to microloans)	400	150
Travel (for visitors and outgo)	50	85
<u>Revenues Raised</u>		
Corporate contributions (includes trade ass'ns)	2,500	2,000
In-kind grants	1,000	1000
Existing Assets	0	2381.6

Foundation grants	500	500
Individual contributions	1,000	1,000
Interest (estimated at 1%)	50	63.8

## **VI. Goals and Indices of Success**

### **A. Fundraising**

The foundation seeks to obtain resources of \$5,000,000 in its first year of existence.

### **B. Membership**

The Foundation seeks to involve as many businesses as possible in moving Americans from welfare to work. In its first year the Foundation will endeavor to have 5,000 businesses across the nation pledge to join the effort to help, in some substantial and tangible way, move Americans off of public assistance.

### **C. Achievement**

The Foundation seeks to give every American who wants the opportunity to work, the chance to work. It seeks to mobilize the business community to ensure that every business is given the information it needs to take advantage of the skills and talents of every American. Within two years we hope that half of all productive businesses are aware of this effort and know that they can obtain assistance from the Foundation.

WR - Welfare to Work Foundation

Welfare Reform Daily Report - August 13, 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](http://www.sba.gov) or call the SBA Answer Desk at 800-8-ASK-SBA.

Copyright 1997 Business Wire, Inc.  
Business Wire 00 August 14, 1997, Thursday

## 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*

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.

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](mailto:dcolarulli@acf.dhhs.gov) (e-mail) or 202-401-8951 (voice)).

Cynthia/Diana -  
You've seen this, right?  
Some interesting statistics -  
Think about what we  
can make use of. Eileen

cc: Bruce

*Welfare Reform Daily Report - August 16, 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." Alda 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

*Copyright 1997 The Washington Post  
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 Hayemann, 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](mailto:dcolarulli@acf.dhhs.gov) (e-mail) or 202-401-6951 (voice)).

FROM:

BURGER KING CORPORATION EXECUTIVE OFFICES: 1777 OLD CUTLER ROAD, MIAMI, FL 33157

*WR*  
*Welfare to work function*

**BURGER KING CORPORATION POSITION STATEMENT**

**WELFARE REFORM**

Burger King Corporation has a solid track record as a responsible corporate citizen. From our active investment in the Empowerment Zone/Enterprise Community Program, to our ongoing partnership with the USDA and IFUD to develop small business initiatives in rural America, we have continuously demonstrated our eagerness to take on the challenges of creating opportunities for disadvantaged Americans. Currently, as stated by President Bill Clinton in his State of the Union Address, we are working together with other prestigious corporations and the United States Government, to ensure the success of welfare reform.

While Burger King Corporation is currently finalizing welfare-to-work initiatives, we anticipate creating between 10,000 and 15,000 jobs annually for which current welfare recipients would be eligible. Many of these jobs will be in urban areas where the company and our franchisees are exploring growth opportunities.

]



Since 1989, Burger King has been helping children from disadvantaged families to stay in school, an important step toward breaking the cycle of welfare dependency. In addition, we continue to offer at-risk students a chance to succeed in school through our Burger King Academies in affiliation with Communities in Schools, the largest drop out prevention program in the country. Since the inception of the Burger King Academies, more than 9,000 children -- nearly 50% from families receiving AFDC support -- have benefited from these programs.

Burger King Corporation is aware of the many obstacles facing former welfare recipients, including lack of job opportunities, child care, job preparedness and transportation. We are currently exploring ways to meet these challenges and to help those who so desire to become productive members of the workforce and therefore our society.

While the initial challenge is to successfully transition former welfare recipients into the workplace, we recognize the capacity of these workers to move beyond entry level positions. By continuing to work in partnership with the public and private sectors, we are confident that we can positively impact welfare reform.

###

ENCLOSURE 009 035-2121 FAX 305-398-1044

February 5, 1997

THE WHITE HOUSE  
WASHINGTON

WR -  
Wells to work  
Foundation

637 9119

John Doe -  
writing of ad. affairs  
John Gage, CISCO

~~Chiff B~~  
703 808 1202

include @hakin.sengou

-Greenwald, chair-

Exec. Dir. - Relingist  
FR - Kate Carr  
Policy - Lynn H.  
PR - GOP  
Operations - UPS

Kate Carr

THE WHITE HOUSE  
WASHINGTON

*WWTW mtg*

*WWTW - Welfare to Work Foundation*

WELFARE-TO-WORK MEETING  
April 2, 1997  
9:00 - 10:00 a.m., Roosevelt Room

Agenda

I. Introduction and Overview

- A. Gene Sperling
- B. Bruce Reed

II. Briefing by Eli Segal on Welfare-to-Work Foundation

- A. Origins *Bipartisan, independent, tax status applied for. Eli CEO*
- B. Status to Date *Proactive, proactive*
- C. Challenges Going Forward *Not just ad campaign  
Psych-technical - not rocket science, hard work  
Highlight successes  
Deming style - destigmatize  
Not too much competition  
Mobil practices. 80000.  
2000-2500 cas. No specific # of jobs.  
CEO-matching operation*

- GOALS*
- 1) WHAT WORKS document
  - 2) DC
  - 3) DISPLACEMENT/SUPPLY

*RUBIN: Should this utilize Eli? Displacement*

*Eli: Sanction 2-3 yrs?  
Like CISC, become not intermediating w/ job training. Rockefeller + Ford.*

*ANDA: Help us create intermediaries, SBA could do BA network.  
If it's not a hassle, this is something we'll do.*

*METZGER: NAPIC will do hiring survey. Labor resource book. On Home Page *www.dol.gov**

*SUMMERS: Build capacity for intermediating. Growth contractors.  
EB: 20 cas. that specialize in contract labor.  
SUMMERS: 1) DC = DC - Marriott 4) Evaluation 3) Displacement agreements/paper*



CHIEF OF STAFF TO THE PRESIDENT  
THE WHITE HOUSE

February 26, 1997

MR. PRESIDENT:

Please note the attached memo from Eli Segal describing the organization, mission, and short term action plan of "Work Now" -- a soon to be created 501(c)(3) organization whose founding board members will be the CEOs of the five companies you referenced in the State of the Union.

The central mission of "Work Now" will be "to help businesses of all kinds move people permanently from welfare to work."

Erskine

cc: John Podesta  
Sylvia Mathews  
Vicki Radd  
Rahm Emanuel  
Bruce Reed  
Gene Sperling

ELI J. SEGAL

February 25, 1997

MEMORANDUM

TO: THE PRESIDENT

SUBJ: WORK NOW (WN)

This is a memo which goes to the organization, mission and short term action plan of WN (working title only). Its creation reflects one of the most hopeful reactions to your signing the welfare reform legislation and your frequent challenges to the business community that there is much it needs to do if we will truly "end welfare as we know it".

1. Organization

WN is a soon to be created 501(c)(3) organization. Its incorporators (and perhaps "Founding Board" members) will be the CEOs of the five companies you referenced in the State of the Union. It is unclear who will be the Chair, but his identity will be determined shortly.

The organization will be aggressively non-partisan, results driven and comparatively easy to join. It will be scrupulously independent, but its mission and its agenda will be completely consistent with your vision of welfare reform. I do not expect it to look for any government funds, at least at the beginning.

It will have a Board of Directors of about 15-20 composed of businesses of all sizes and from all sectors; some of its Board may include Governors and other prominent Americans. All companies will be encouraged to join, provided they are prepared to make a commitment to use their resources to help move people from welfare to work. One measure of success in WN's first year will be whether it can reach a membership of an agreed upon number of companies, perhaps 5000. Membership will not require payment of a fee.

2. Mission

A partial but intensive review of organizations engaged in welfare reform-related activities suggests one niche which is likely to represent the heart and soul of WN's

mission: to help businesses of all kinds move people permanently from welfare to work. WN's customer will be the businesses themselves, rather than welfare recipients, legislatures, Governors or state welfare agencies. WN will encourage, mobilize, reward and provide technical assistance to all of the following:

- ( a ) large and small companies whose growth will depend on hiring and retaining substantial numbers of people for entry level positions (e.g., Burger King);
- ( b ) other large companies without significant employment growth plans (e.g., Monsanto) or those with such growth plans but without a significant number of entry level positions (e.g., Microsoft); in all of these cases, WN will look to notions of corporate responsibility and moral suasion of companies and their vendors in designing a meaningful agenda; and
- ( c ) a broad range of so-called "intermediaries" from temporary organizations like Manpower and Kelly (one of the largest growth categories in an era of downsizing) to for profit and not for profit organizations like America Works and Strive, springing up overnight in response to welfare waivers of recent years and the welfare reform legislation of 1996.

WN will not, of course, be indifferent to "the front end" of welfare reform: motivated, prepared welfare recipients. However, the more WN engages in activities at the front end, e.g. GED, literacy, mentoring, substance abuse treatment, job training and readiness, the more its mission is blurred and it invades the turf of others. One possible exception to this thrust may be in the area of micro enterprise. It is also possible that some of the means WN will utilize to reach businesses (e.g., 800 numbers and Web sites) can also be used to match businesses and potential employees, but that is further down the road.

Because there is no reliable national way of counting those who move from welfare to work, WN will need to look to other indices of success. WN will have individual company success stories to tell, job producing partnerships of its members to report, and the equivalent of Baldrige awards to announce; once WN sees positive patterns emerging from its work and study, it will publicize them, help replicate them to the extent resources permit and transmit them to appropriate government executives. WN may also report on obstacles it uncovers to welfare reform from the perspective of the private sector, perhaps in a manner similar to that of the Small Business Conference of your first term.

### 3. Activities of the Organization.

There are three broad categories of activities within which WN will work (subject always to avoiding duplication with the work of other organizations):

#### ( a ) Education

- (1) business outreach -- WN will become a comprehensive source of information to businesses in finding potential employees and uncovering what public and private resources are available;
- (2) training -- WN will coordinate the use of existing company resources to aid in training, including the training universities of 110 companies; WN may create a human resources speakers bureau (although National Alliance for Business and National Governors Association are looking at this as well);
- (3) recommendations to government (federal, state and local).

#### ( b ) Hiring

- (1) pledges -- businesses, some with and some without experience hiring and retraining those formerly on public assistance, commit to hire or apprentice workers;
- (2) consortium -- new members join an ever expanding group of WN businesses that would hire workers who had received training, apprenticeships or entry level positions at other member businesses;
- (3) awards -- WN will bestow recognition on selected participating companies.

#### ( c ) Grants -- possible recipients/activities include:

- (1) micro enterprises (but this may properly be the realm of government and foundations);
- (2) studies of successful programs; and
- (3) large scale public works projects (e.g., rehabilitating a train station, creating a public park, etc).

### 4. Action Plan

WN contemplates three stages over the next year, in each of which there are logistical, functional and communications tasks to fulfill:

- ( a ) creation and clearinghouse (months 1 - 3) -- WN announces its plans, its 800 number and its Web site; becomes a source of information for businesses seeking the names of like-minded businesses or useful

resources in their geographic area or their industrial sector;

( b ) program initiation (months 4 - 6) -- WN announces its first 1000 members; announces its consortium plan (see above); makes first grants to study model programs ;

( c ) in-depth programs (months 6 - 12) -- membership grows to 5000; WN reports on number of new jobs its members have created, especially through its consortium (unless too modest at this stage); announces PSA campaign to combat stigmatization of hiring workers from welfare; announces intensive project in demonstration city; issues its first advisory report to government; announces first annual employer award recipients.

## 5. Presidential Engagement

The mission of WN will be enhanced by Presidential engagement from the beginning. Possible activities include, but are not limited to the following:

- ( a ) publicity around the launch;
- ( b ) events in different geographic areas and different industries with business leaders who have joined WN by "taking the pledge" and/or have actually hired and retained former welfare recipients;
- ( c ) publicity around the first (and perhaps subsequent) awards to model employers.

## 6. Conclusion

Overall, the mission, functions and indices of success of WN will need greater refinement over the next few weeks. The basic judgment, however, is to focus welfare to work activities on what businesses themselves can do. With skill and discipline, we can carve out a role in this undertaking that will permit the private sector to translate good intentions into meaningful results.

WR - Welfare to  
work  
Foundation

The following are some questions and answers on the legal limits of White House outreach on welfare to work. The first set of questions deal with our relationships with a 501(c)(3) organization incorporated to assist businesses and other entities with welfare to work programs. The second set deal with our use of particular individuals in carrying welfare to work outreach to religious organizations and non-profits. The answers to these questions are based upon the Standards of Ethical Conduct of Government Employees and other applicable regulations and statutes.

A. Relationship with a particular 501(c)(3).

1. Can we refer businesses and other entities interested in hiring or training welfare recipients to an existing 501(c)(3) for information and direction?

Yes, provided we act evenhandedly if there is more than one 501(c)(3) organization offering similar assistance. If we are not aware of any competing 501(c)(3)s, there is no problem in referring interested parties to one entity.

2. Can we invite representatives of a 501(c)(3) to meetings on welfare to work implementation strategy -- including meetings with the NGA or other similar groups?

Yes, subject to the requirements of even-handedness noted above and provided we do not disclose to them any confidential (non-public) information.

3. Is there a problem in attending meetings held by groups such as the NGA if included in those meetings are representatives from a 501(c)(3)?

No. However, if another 501(c)(3) requests a meeting separately from the one called by the NGA, we must be prepared to meet with them on a similar basis.

4. Can we direct the 501(c)(3) to engage in a particular action or follow a particular strategy?

No. The White House may not direct a private entity to take a particular action or course of action nor we selectively decide which private entities receive public information. We can, however, provide publicly available information to the private entity(ies) and indicate what strategies we feel are the most effective.

5. Can we create our own non-profit to perform welfare to work outreach to religious organizations or to other non-profits?

No. The general rule is that we cannot create non-profits to effectuate government policy. We are currently looking into whether some limited exception to this rule is possible.

B. Use of individuals for outreach.

1. Can we ask individuals to volunteer to work with religious organizations and non-profits in helping them with welfare to work?

This is a difficult issue. There is no problem in discussing issues with private individuals and indicating that we would like them to work on particular matters. However, we cannot direct a private person's activity and we must be careful to not give that person the impression that she holds an official position or that her activities are government sanctioned. That individual, in turn, must take care in dealings with third parties not to convey the impression that she is acting on behalf of the White House or that her actions have been officially sanctioned.

2. Can we announce that a particular private person is the point person for the White House for outreach to religious organizations and non-profits?

No. We can mention the efforts of persons of which we have knowledge; but if more than one person is engaged in similar activities, we may need to be inclusive to avoid the appearance of favoritism. If we want a person to have a specific and ongoing role, we may have to make that person an employee or provide that person with another form of formal status.

3. Can we direct a private individual to engage in specific actions or employ a particular strategy in welfare to work outreach?

Not unless that person assumes an official position in the Administration.