

copy
Christa WR
WTW



The Welfare to Work
PARTNERSHIP

Fax

To:	Bruce Reed	From:	Eli Segal
Fax:	456-2878	Pages:	Including cover, 3
Phone:	456-6262	Date:	April 28, 1998
Re:	Anniversary Event	CC:	
<input checked="" type="checkbox"/> Urgent <input type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply <input type="checkbox"/> Please Recycle			

Bruce,

Attached is the memo we discussed with Cynthia, Andrea, Krista and Cheri Carter yesterday. Our staff was pleased with the meeting and are looking forward to working on this great event.

Please call myself or Lyn with your thoughts. Many thanks.

SCHEDULING REQUEST

April 28, 1998

TO: Bruce Reed, Assistant to the President for Domestic Policy

FROM: Eli Segal

DATE: April 28, 1998

REQUEST: Detailed below are three requests for May 27th.

- (1) Rose Garden ceremony with the President commemorating one-year anniversary;
- (2) Time with the President for Board of Directors and Key Supporters; and
- (3) Business Roundtable at OEOB with DPC and Cabinet representatives.

MESSAGE/ ANNOUNCEMENTS:

To acknowledge that the business community has exceeded fivefold The President's challenge to commit to hiring and retaining welfare recipients in The Partnership's first year. To issue a new challenge to Partnership members to double the number of welfare recipients hired, from 135,000 in 1997 to 270,000 in 1998. To announce the unveiling of a national TV PSA campaign designed to refute stereotypes generally associated with welfare recipients. To highlight companies that have been able to retain their welfare to work employees at a higher rate than employees hired through more traditional channels. To illustrate the Administration's continued commitment to welfare to work and announce drop in welfare roles.

BACKGROUND:

In response to President Clinton's challenge to the business community, The Welfare to Work Partnership was created and launched on May 20, 1997. The Partnership began with 5 founding companies - United Airlines, Burger King, Monsanto, Sprint and UPS - and has grown from 105 at the White House launch to more than 4,000 Business Partners all committed to hiring and retaining welfare recipients. In its first year, The Partnership has developed the following: a how-to manual for businesses interested in welfare to work; a national print and television PSA campaign designed to break-down stereotypes of welfare recipients; a survey tool for measuring the progress of its Business Partners in hiring and retaining welfare recipients; an Advisory Council representing 26 of the nation's governors; a program to develop welfare to work capacity in 16 of the country's highest poverty cities; a tax-credit hotline for small Business Partners; and, case studies detailing successful welfare to work retention models.

PREVIOUS PARTICIPATION:

Launch of Partnership at the White House, May 20, 1997. City Challenge in St. Louis August 12, 1997. Cessna Aircraft Company in Wichita on November 17, 1997. Federal Agency Contractor's event with Vice President, April 9, 1998. Partnership Board met with Vice President Gore, Erskine Bowles and Bruce Reed on November 19, 1997.

DATE & TIME:

May 27, 1998

- (1) Business Roundtable at OEOB 9:00 to 11:00 a.m.
- (2) Board of Directors and key supporters with the President 12:00 to 12:45 p.m.
- (3) Rose Garden Event with the President 1:00 to 2:00 p.m.

EVENTS:

Rose Garden ceremony with the President

PROGRAM: Eli Sogol: Tremendous growth from five to 5000 companies, but job's not done.
(In order) CityLink project designed to work with local communities to mobilize resources and sustain successful collaborations. Continued business commitment. Fifty Fortune 100 companies have become Business Partners.

Jerry Greenwald: Welfare to work is a smart solution for business. Higher retention rates. Ahead of hiring goals for 1998, will continue towards 2000.

Advisory Council Co-Chairs Gov. Thompson and Gov. Carper: Gov. Thompson to address findings from initial Wirthlin survey, including number of recipients hired and success in finding and retaining good employees. Gov. Carper will highlight the growth of the Advisory Council from two to twenty-six governors. Will challenge more governors to join and signal the continued commitment of the NGA to welfare to work.

Former Welfare Recipients: Tells personal success story of transition into workforce as highlighted in PSA TV spot. Includes challenges overcome and opportunities ahead. Introduces President.

President Clinton: Acknowledges that the business community has exceeded The President first challenge of 1,000 Business Partners in 1997 by a factor of five. Issue new challenge to Business Partners to double the number of welfare recipients hired in 1998. Salutes Business Partners' commitment to making welfare reform a success. Acknowledge the personal successes of 6-8 former welfare recipients in the front row. Instruct audience to watch for the premier of the PSA campaign on television that evening.

Participants: Board of Directors, key supporters, Governors, select business success stories, community leaders, national service providers.

Key Partnership Supporters with the President

Program: Thank Board of Directors and key Partners for their support of The Partnership and commitment to hire, and to solidify their participation in the coming year's initiatives.

Business Roundtable - Building on Successful Models

Panel Discussion and 4 business focus groups. Administration official (i.e. Bruce Reed or Cabinet Secretary) as moderator.

Program: 1. Panel discussion on the private sector retention models.
Moderator: Administration Official (i.e., Bruce Reed, Cabinet Secretary)
Panelists: Janet Tully, Marriott; Rodney Carroll, UPS; Jim Kenny, United Airlines; Gwen Clemens, Hygienic Service Systems; Steve Wing, CVS; and Johnny Catledge, Cessna.

2. Focus groups with private and public sector representatives to share successful child care, transportation, mentoring and small business strategies.

Facilitators: include companies from panel discussion and agency representatives (DOT, HHS, DOL, HUD, SBA and NPR).

Needs: OEOP Meeting rooms for the panel and four focus groups.

Lyn A. Hogan
Vice President, Policy and Planning



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The Welfare to Work
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BLUEPRINT FOR BUSINESS

REACHING A NEW WORKFORCE



The Welfare to Work
PARTNERSHIP

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Fax

To: Bruce Reed From: Lyn Hagen

Fax: _____ Phone: _____

Phone: _____ Date: _____

Re: _____ CC: _____

- Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:**

4 pages

Bruce -

Thought you'd like to see our draft agenda for our Dec. 3 conference in L.A.

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

Quality Welfare to Work Programs: A Smart Solution for Business
The Regal Biltmore, Los Angeles, California
December 3, 1997

Tentative Agenda

Time	Topic	Speakers
Dec. 2	Service Provider Booths Open	
Dec. 3	Dec. 2, booths open at 5:00 p.m., close 9:00 p.m. Dec. 3, booths open at 7:00 a.m., close 5:30 p.m.	
7:30 a.m.	Registration	
8:00 - 8:30 a.m.	Opening Remarks/Welcome	Eli Segal Mayor Riordan Gerald Greenwald
8:30- 9:45 a.m.	Panel Discussion #1 Business to Business: Building Successful Welfare to Work Programs <i>Small, medium, and large business representatives discuss components of their successful welfare to work programs.</i>	Moderator:
9:45- 10:45 a.m.	Panel Discussion #2 The Work Opportunity Tax Credits (WOTC) and other Incentives to Hire Welfare Recipients <i>Discusses direct and indirect tax and cash incentives that can aid employers who hire welfare recipients.</i>	Moderator: Lyn Hogan Walmart or Burger King on WOTC M. Barr, Treasury, on EITC Gary Stangler, MO, Work Sup Business that has used Work St
10:45- 11:00 A.M.	BREAK	
11:00 a.m.- 12:30 p.m.	Panel Discussion #3 Reaching a New Work Force: How to Hire Welfare Recipients <i>Guidelines to help businesses find work-ready welfare recipients. Non-profit, for-profit, state and local service providers discuss employment and retention services available to businesses hiring welfare recipients.</i>	Moderator: Lyn Hogan STRIVE America Works DOL on OJT, PICS, JTEA Xerox Goodwill Industries L.A. GAIN or L.A. PIC

12:30 p.m.
to 2:00
p.m.

LUNCH WITH KEYNOTE SPEAKER (S)

**Gov. Pete Wilson
Ted Turner or Michael Eisner**

2:15 to
3:45 p.m.

Panel Discussion #4

Reducing Employee Turnover With Retention Services
Discusses the importance of retention services in retaining low-income employees. Offers specific information transportation, child care, health care, mentoring, counseling, and other available services to help retain new employees.

Moderator:
Retention/Marriott, a Tully
Mentoring/United Airlines
Transportation/Mark Huse,
Public/Private Partnership
Child Care/ Nancy Ebb, COF
Health Care/Cindy Mann, COB

4:00 to
5:30 p.m.

Workshops A, B, C, D, E, F, G (Choose One)

(See descriptions below.)

5:30 p.m.

RECEPTION

Workshops A-G

Workshop A: Workers Comp, Legal Issues and Other Potential Liabilities Associated With Hiring New Employees

Workshop B: Hiring Welfare Recipients in the High Tech Field—Companies That Are Doing It

Workshop C: Companies That Don't Have Jobs Can Still be Involved: Corporate Giving and Leadership

Workshop D: Hiring Welfare Recipients For White Collar Jobs: Smith Barney and Wildcats Explain How

Workshop E: The Unique Role of Temporary Placement Firms in Welfare Reform

Workshop F: Creating and Maintaining Quality Standards in Your Welfare to Work Program: Three Businesses Share Their Tips

Workshop G: State-Specific Incentives for Business to Hire Welfare Recipients, Elaine Ryan, APWA

Booths To Be Invited

America Works
Arthur Anderson
Career TEAM
GET
Cleveland Works and the Works Affiliates
Chrysalis (L.A.-specific)
Curtis & Associates
Dependent Care Connection (DCC)
DOL
Goodwill Industries
Grant Associates/Dale Grant
HUD
Jobs Plus
L.A. Gain
L.A. PIC
Lockheed & Martin
Marriott
Opportunity America/Richard Swartz
Project Quest (L.A.-specific)
San Fran Works
STRIVE
Wildcat Services

- * Profound "Y" " "
- * Impressive startups
- * Leap of faith that business come thru
- * Stunning success of WR
 - * You are making history → drop in that
 - ↳ all things in ways
- * We want to hear what you've learned, what we can do to help

November 18, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: BRUCE REED

SUBJ: NOVEMBER 19TH WELFARE TO WORK PARTNERSHIP BOARD MEETING

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

Talking Points

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

make a better life.

Background

The Welfare to Work Partnership

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

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

President's November 17th Announcements

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

Confirmed Participants in November 19th Welfare to Work Meeting

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

America, Inc.

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

11.19.97

Greenwald: Transport. used car tax credit
BK: 4000. challenge = retention
children, transport

Turner = half. profit

TX: 1925, Goal = 5000 by 2000
- attention no higher than other areas

Eli: well thought this = lower attention

Esrey: Move call center into same city

Tech: Atlanta center for children - 24 hr day care center

Mannott: GSA partnership w/ Mannott on day care center

UPS: 2500. Higher retention rates & other new hires
* change role of welfare office

Sykes; Leated: Colular transit center w/ day care, ^{interview} rooms

- Easton hub, 40,000 by 2005.

- Other hubs in low income

Actra: Educ. level. 1001 openings, hard to find enough people
- need familiarity w/ computers

Strabey, ~~Atlanta~~ Atlanta: Micro loans - start jobs at home.

Stolces: Micro loans for farming on Indian reserves.

Turner: Govt push its suppliers to hire people off welfare

Fisher, Chevron:

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

All About *The Partnership*

Welfare to Work is a Smart Solution for Business.

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

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

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

Expanding the American Workforce for Greater Productivity

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

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

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

Building a National Welfare to Work Network

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

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

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

Providing Technical Assistance and Support

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

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

Provide Leadership and Encourage Corporate Social Responsibility

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

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

National Scope with a Community Focus

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

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

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

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

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

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FREQUENTLY ASKED QUESTIONS

WHAT IS THE WELFARE TO WORK PARTNERSHIP?

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

IS THIS PRESIDENT CLINTON'S PROGRAM?

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

HOW DID THE INITIATIVE GET STARTED?

On August 22, 1996, the Personal Responsibility and Work Opportunity Act was signed, ending welfare as we know it. Following the enactment of the new welfare law, many businesses recognized that the goals of the new law could not be met by the government alone. The CEOs of United Airlines, Burger King, Sprint, Monsanto and UPS joined with Eli Segal, a successful entrepreneur and former CEO of the Corporation for National Service, to form The Welfare to Work Partnership, a nonpartisan, nonprofit national effort of the American business community to help move those on public assistance into jobs in the private sector.

WHAT ARE THE GOALS OF THE PARTNERSHIP?

In our first year, the Partnership is building an expanding network of companies committed to hiring and retaining persons on public assistance. The Partnership is providing participating businesses with several information resources, including a Blueprint for Business hiring guide, a toll-free number (1-888-USA-JOB1), a web-page (www.welfareto-work.org), a national database of companies and service providers involved with welfare to work efforts, a quarterly newsletter, a Public Service Announcement campaign, regional and state seminars and conferences and awards ceremonies.

WHO ARE THE FIVE FOUNDING COMPANIES?

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

WHO CAN PARTICIPATE IN THE PARTNERSHIP?

Membership is open to businesses of all sizes that have hired or commit to hire welfare recipients without displacing existing workers.

WHY SHOULD BUSINESSES GET INVOLVED IN THE PARTNERSHIP OR ANY TYPE OF WELFARE-TO-WORK EFFORT?

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

WHAT IS THE NEW WELFARE REFORM LAW?

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

WHAT ARE SOME CURRENT WELFARE STATISTICS?

Since 1993, the number of Americans receiving public assistance has fallen 22 percent, or by 3.1 million, the largest decline in the past five decades.

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

To date, 11 states - Alabama, Colorado, Indiana, Massachusetts, Mississippi, North Dakota, Oklahoma, Oregon, Utah, Wisconsin, and Wyoming, have reported more than a 25 percent decline in welfare rolls.

A REAL PIECE OF WORK

Welfare reform is one year old and a huge success so far. But will business do its part?

BY JONATHAN ALTER

WHAT A DIFFERENCE A year makes. Last summer, conservatives were arguing that an increase in the minimum

wage would absolutely, positively mean fewer jobs. Liberals were arguing that the welfare bill was deeply immoral and would throw a million or more children into poverty. Don't hold your breath waiting for confession of error. But it's worth noting that the success of welfare-reform legislation, signed by President Clinton one year ago this week, blows the doors off even the most optimistic predictions. The caseload is on a path toward dropping by nearly 2 million since the bill was signed—bringing the total reduction since 1993 to nearly 4 million women and children (and a few men), or more than a quarter of all welfare recipients. When you hear the Clintonites bragging, it's more than just spin.

The strong economy obviously helps, but it's not a complete explanation. In the 60-year history of welfare, through many fat economic times, the largest previous caseload drop was 250,000 in a single year. And it's not as if folks are getting routinely booted off the rolls. Only Florida and Wisconsin are doing that now. In other states, the time limits haven't kicked in yet. So what accounts for the change? No one knows for sure. Of course, the threat of a cutoff has a way of concentrating the mind. The most important change, as Clinton domestic-policy chief Bruce Reed puts it, is in expectations. These days, when poor mothers go into state agencies to apply for welfare, they find themselves facing bureaucracies that are structured around work, not merely writing checks. Even the American Public Welfare Association, the advocacy group for case workers, is taking the word "welfare" out of its name.

All the good news is tempered by the knowledge that the hardest part lies ahead. Those who could get jobs on their own have, by now, largely done so. From here on, the government and the private sector will have to be especially innovative. The government's role probably won't be in actually providing jobs; "workfare" hasn't proven a good avenue into permanent work, and the Clinton administration (thanks to union pressure) is making it increasingly impractical with loads of federal rules.

Instead, the action is in government support for stepped-up private-sector efforts. A new Coopers & Lybrand survey of the fastest-growing small companies shows 60 percent of employers would be willing to hire welfare recipients (26 percent already



Fresh start: Clinton at a St. Louis program that moves the poor from dole to payroll

have). Some employers may be responding to what Clinton in St. Louis last week called their "moral obligation" to help, a duty that applies especially to those who bellyached about the old system. But most managers aren't saints; they just need warm bodies for entry-level jobs. The only way companies will get them is if there is state-supported child care, transportation and help for employers with what might be called "the alarm-clock problem"—basic work skills.

I went to St. Louis in advance of the president last week to listen in as nearly 300 local employers gathered in small groups for private discussions about hiring welfare recipients. "To go from cynical to skeptical—that would be tremendous movement," says Eli Segal, who is spearheading Clinton's new Welfare to Work Partnership, which initially targeted St. Louis, a once depressed city now experiencing a 24-year low in unemployment. The partnership (1-888-USA-JOB1) is asking companies there and elsewhere to hire applicants off welfare.

Dennis Drummond of Jefferson Smurfit Corp., a paper-products company, came over the border from Illinois to tell other executives about his experiences in hiring 17 welfare recipients. "The first thing you learn is they come in late. They've often never owned an alarm clock," he explained, echoing familiar frustrations. "You're ready to fire them.

They don't know where the bathroom is. But we didn't know where it was when we were new either. If you work with them, give them a 'buddy' at the start, they often turn into outstanding employees."

Keith Guiler, an oxygen-equipment manufacturer in St. Louis, told me he can't get anyone to answer his help-wanted ads for low-wage work. So he's turned to "job intermediaries" that help screen, train and place the unemployed. Clinton spoke at one such St. Louis program called Mid-Tec. "If they go through Mid-Tec, the odds are better they'll be good," Guiler says. They learn technical skills—plus how to behave in a job. These nonprofit intermediaries, sprouting everywhere, may turn out to be the hot charities of the late '90s. They are essential to welfare reform.

Also essential are state officials with their heads screwed on right. Missouri has a transportation-assistance program and guaranteed child care to anyone who meets the income threshold. It's also "seamless" (the new buzzword in policy circles), which means that the child-care state money goes directly to the day-care centers instead of to the worker. So is the program in Illinois, which has nearly doubled the money for child care in one year. Ohio, on the other hand, is actually cutting child-care funding, which is idiotic if you expect poor mothers to actually work.

How far can all of this go? Under Michigan's Project Zero, every single one of the 413 welfare families in Ottawa County near Grand Rapids is now off the dole. The results aren't the same in Detroit, but the signs are encouraging there, too. Yes, the hard-core welfare recipients shall always be with us, beset by personal demons. Yes, homelessness and visits to food banks are rising a bit in areas with the toughest new laws. But if the economy holds up and the private sector does its part, we're on the threshold of the greatest social-policy achievement in a generation.

POLITICS & POLICY

Campaign Buffs Image of Welfare Recipient as Worker

By ROCHELLE SHARPE

Staff Reporter of THE WALL STREET JOURNAL
Welfare recipients start getting a political makeover today.

Often vilified as lazy and incompetent, they may soon be perceived as the undiscovered gems of the labor market, if former Clinton adviser Eli Segal has his way. His non-profit Welfare to Work Partnership will hold its first community event in St. Louis today, giving a boost to the welfare-to-work push of President Clinton, who also will be on hand. "Welfare



Eli Segal

recipients are going to become companies' most dedicated employees," Mr. Segal declares.

Mr. Segal insists his effort isn't just political hyperbole. He says many businesses already are finding a higher retention rate among workers hired from welfare rolls. But he won't have an easy sell. In a poll of senior executives conducted last month by Wirthlin Worldwide, more than one-third of those highly interested in participating in the Welfare to Work Partnership conceded they were worried about welfare recipients' motivation and willingness to work. Of those who had little interest in the program, 57% believed recipients would be of poor quality or have poor skills.

In practice, moving welfare recipients into quality jobs has proved more difficult than expected at some companies. In his State of the Union speech in February, President Clinton ballyhooed a major effort by Sprint Corp. in Kansas City, Mo., but as of last month the company employed only six workers hired under its program. Marriott International Inc., a leader in welfare-to-work efforts, recently curtailed a separate program targeted at more-disadvantaged welfare recipients after achieving a lower success rate with the harder cases.

But Mr. Segal and President Clinton

plan to emphasize success stories. And some companies that have hired former welfare recipients are enthusiastic about results so far. Though the numbers of people hired are small, some businesses report these workers' retention rates are almost double those of other employees.

Smith Barney's Experience

"This is not charity. It's very good for business," says Michael Schlein, a senior vice president at Smith Barney Inc. in New York, where the securities company has hired 27 former welfare recipients since February 1996 and only two have left. That's less than half the normal turnover rate.

More important than low turnover, he says, is the gung-ho attitude of the new work force. "It's very hard for a firm to find enthusiastic and well-trained employees. Their job means more to them than most people's jobs means to them." They hold white-collar jobs, doing tasks like research, and most earn between \$24,000 and \$28,000 annually.

Like many businesses with welfare success stories, Smith Barney, a unit of Travelers Group, works with an intermediary company that gives recipients extensive training. Wildcat Service Corp. in New York teaches recipients job-readiness skills for 16 weeks and then the company hires them for a 16-week internship. "By the time that's over, they've got great skills," Mr. Schlein says.

Different Views

Borg-Warner Security Corp., a Chicago-based company, figures that the former welfare recipients it has hired as security guards stay longer because they view their jobs as permanent, unlike many workers who see security-guard work as a temporary position. "For people coming off public assistance, this is a real opportunity," says Jack Donohue, president of the company's Northeast Business unit. "They put more into developing their skills, and they end up staying."

Since early 1995, 952 former welfare recipients have become security guards in New York City and 57 of them are still on

Welfare to Work	
Formerly welfare recipients	1%
Welfare recipients	14
Semi-welfare recipients	59
Former welfare recipients	12
Former welfare recipients	14
Former welfare recipients	59%
Former welfare recipients	55
Former welfare recipients	45
Former welfare recipients	38%
Former welfare recipients	23

the job, Mr. Donohue says. That's a retention rate of 60%, much higher than the firm's regular retention rate of 25%.

Marriott, which has a six-week in-house training program, also finds dedication among its former welfare recipients. Of 400 former recipients who joined Marriott since 1995, 78% are still with the company, says Janet Tully, who runs the firm's Pathways to Independence training program. "Because we've done this for them, they've been very loyal to us," Ms. Tully says.

Not all companies find lower turnover among welfare recipients. At General Converters & Assemblers Inc., a minority-owned manufacturing company in Racine, Wis., where about half the work force has

been on welfare, the retention rate is about 60% among former recipients, compared with 75% to 80% among regular employees.

But George Stinson, the company's president, thinks that is just fine, noting that many of the former recipients left the factory jobs to go back to school so they could seek higher-skilled work.

In fact, some analysts say that staying in a job for a long time may be undesirable from a welfare recipient's point of view, especially if the wages are low. The success of welfare overhaul won't be measured by job turnover, but by a recipient's ability to sustain employment, says Robert Ivry, senior vice president of Manpower Demonstration Research Corp.

Segal's Role

Segal, showing companies that welfare recipients can become dedicated, skilled workers is key for Mr. Segal, who oversaw President Clinton's national service initiative before he turned his attention to welfare overhaul.

At today's St. Louis event, the partnership will release its Blueprint for Business, which outlines a five-step process on how companies can successfully hire welfare recipients. The group is compiling a database, listing companies that have hired welfare recipients and service providers that can help businesses get involved. It will have a Web site and quarterly newsletters.

The partnership also uses flattery to motivate businesses. In a public service announcement being unveiled today, it praises welfare recipients for having the courage to land real jobs, and then proclaims: "It also takes guts for companies to hire off welfare — to discover workers determined to prove themselves."

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THURSDAY, SEPTEMBER 11, 1997

With the Economy Humming, Welfare Has Its Image Polished

By JASON DePARLE

WASHINGTON, Sept. 10 — Welfare recipients, last year's political pariahs, are shedding their outcast status.

Not long ago, a woman on public aid could have turned to C-Span and heard a Congressman likening her to alligators or wolves, or the Speaker of the House, Newt Gingrich, warning that she posed a threat to American civilization.

Now on WSFA, the NBC affiliate in Montgomery, Ala., she can find a weekly feature portraying a welfare family in favorable terms. "Dump the stereotypes," the correspondent says. On St. Louis radio, she can find an advertising campaign lauding those with the "guts to get off welfare." In Charlotte, N.C., she can see billboards — paid for by the county and posted by the Chamber of Commerce — exhorting employers to give recipients a chance.

The mood change goes more than billboard deep. State legislatures, including several in the Deep South, have rejected many of the harshest proposals to emerge under the new state-run systems. Likewise, after cutting

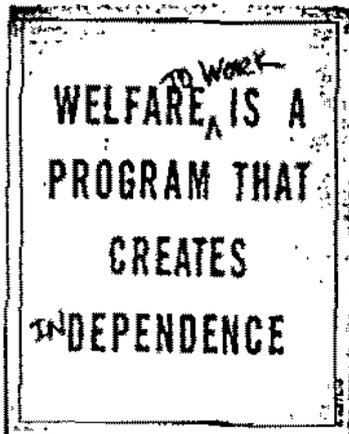
immigrant benefits by more than \$22 billion last year, Congress hurried back this summer and restored nearly \$12 billion.

To be sure, the sweeping Federal legislation passed last year has put more restrictions than ever on welfare benefits, and the aura of good will could quickly fade. It is too soon to tell how many families will prosper in the new era of time limits and work requirements, and how many will sink deeper into poverty. But for the moment at least, the tougher rules coincide with new civic, business and political efforts to recast recipients in a positive light.

"The whole climate in talking about welfare recipients has changed, from negative to positive," said Ron Kautman, a Republican political strategist who is advising the Welfare to Work Partnership, a nonprofit group that encourages businesses to hire people on public assistance. "Everyone's on their best behavior politically, if you will."

The reappraisal has multiple roots. With caseloads crashing, much of the news coverage has suddenly turned to welfare successes. With labor markets tight, businesses are being forced to give recipients a second look. With tax revenues up, legislatures can afford more generosity. And with the most divisive questions settled by last year's law, many legislators have found themselves guided less by ideology than by a new, nuts-and-bolts practicality.

Consider the journey of Mike Coffman, a Republican State Senator in Colorado and a principal author of that state's new welfare law. When he started working on welfare issues three years ago, Mr. Coffman said, he began with "a primitive approach" that fo-



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Continued on Page A28

Cont.

As Economy Hums, Welfare's Image Rises

Continued From Page A1

cused on cutting spending and punishing bad behavior.

But this year, as the state began imposing a five-year time limit on cash benefits, Mr. Coffman joined the push for support services, including child care, health care and cash supplements for those seeking training or education.

"When I was outside the system, it was very easy to be ideological and have simplistic solutions," he said. "As I began to learn more, I began to see welfare recipients as victims of bad government policy. I developed a degree of sympathy for them."

Not everyone is impressed. Peter Edelman, a former welfare official who resigned from the Clinton administration last year to protest the new law, warned that the mood could quickly sour should the economy do so.

"It would be embarrassing to legislators to be mean and nasty and cut the money when we're rolling in dough," Mr. Edelman said. "If the unemployment rate in Charlotte was 8.2 percent instead of 1.1 percent, you wouldn't have the Chamber of Commerce running around telling businesses to hire people on welfare."

"I really dislike the hype that says everything is wonderful," he added. "The heavy lifting hasn't started."

In signing the welfare law last summer, President Clinton expressed a hope for civic efforts like those now taking place.

"Welfare's no longer a political football to be kicked around," Mr. Clinton said. "It's a personal responsibility of every American who ever criticized the welfare system to help the poor."

But even he might have had a hard time predicting that President George Bush's political director (Mr. Kaufman), President Ronald Reagan's pollster (Richard Wurthlin), and a host of corporate executives would come together in an effort to erase the stigma of being on welfare.

The effort is being coordinated by the Welfare to Work Partnership, which was established this spring with Mr. Clinton's encouragement. Among its tools is an advertising campaign, scheduled this fall for radio, television, and print.

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"We're trying to present the stereotype and smash it at the same time," said Duncan Pollock, the chairman of the firm's office in New York. "If there are latent feelings, we felt that to be effective we had to bring them to the surface — get them on the table and deal with them."

The campaign was initiated in St. Louis in August, in coordination with a visit by President Clinton to promote the hiring of people on welfare. Before the campaign, 43 percent of those business leaders who expressed an interest in hiring recipients said they considered them "a good source of employees."

After the campaign, which consisted of a modest number of print and radio advertisements, that figure

rose to 52 percent.

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But the numbers also underscore the challenge that remains. Another way of reading the data is that even among those employers who expressed an interest in hiring recipients, about half doubted their abilities.

In Charlotte, the Chamber of Commerce began an advertising campaign last year with an \$84,000 contract from the county department of social services. The president of the advertising agency that designed it, Pam Boleau, was once on welfare herself.

New efforts are recasting last year's political pariahs in a positive light.

"There's such a stigma around welfare recipients," Ms. Boleau said. "Each one of us has to accept the responsibility of helping recipients get off the rolls."

In Montgomery, it is not an advertising agency but a television correspondent, Jennifer Schram, pushing a new look at recipients. Her weekly profile of a welfare family is designed, in part, to help the state recruit mentors to work with those leaving the rolls.

"I show it as it could be say of us," Ms. Schram said. "Some unforeseen accident could happen. Where would we turn?"

The flood of optimistic accounts could raise unrealistic expectations. Not all the "myths" about welfare recipients' problems are wrong.

Should progress stall as the nation confronts the tougher cases that remain on the rolls — people with little education, little work experience or problems with alcohol and drugs — the conversation could return to the tone set by Senator Phil Gramm, Republican of Texas. Mr. Gramm ran for President last year in part by demanding that people on welfare "get out of the wagon and help the rest of us pull."

For now, the mood swing has brought results. Perhaps none has been as dramatic as the decision by Congress to reauthorize \$11.7 billion of welfare benefits for immigrants, just months after contending that the program, Supplemental Security Income, was rife with fraud and abuse.

The move partly reflects an ebbing of budgetary pressures. It also derives from a growing fear of the Hispanic vote. And the concern over

last year's cuts may have been muted by press accounts of several immigrants thought to have committed suicide partly in despair over losing their benefits.

While partially restoring the immigrant cuts, Congress also allotted an additional \$3.4 billion for programs to help recipients find work.

"Things have changed substantially since last year," said Ellen Nils-

senbaum, who follows anti-poverty legislation for the Center on Budget and Policy Priorities, a Washington advocacy group.

State legislatures have also shown more concern about the needy than some opponents of the new law predicted.

"What I saw wasn't just sympathy but support — support in a tangible way," said Jack Tweedie, who tracks welfare programs for the National Conference of State Legislatures.

In New York, for instance, the Legislature rejected Gov. George E. Pataki's plan to cut benefits by 45 percent over four years. In California, the Legislature blocked a proposal by Gov. Pete Wilson to enforce time limits as short as one year. Both legislatures also rejected the Governors' proposal to abolish general assistance programs, which provide cash payments to single adults.

To some extent, the fights merely reflect party divisions. Both Governors are Republicans, and three of the four legislative bodies in those states are controlled by Democrats. But there were other forces at play, including a fear of county officials from both parties that a withdrawal of state aid would leave them awash in needy people.

"Our views on these matters are not philosophical or political," wrote a group of Republican county officials in New York, in an April letter opposing various aspects of Mr. Pataki's plan. "Rather they concern the fiscal and practical impact that the choices made in Albany will have on local governments."

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Similarly, the Alabama Legislature moved to soften a proposal by Gov. Fob James Jr., a Republican. Though both Houses are controlled by Democrats, some of the work was led by a Republican, Representative Jim Carrs. He pushed for earnings supplements for recipients who find jobs and child care for teen-aged mothers.

"I had the typical knee-jerk reaction before I got into this," Mr. Carrs said. "I thought it'd be easier to save money."

His work drew praise from State Senator Rodger Mett Smitherman, a Democrat who serves as chairman of the Senate Black Caucus.

"There's a realization that it's one thing to say you want people to work, but it's another to create the environment for them to do that," Mr. Smitherman said. "I was pleased to see that it wasn't all harsh."

The compromise fashioned by Mr. Smitherman and Mr. Carrs even contained an increase in benefit levels, the only one in the country. But the two were shocked when the bill was defeated by a last-minute filibuster; with Alabama ranked almost last in benefits, a few legislators decided that the grant increase, from \$154 a month to \$185, was not enough.

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The New York Times

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

Business Partner Enrollment Form

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

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

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

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

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

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

Primary Contact Person _____

Title _____ E-Mail Address _____

Company/Business Name _____

CEO/Business Owner _____

Address _____

City, State, Zip _____ County _____

Telephone _____ Fax _____

Industry/Product/Service _____ # of Employees _____

of Locations _____ Corporate Web site _____

Primary Scope of Business Activity - please circle one: Local, State, Regional, National, International

Sign _____ Date _____

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

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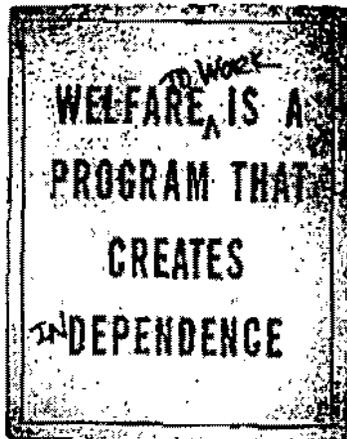
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Welfare to Work Partnership

Continued on Page A28

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Continued From Page A1

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The New York Times

WOTW

August 25, 1997

Welfare-to-Work Grants Program
Anticipated Key Implementation Timeframes

FORMULA GRANTS

- o Announce preliminary planning levels (funding estimates) SEPTEMBER 3
- o Issue interim planning guidance to States and to OMB SEPTEMBER 15
- o Issue final planning guidance to States SEPTEMBER 26
- o Issue final allocations (when updated welfare caseload data becomes available) OCTOBER (early)
- o Submit regulations to OMB OCTOBER 3
- o Publish regulations OCTOBER 31
- o Submittal of State plans DECEMBER 12
- o Acceptance of State plans DECEMBER 30

COMPETITIVE GRANTS

- o Publish solicitation for grant application OCTOBER 3
- o Submittal of grant applications DECEMBER 12
- o Announce first Competitive Grants JANUARY 23

Human Resources Subcommittee
Overview of Activities for Fall 1997
September 4, 1997

1. Legislation:

- 1) Adoption
- 2) Unemployment insurance devolution
- 3) Child support incentive system
- 4) Child support data processing systems
- 5) Welfare-to-work transition

2. Other Legislative Items:

- 1) Child care allocation error
- 2) Title XX cut

3. Hearings:

- 1) Child support incentives and data processing systems — September 10
- 2) Drug Use and Welfare Programs — October

4. Markups:

- 1) Child support
 - Subcommittee; September 18
 - Full Committee; week of September 22 (tentative)
 - Floor; week of September 29 (tentative; perhaps under suspension)
- 2) Welfare-to-work transition; September

5. Possible House-Senate Conferencess

- 1) Adoption
- 2) Child support incentive system
- 3) Welfare-to-work transition

WR - Welfare to Work Partnership

MEMORANDUM

To: The President
From: Eli J. Segal *EJS*
Date: July 28, 1997
Subject: The Welfare to Work Partnership Update

1. As you know, you'll be with us in St. Louis on August 12 for our first regional challenge. We expect at least 200 companies to stand up and be counted as organizations committed to hiring and retaining those presently on public assistance. There are 40,000 families presently on the rolls in the Southern Illinois/Eastern Missouri area. We expect to make a real difference in this number within one year, which explains the extraordinary enthusiasm generated to date -- all parts of the business community, civic associations and political leadership.
2. At the St. Louis event (chaired by Bob Shapiro of Monsanto), we'll unveil all of the following: a "best practices" manual; a web site; an 800# (888/USA-JOB1) for companies to sign up and/or get information; a database of service providers; and a PSA campaign. We're also well on our way from growing our "partners" from five at the State of the Union address to 1,000 -- and more.
3. We are using the August 12 event as our opening salvo in a week of activities tied to the first anniversary of the signing of the legislation. We have one event at the U.S. Chamber with Aida Alvarez, another in Wisconsin with Tommy Thompson, several op. eds and hopefully a whole series of positive pieces on progress during the last year.
4. Despite all of this, I know that success is going to be elusive and hard to document. Perhaps you saw the less than flattering Wall Street Journal article on Bill Esrey's mixed record on welfare to work at Sprint. Only eight of the Fortune 100 companies have

welfare to work programs in place. The quality of service providers is inconsistent. The transition from an income maintenance welfare system to a job creator system is going to take time and won't be one huge success story.

5. I continue to be optimistic that we can make significant inroads in the next year. Next month, we will highlight a Coopers & Lybrand survey concluding that fast growing small businesses are having substantial success hiring former welfare recipients. The American Gaming Association will commit to hiring and retaining 20,000 persons presently on public assistance. Marriott will move 1,000 persons from welfare to work in the next year alone – which is more in one year than they've done in five years since they launched their Pathways to Independence program. Smith Barney, Cessna and Xerox have important, if modest, success stories to be told. Indiana (which may be the only state which actually tracks recipients moving from welfare to private sector jobs) reports about 27,000 hires since the legislation was signed one year ago (if this stands up, we'll definitely do an event there soon).
6. At its core, The Welfare to Work Partnership is about changing attitudes: first, among the corporate skeptics who Richard Wirthlin has polled for us, and second among the American public. We must overcome decades of stereotypes. All stakeholders are skeptical about something – government officials, business leaders, welfare recipients, and the general public. A strong community-by-community effort, focused on local businesses making an impact at the grassroots level will begin to shift the debate in our direction. This local effort will be reinforced by a strong communication campaign (including both PSAs and earned media), and will be supplemented by our hands-on tools. This approach will lay the foundation for the steady progress we expect to make in the years to come.

EJS/gho

The Welfare to Work Partnership
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Phone 202-955-3005 • Fax 202-637-9195

TO: Friends of The Welfare to Work Partnership
FROM: Eli Segal, President
DATE: July 30, 1997
RE: Weekly update on The Partnership's activities

As the August 22nd anniversary of the welfare reform law draws nearer, I am happy to say that we have 350 members in the Partnership to date. These companies have made the commitment to help former welfare recipients move into the workforce. I would also like to share the latest information on the planned events for August and beyond.

- **Launching The Challenge:** As mentioned in the previous update, the Partnership will launch its city to city challenge in St. Louis on August 12th. This regional event will be the first of several throughout the country and will include the participation of business partners from the region including Monsanto, Anheuser Busch, Production Products, Sears Roebuck, and Sappington Farmers Market as well as hundreds of other area businesses. It is an opportunity for the Partnership to work closely with local community leaders, serve as a catalyst for more innovation and involvement in the bi-state St. Louis region and bring national attention to welfare to work initiatives.
- **Small Businesses -- Big Impact:** On August 14th we will be sponsoring a small business event with the U.S. Chamber of Commerce and the Small Business Administration to highlight the important role of small and mid-size businesses in the welfare to work mission. At that event, the Partnership will form a Small Business Advisory Group to recommend how the Partnership can best assist small and mid-size businesses. On this day, we will release the results of a Coopers & Lybrand survey, showing the intense interest of smaller businesses in welfare to work programs.
- **Governors Show Support:** The Partnership Advisory Council is chaired by Governors Tommy Thompson (R-WI) and Tom Carper (D-DE). Since the new welfare law moved so much of the funding and responsibility for welfare reform to the states, we have made a special effort to reach out to governors of both parties nationwide to participate in our efforts. At the recent meeting of the National Governors Association in Las Vegas President Clinton spotlighted The Welfare to Work Partnership and Governors Mel Carnahan (D-MO), John Rowland (R-CT), Frank O'Bannon (D-IN), Christine Todd Whitman (R-NJ), and Cecil Underwood (R-WVA), expressed their interest in joining The Welfare to Work Partnership Advisory Council.
- **In The News:** With the anniversary of welfare reform around the corner, we will begin to see increased news coverage on welfare issues and welfare programs across the country. This increase in welfare coverage will be presented by news organizations many times with case studies -- some positive and some negative. As we read these accounts, we should keep in mind the big picture. It is unrealistic to believe that miracles will happen in a year. Welfare to work programs have taken on the challenge of building a bridge between businesses hiring former recipients and qualified candidates. We know that the good work we are all doing today will lay the foundation for the long-term success of welfare to work programs across the country.

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The Welfare to Work
PARTNERSHIP

National Advisory Council

Hon. Tommy Thompson (R-WI) -- Co-Chair

Hon. Tom Carper (D-DE) -- Co-Chair

Hon. Mel Carnahan (D-MO)

Hon. Benjamin Cayetano (D-HI)

Hon. Paul Cellucci (R-MA)

Hon. Lawton Chiles (D-FL)

Hon. John Engler (R-MI)

Hon. Jim Geringer (R-WY)

*Hon. Parris N. Glendening (D-MD)

Hon. James B. Hunt, Jr. (D-NC)

Hon. Gary E. Johnson (R-NM)

Hon. Gary Locke (D-WA)

Hon. Frank O'Bannon (D-IN)

Hon. George Pataki (R-NY)

Hon. Tom Ridge (R-PA)

Hon. Roy Romer (D-CO)

Hon. Pedro Rossello (D-PR)

Hon. John G. Rowland (R-CT)

Hon. Jeanne Shaheen (D-NH)

Hon. Cecil Underwood (R-WV)

Hon. Christine T. Whitman (R-NJ)

*To be elected by the Board of Directors

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about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include \$3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest \$3.8 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify



The Welfare to Work
PARTNERSHIP

THE WELFARE TO WORK PARTNERSHIP
BOARD MEETING FEBRUARY 3, 1998

The following is a list of who is attending to the February 3 board meeting.

Board Chair

UAL CORPORATION, Gerald Greenwald, Chairman

Board Members

- **Aetna, Inc.**, Vanda McMurtry, Senior Vice President of Federal Government Relations
- **Boscart Construction**, Barbara Turner, President
- **Burger King**, Anthony Austin, Vice President of Human Resources, North America
Karl Saliba, The Wexler Group
- **C & S Paving**, Carolyn Stradley, President and Owner
- **Chevron**, Dave Smith, Vice President of Marketing for Chevron Products Company
Gary Fisher, Manager of Western Region Public Affairs
- **Fannie Mae Foundation**, John Mellwain, President & CEO
- **Loews Hotels**, Kathy Lacey, President (Lacey & Halperin)
- **The Limited**, Sam Fried, Vice President and General Counsel
- **Marriott International**, Brendan Keegan, Senior Vice President, Human Resources
- **Monsanto Company**, Frank Stokes, Public Affairs
- **Sprint Corporation**, Jim Lewan, Vice President of Government Affairs
- **United Parcel Service**, Lea Soupata, Senior Vice President of Human Resources

Not Attending:

- **Ammiratis Puris Lintas**, Duncan Pollock, Chairman and CEO
- **General Converters & Assemblers, Inc.**, George Stinson, Chairman & President
- **Manpower, Inc.**, Mitchell Fromstein, Chairman, President and CEO
- **Production Products**, Barry Corona, President
- **Rachel's Bus Company**, Rachel Hubka, President & CEO
- **TJX Companies, Inc.**, Ben Cammerata, Chief Executive Officer
- **Time Warner**, Gerald Levin, Chairman & CEO



The Welfare to Work **PARTNERSHIP**

Mission of the Partnership

- The Partnership is a national nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. The Partnership is made up of employers, known as Business Partners, who pledge to hire and retain welfare recipients without displacing existing workers.

Objectives of the Partnership

- **Motivate:** The Partnership will establish a PSA campaign, sponsor regional challenges, host conferences and seminars, and recognize successful private sector welfare to work programs at a national awards ceremony.
- **Educate:** The Partnership provides resources to assist our Business Partners. These include a toll-free number (1-888-USA-JOB1), the Blueprint for Business hiring guide, weekly fax updates, a quarterly newsletter, regular policy briefings and regional directories of service providers that can link businesses with work-ready welfare recipients.

Welfare to Work - A smart solution for business

- America is in the midst of sustained economic recovery: strong job creation, low unemployment, low interest rates, and low inflation.
- As economic growth reduces unemployment and the labor pool shrinks, many industries face a shortage of entry-level workers.
- Welfare to work programs expand the job applicant pool of entry-level workers - filling a critical business need.
- For many businesses, welfare to work results in higher retention, lower turnover, and trained, ready-to-work employees with measurable skills.
- Welfare to work allows business to use the Work Opportunity Tax Credit and other federal and state financial incentives.

Welfare Recipients - The Real Story (Data courtesy of The Urban Institute)

- 58% of the adult welfare population has completed high school or a higher level of education.
- Over two-thirds of women on welfare have recent work experience.
- 42% of all families that go on welfare receive benefits for less than 2 years.
- Over 50% of welfare mothers have children of school age - 6 years or older.
- Only 6% of the welfare population is in their teens; the majority are in their 20s and 30s.
- Welfare recipients are from racially diverse backgrounds; 36% are white, 37% are African-American, 21% are Hispanic.



The Welfare to Work **PARTNERSHIP**

Board of Directors

Mr. Gerald Greenwald
Chairman and CEO
UAL Corporation
Chairman

Mr. Richard Huber
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Mr. J. W. Marriott, Jr.
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Mr. Robert B. Shapiro
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Mr. Barry Corona
President
Production Products

Ms. Rachel Hubka
President and CEO
Rachel's Bus Company

Mr. William T. Esrey
Chairman and CEO
Sprint Corporation

Mr. Gerald Levin
Chairman and CEO
Time Warner

Mr. Ben Cammarata
Chief Executive Officer
The TJX Companies, Inc.

Mr. James P. Kelly
Chairman & CEO
United Parcel Service of America

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SUCCESS STORIES
NOTE TO POTUS (letter)

WR -
WTR Partnership

Welfare Reform and the State of the Union

Tax CREDITS - WOTC

Falling Welfare Caseloads

The President announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. New caseload numbers show that welfare caseloads fell by 4.3 million since President Clinton took office, two million more than the 2.25 million decline he announced last year. The new figures, from September 1997, show 9.8 million Americans on welfare, down from 14.1 million in January 1993 -- a drop of 30 percent.

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- EWANKI
1970s vs
today

Business Welfare to Work Commitments

In his State of the Union address last year, the President challenged the business community to create jobs so that people can move from welfare to work. Today, nearly 3,000 companies have accepted the President's challenge and joined this new national effort, called the Welfare to Work Partnership, which was launched at the White House in May. Now, the President has challenged thousands more companies to join the Partnership to give even more people a chance to work their way off welfare.

Increasing Child Support Collections

President Clinton's crackdown on deadbeat parents is paying off: child support collections rose to a record \$13 billion in 1997, an increase of 63 percent since 1992. But in the State of the Union, the President said we must do more, and that all parents must take responsibility for the children they bring into this world. To that end, the President has set a goal of increasing collections to \$20 billion by the year 2000.

Welfare to Work Housing Vouchers

The President's budget will provide \$283 million in FY99 for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place. The proposal will complement the President's \$100 million a year welfare to work transportation plan, part of his NEXTEA bill, which will help welfare recipients make their daily commutes. But in many cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

A Welfare to Work Success Story

Sitting with the First Lady in the gallery at the State of the Union was Elaine Kinslow of Indianapolis, Indiana, one of the two million people who left the welfare rolls in the last year. Now a transportation dispatcher making \$18,000 a year, Ms. Kinslow left welfare for good last February after 13 years on and off the rolls. Just 10 days ago, she was able to move her family to a better neighborhood with better schools for her children. Ms. Kinslow, age 37, had her first child as a teenager and is now a divorced mother of four children.

WELFARE TO WORK HOUSING VOUCHERS

The President's FY99 budget will take further steps to promote work and welfare reform through a new plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job.

Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

The \$283 million proposal will help address the problem that in many regions, jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. To make this daily commute possible, the President is fighting for a \$600 million welfare-to-work transportation initiative as part of the reauthorization of ISTEA. But in some cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

How It Will Work

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

- The additional vouchers will be available on a *competitive basis* to local housing agencies. Local housing agencies, including Indian housing authorities, may submit an application, developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council).
- The vouchers will be used where they are *essential to a successful transition from welfare to work—that is, where housing assistance is critical for a family to get or keep a job.*
- Families who receive the vouchers must be *eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year.*

The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration's proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

Welfare to Work Transportation

One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and day care centers. Today, only about 6 percent of those on welfare have cars. And in many big cities, half of the entry level jobs can't be reached by buses or trains.

To help those on welfare get to their jobs, President Clinton has proposed a \$100 million a year welfare to work transportation plan. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services, to get people to where the jobs are. Funding would also provide access to training and to support services such as day care at transit stations.

Public entities and major non-profit agencies would be eligible to apply for funding. Funds could be used for planning, coordinating, capital, and operating expenses of new transportation services needed to connect welfare recipients and other low income persons to jobs.

These funds are essential to meet the tremendous need for transportation services not addressable through existing programs. The program will also work to assure that agencies responsible for designing state and local transportation systems -- state DOTs, transit authorities, etc. -- are attending to this important transportation need.

appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will request \$800 million of entirely new money for this program, for a total of \$1 billion over five years.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE

January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include **approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history.** President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies** to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.
- **Increases tax credits for three million working families to help them pay for child care** by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.
- **Provides after-school care for up to half a million children per year** by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.
- **Improves child care safety and quality and enhances early childhood development** by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.7 billion over five years

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that take the maximum allowable child care expenses under the law. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five. Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education