



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
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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.