The New York Times
WEDNESDAY, AUGUST 4, 1999

House Votes to Cut $2 Billion From Clinton Foreign Aid Plan

By TIM WEINER

WASHINGTON, Aug. 3 — A $12.6 billion foreign aid bill was passed by the House today but faces a White House veto threat over its deep spending cuts and anti-abortion language.

After three days of debate, the House took nearly $2 billion out of President Clinton's request for the coming year. The State Department called the spending provided in the measure "grossly inadequate."

The final vote was 385 to 35.

The bill withholds $500 million that the Administration sought for help in carrying out the latest Middle East peace accords, reached last year at the Wye River Plantation in Maryland. It also cuts $200 million requested for a program of interest-free loans to the world's poorest countries.

The bill also contains an amendment cutting off funds for any foreign group that performs abortions or advocates liberalizing its country's abortion laws. The Senate's foreign aid bill, passed last month, does not include the anti-abortion provisions.

The two foreign aid bills must now be reconciled in a House-Senate conference. Even though most House Democrats voted for the spending bill, many say they will oppose it in the final form unless some of the cuts are restored.

The foreign aid bill serves primarily as a vehicle for financing American allies and American aims overseas and occasionally as a means of questioning or quarreling with the White House and its conduct of foreign policy.

The House bill, like the Senate's, which was passed on June 30, contains $2.88 billion in military and economic aid for Israel, $2 billion for Egypt and $325 million for Jordan.

It makes significant cuts in the White House budget requests for the Peace Corps, the Agency for International Development, the Export-Import Bank, economic development aid for North Korea, and peacekeeping operations.

It provides $725 million for the independent republics of the former Soviet Union, but that is $307 million less than the President sought, and half of the aid to Russia would depend on Moscow's ending its cooperation with Iran on nuclear power and ballistic missile programs.

A showdown is looming over U.S. foreign spending.

The bill contains $626.6 million for the World Bank and its subsidiaries. The House cut $200 million by withholding the sum from the World Bank's International Development Association, which provides loans without interest to the least-developed nations of the world.

All told, the House bill includes $7.4 billion in economic aid, $3.6 billion for military assistance, $1.1 billion for various international agencies and $596 million for export aid.

Last week the House also adopted an amendment to the bill that cut off money for recruiting and transporting Latin American military officers to the Army's School of the Americas in Fort Benning, Ga.

The vote, which surprised even the amendment's supporters, was an unusual act for the Republican-controlled Congress. It struck at an institution long criticized by the left for the training it has provided to its students. The ranks of its graduates include Manuel Noriega, the deposed dictator of Panama; the late Roberto D'Aubuisson, a far-right politician and reputed death-squad commander in El Salvador, and other unsavory exponents of the cold war in Central America.

The Senate bill retained the financing for the School of the Americas.

A separate spending bill to provide money for the State Department, which is scheduled to reach the House floor later this week, will raise the issue of whether the United States should pay the $1 billion in dues that it owes the United Nations.

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Clinton Hears Success Stories of Ex-Welfare Recipients

By ROBERT PEAR

CHICAGO, Aug. 3 — President Clinton listened today to more than a dozen former welfare recipients recount their life-changing experiences working for companies including a CVS drugstore and the Bank of America. And he heard their employers praise them as highly reliable workers.

Mr. Clinton joined the workers in celebrating a continued decline in the nation's welfare rolls and their transition to independence.

"We were exhilarated by the stories that these people told," Mr. Clinton said after hearing from the former welfare recipients and their employers for 90 minutes. "We were gratified by the enlightened self-interest of the employers."

Mr. Clinton came here to address a forum of the Welfare to Work Partnership, a private group formed by hundreds of companies committed to hiring welfare recipients. And he sounded a note of vindication as he reported: "The welfare rolls have been cut in half. They're at their lowest level in 32 years."

The President reversed a half-century of social welfare policy on Aug. 22, 1996, when he signed a landmark welfare bill, eliminating the Federal guarantee of cash assistance for the nation's poorest children. Liberal Democrats predicted disaster, saying that thousands of children would be sleeping on grates in Chicago and other big cities.

Instead, Mr. Clinton said today, many of the people who left welfare have jobs — not dead-end jobs, but positions with health insurance and opportunities to win promotions.

The number of people on welfare fell from 14.1 million in January 1993, when Mr. Clinton took office, to 12.2 million in August 1996, and then to 7.3 million in March of this year.

Today's event was a cross between a revival meeting, a television talk show and a political rally, and Mr. Clinton, normally so voluble, listened intently as welfare recipients told inspiring stories of the financial rewards and psychological satisfactions they had found in work.

But Mr. Clinton said the job was not done. He urged Congress to pour billions of additional dollars into child care, housing, transportation and other programs to help poor people get and keep jobs.

Congress shows little inclination to grant the request. Indeed, some House Republicans want to take back some of the $4 billion in Federal welfare money that the states have received but not yet spent.

"That would be a big mistake," Mr. Clinton said, asserting, "In every state, there are still people who could move from welfare to work if they had more training, if they had transportation, if they had child care."

The former welfare recipients who spoke today work for Xerox, the United Parcel Service, CVS drugstores, the Bank of America and several small businesses. The employers all said the welfare recipients had made excellent employees.

One woman told Mr. Clinton that she took a bus, a subway and another bus to get to work each day at a U.P.S. package-handling center in Philadelphia. Another said she had been hired as a cashier and received several promotions at a retail clothing store in Boston. Another woman told the President that she had succeeded in her job with the Bank of America in Texas because she had received many forms of assistance, including child care, from the bank.

Edmond English, president and chief operating officer of TJX Companies, the parent company of the retailers T. J. Maxx and Marshalls, said that his stores had a 90 percent retention rate for welfare recipients they hired, and that 20 percent of those people had been promoted.

An executive of CVS said the drugstore chain had hired 4,000 welfare recipients in the last three years and that the retention rate for them was 70 percent, which he called "way off the charts."

But the employers acknowledged that people still on welfare might be more difficult to employ because they had fewer skills, less work experience and more problems, like drug abuse or mental impairments, than the people already hired.

Mr. Clinton said there was one "piece of troubling news in this whole happy scenario": a surprisingly large drop in the number of low-income people receiving food stamps and Medicaid.

"I think clearly what has happened is, a lot of people moved from welfare to work, they're delighted to be at work, and they literally don't know that they're still eligible for this assistance," Mr. Clinton said.

In a telling comment, Mr. Clinton seemed to minimize the bruising battles within his Administration and within the Democratic Party over the welfare bill that he signed three years ago.

In 1996, he said today, "a big bipartisan majority, big majorities of both parties and both houses, reached across the divide to pass this welfare reform bill." In fact, on the final vote, House Democrats were evenly divided, 98 to 98, and in the Senate, 21 of the 46 Democrats opposed the bill.

Mr. Clinton glossed over that history today as he paid tribute to the people who, he said, had "the courage to stand up and say, 'I'm going to change my life'" by moving from welfare to work.

Later in the day, at another event, the President announced that the Government would provide $55 million to help low-income people in nine states, mostly in the Middle West, to pay their electricity bills or buy cooling equipment.

The New York Times

WEDNESDAY, AUGUST 4, 1999

China Turns Internet on Its Enemies

Sect Followers Abroad Claim State Harassment

By MICHAEL LARIS
Washington Post Foreign Service

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BEIJING, Aug. 3—The Chinese government, perceiving a large grass-roots challenge to its authority from a banned spiritual sect—and facing a rise in crime across the country—is fighting back with the same tool favored by dissidents to evade state control: the Internet.

Followers of the Falun Gong sect in the United States, Britain and Canada have reported recent attacks on their World Wide Web sites using a variety of electronic tactics that have been commonly employed to block or penetrate sites of Chinese dissident groups working abroad. The followers accuse Chinese security officials of being behind the harassment.

The government has also ventured more boldly into cyberspace, launching its own anti-Falun Gong Web site and filling it with articles assailing the exercise and meditation group as a grave threat to society's mental and physical health.

Internet technology has been hailed as a powerful liberalizing force in China, giving the country's estimated 4.5 million Web users access to uncensored information about China and the rest of the world that is otherwise unavailable to them.

But police departments around the country see the Internet as an effective means of monitoring dissent.

The Chinese government intensified its online surveillance in May, when Internet service providers here were visited by agents of the Ministry of State Security, who connected two new monitoring devices to the providers' computers, sources said.

The new equipment tracks individual e-mail accounts and fortifies China's long-standing effort to block "harmful" Internet sites, such as those run by overseas Chinese-language newspapers overseas, sources said.

In past years, Chinese Web users have been questioned by security agents for receiving VIP Reference, a pro-democracy e-mail bulletin sent from the United States. Lin Hai, a computer entrepreneur in Shanghai, was arrested last year for supplying e-mail addresses to the journal.

The government's July 22 order banning Falun Gong has further focused Chinese authorities on the power of the Internet. Officials noted that Li Hongzhi, the New York-based leader of the movement, uses it to communicate with his followers in China, who are estimated to number more than 10 million. The government responded by using filtering software to block Chinese Internet users from visiting Falun sites.

Falun Gong sites overseas have also been bombarded with electronic requests that block normal traffic at the sites. In addition, intruders have tried to gain access to the inner workings of the sites, according to Falun Gong followers in the United States.

One U.S.-based Falun webmaster said an analysis of a computer trail led him to believe that Chinese police were linked to at least one of the attempts, but he left open the possibility that a sophisticated hacker could have created such a trail. The anonymous nature of the Internet makes the Webmaster's claim difficult to prove.

Inside China, the crackdown on Falun has resulted in thousands of detentions and the destruction of millions of Falun manuals. The government appealed to the international police organization Interpol for help in apprehending Li, who Beijing alleges is responsible for the deaths of at least 700 followers. But the Paris-based body refused assistance today because of the political and religious overtones of the case.

As the government has become more fluent in its use of computer networking, it has also applied Internet technology to more conventional crime-fighting.

China's state-run press reported today that police around the country were engaged in a "war on the Web" and had used the Internet to identify and detain more than 15,000 suspected criminals since last month in three provinces—Sichuan, Hebei and Guangdong. Among the fugitives arrested were people wanted for murder, smuggling, counterfeiting and theft.

Last month, teams of police technicians in Beijing and provincial capitals put detailed information about tens of thousands of alleged fugitives into online databases that can be accessed easily by far-flung local police forces, according to the official China News Service.

In one Internet success story touted by the news service, police in the central Chinese province of Sichuan broke a case involving a top executive of a power company. The executive was wanted in the coastal province of Guangdong, where he was accused of stealing $33 million from the plant. He was captured in Sichuan's capital, Chengdu. The death penalty is often prescribed for perpetrators of major economic crimes in China.

Police in Sichuan captured 13,000 people in their province-wide manhunt using the new online database, according to the China News Service. China regularly launches wide-ranging investigative campaigns that can involve large numbers of people.

Of the 13,000, 1,400 were determined to be fugitives and detained. That figure included 58 major criminals sought for crimes such as murder and large-scale corruption, the news agency said.

The Washington Post
WEDNESDAY, AUGUST 4, 1999

The Washington Post
Wednesday, August 4, 1999

Clinton Presses Hiring Of Welfare Recipients

By John F. Harris
Washington Post Staff Writer

CHICAGO, Aug. 3—President Clinton hailed welfare recipients as potentially industrious workers who can be "good for the bottom line" of companies that hire them. At the same time, he warned Congress to stay away from the money the federal government sends to states to run welfare programs.

In part because the welfare rolls are shrinking, states have not spent $4 billion in block grant aid due to them under the 1996 overhaul of welfare. Some Republicans have proposed having the federal government keep the unspent money, using it to help finance a GOP-sponsored tax cut.

Governors from both parties have objected to that idea. Clinton today said that states should get to keep the money, and spend it on measures to help more people on welfare into the work force, and to ensure that people who have made the transition do not slide back into dependence.

"In every state, there are still people who could move from welfare to work if they had more training, if they had transportation, if they had child care," Clinton said, during a day trip here. "In every state, there are people who may be working today who might have to leave the work force, for lack of transportation or child care. In every state, there are people who can stay on the job if they get further training. So, I say, let's spend this money to develop the human capacity of our people."

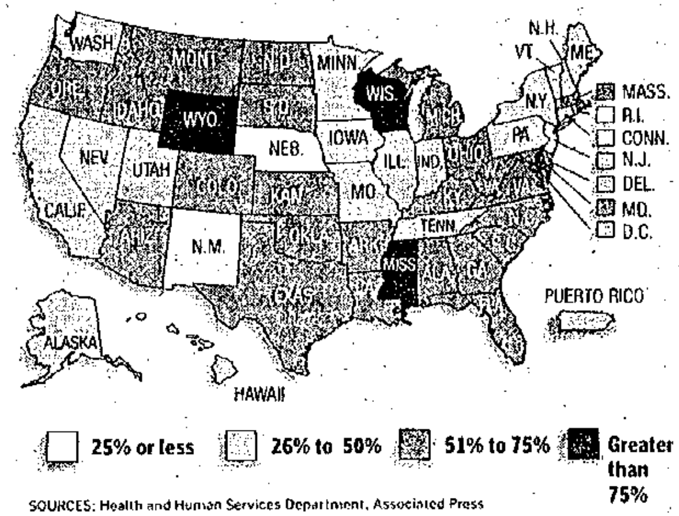
Clinton made his remarks at a convention of the Welfare to Work Partnership, a nonprofit group dedicated to prodding businesses to hire welfare recipients. The nonprofit group sprang from Clinton's 1996 reelection campaign, from an idea by campaign aide Thomas Freedman, now on the White House domestic policy staff. Clinton inaugurated the group with a challenge that it enlist 5,000 businesses to hire welfare recipients. But in three years the group has enlisted 12,000 businesses that have hired more than 410,000 welfare recipients.

The theme of the event, from Clinton and others in a panel discussion that followed his remarks, is that hiring welfare recipients need not be a mere act of charity for the businesses that do it.

Ted English, chief operating officer of TJX Cos. Inc., which owns T.J. Maxx and other retailers, said his firm found as an "unexpected benefit" of hiring welfare recipients that they typically stay in their jobs longer than other new hires, saving on training costs. The Massachusetts-based firm originally pledged to hire 5,000 workers on welfare, but has decided to hire more than 10,000.

Off the Rolls

Drop in welfare caseloads since peak year of 1994:



SOURCES: Health and Human Services Department, Associated Press

THE WASHINGTON POST

Rosemary Mead, head of human resources for the CVS Corp. pharmacy chain, said her firm has had a 70 percent retention rate with welfare workers, a figure she pronounced "way off the charts."

Skeptics of welfare reform have said that, in a prospering economy, the most capable welfare recipients can find jobs more easily, but that they remain vulnerable in times of recession. And, critics contend, the most needy, often least capable welfare recipients in many cases will not get jobs, and face eviction from public assistance once they reach the mandatory time limits under the 1996 law.

While in Chicago, Clinton added to his schedule a meeting with emergency workers who have helped victims of the heat wave. He announced the release of $55 million in new federal aid for Illinois and eight other Midwest states to help needy people pay for air conditioning and for unusually high electricity bills. The government has spent $150 million in "cooling assistance" nationwide this summer, the president said.

Before returning to Washington this evening, Clinton met with leaders of the AFL-CIO, who were convening here.

House Foreign Aid Bill Heads to Negotiators

Associated Press

The House overwhelmingly approved a $12.6 billion foreign aid bill yesterday that would slash many international programs championed by the Clinton administration.

Next come negotiations with the Senate and then a likely veto confrontation with the White House.

The 385-35 House vote exceeded the two-thirds margin needed to override a veto. But many House Democrats hinted they might support a veto if negotiators don't find more money.

"I plan to vote 'aye' to move the bill along," said Rep. Nancy Pelosi (D-Calif.). But she complained it contains "too little money to work with."

Although Pelosi and other Democrats said they hoped some of the program levels could be raised in negotiations with the Senate, it won't be easy.

A House-Senate conference committee will be named to iron out differences.

The Senate's $12.7 billion version, passed June 30, is also threatened with veto. It also slashes many international aid programs while providing unrequested money for a Kosovo security force.

Both Senate and House measures would cut Peace Corps funds.

The House measure also would deny U.S. funds for foreign organizations that perform abortions or engage in lobbying activities that change the abortion laws of foreign countries. It would also freeze funds for international family planning assistance at $385 million.

Before the final vote on the bill after three days of debate, the House approved, by voice vote, an amendment by Rep. Tom Tancredo (R-Colo.) cutting $2.3 million from the U.N. World Heritage Fund and the U.S. Biosphere Program, shifting the money to child survival and disease programs.

Overall, the House bill would cut President Clinton's aid request by $1.9 billion for the fiscal year that begins Oct. 1, and spending in the current fiscal year by $715 million.

Administration officials warned that the cuts, as well as the restrictive abortion language, could lead to a veto.

The bill would provide $7.4 billion for economic aid, $3.6 billion for military assistance, $1.1 billion for international agencies and $595.5 million for export assistance.

The legislation also includes the first funding cut for the U.S. Army School of the Americas in Fort Benning, Ga.

It also would reduce aid to the former Soviet republics and chop aid to Russia by 50 percent unless it ends nuclear and ballistic missile cooperation with Iran.

For some, it was welfare-to-White House work

By Susan Page
USA TODAY

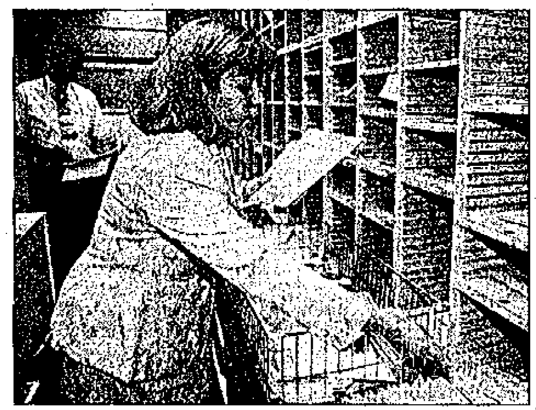
WASHINGTON — When Pam Allen was enrolled in a job-training program and trying to get off welfare, she decided to go to the top in her search for a job: She wrote President Clinton and asked for one.

On Tuesday, while Clinton was at a Chicago conference touting the results of the nation's welfare-to-work initiative, Allen was making her rounds in the White House complex, delivering mail from office to office.

"Now I can get my kids anything I want," says Allen, 32, who has worked at the White House for two years after spending four years on public assistance. She's even been able to afford the down payment on the first house she'll own. "To jump from welfare to the White House — I feel like a big star," she says with a smile.

Millions of Americans have moved from welfare to work since the nation's welfare system was overhauled under a 1996 law. Of those, 14,000 have gotten jobs as clerks, food-service workers, Census enumerators and other posts in the federal government.

And seven of them work at the White House, the highest-profile employment possible in the nation's welfare experiment. They were hired in 1997 for entry-level positions that pay from $17,000 to $22,000 a year. Three of those workers — Allen, Susana Gonzalez and Laura Askew — talked about how it's worked.



By Mannie Garcia, for USA TODAY

Gonzalez: The former welfare recipient sorts mail at the White House. She says her children are proud.

Their experiences aren't entirely typical; White House officials at every level are invested in making sure these hires succeed. The three women rave about their bosses and praise the government's flexibility in letting them handle the crises that can develop for single mothers.

But in some ways, their stories mirror those of others who are making the same transition.

When she started her job, Askew, 31, says some co-workers assumed that because she had been on welfare she was lazy. She had been receiving public assistance for nine months after being laid off from her job in a chicken factory. "It motivated me to work even harder," she says. She's been promoted twice, received last year a "silver medallion" award given to outstanding workers and now works as an assistant at the Equal Employment Opportunity Commission.

Child care has at times been difficult for the women to arrange and looms as a significant financial burden. Askew and Allen say they pay as much for child care as they do for rent. Askew's son, Jarvis, is 4; Allen's children are Marcus, 14, Rashawna, 12, and Zana, 5. Gonzalez's daughter, Karen, is 21; her son, Ruben, is 5.

Sometimes, they say, they've needed advice about how to handle the issues and conflicts that arise in the workaday world. They meet as a group for about an hour on Fridays with Patricia Woodfolk, a personnel management specialist who volunteered to serve as a trainer. Woodfolk says she emphasizes the need for solid workplace habits and good communication.

Besides a steady paycheck, the women say the best thing about their jobs may be the respect they've gained in their children's eyes. "My baby said, 'Mommy, I'm so proud of you,' " Gonzalez, 40, says. "I said, 'Why?' and he said, 'Because you're working for me.' "

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Clinton: Welfare reform needs cash

Taking back federal dollars 'a mistake'

By Richard Wolf
USA TODAY

CHICAGO — President Clinton celebrated three years of declining welfare caseloads Tuesday by calling on Congress to spend more, not less, on programs that help move people from welfare to work.

Speaking to more than 2,000 business and government leaders gathered here for a national conference on hiring welfare recipients, Clinton said Republican proposals to take back millions of federal dollars not being spent by the states "would be a mistake."

Instead of reneging on the 1996 welfare reform law, which guaranteed states $16.4 billion annually for five years, Clinton used the friendly forum to call for increased spending on child care, transportation, education and training, adult literacy, jobs for noncustodial fathers and investments in poor areas.

"In every state, there are still people who could move from welfare to work if they had more training, if they had transportation, if they had child care," Clinton said during a 90-minute forum at Navy Pier.

By Paul J. Richards, Agence France-Presse

At forum: Clinton listens to Rodney Carroll of the Welfare to Work Partnership.

The president's remarks come on the eve of the welfare law's third anniversary, and most of the news has been good. Welfare caseloads have declined nearly 40% in three years, from a peak of 12.2 million in 1996 to 7.3 million today. Among the adults who left welfare, state surveys indicate that about two-thirds got jobs.

Work participation rates

More than 35% of U.S. welfare recipients were working or actively seeking jobs in 1998 under terms of the 1996 welfare reform law. Percentages ranged from 98.2% in Oregon to 12.7% in Maryland. Work participation rates for 1998, by state:

Ala.	38.9%	Ky.	39.3%	N. D.	31.5%
Alaska	42.5%	La.	29.2%	Ohio	44.9%
Ariz.	30.2%	Maine	45.6%	Okla.	35.2%
Ark.	19.4%	Md.	12.7%	Ore.	98.2%
Calif.	36.6%	Mass.	29.0%	Pa.	19.3%
Colo.	28.7%	Mich.	49.2%	R. I.	27.5%
Conn.	41.4%	Minn.	30.6%	S. C.	42.7%
Del.	26.2%	Miss.	25.2%	S. D.	39.2%
D.C.	22.8%	Mo.	24.1%	Tenn.	43.2%
Fla.	34.5%	Mont.	78.3%	Texas	25.2%
Ga.	29.3%	Neb.	36.2%	Utah	39.8%
Hawaii	30.0%	Nev.	34.5%	Vt.	N/A[1]
Idaho	28.6%	N.H.	37.3%	Va.	27.5%
Ill.	37.7%	N.J.	26.5%	Wash.	48.5%
Ind.	29.9%	N.M.	15.9%	W.Va.	33.4%
Iowa	56.9%	N.Y.	37.5%	Wis.	64.0%
Kan.	41.3%	N.C.	14.5%	Wyo.	55.3%

Source: U.S. Dept. of Health and Human Services

1 - Exempt

But that success has caused states to leave about $4 billion in federal funds unspent. House Speaker J. Dennis Hastert, R-Ill., under pressure to finance a Republican tax-cut plan, has said Congress might consider taking some of the money back. "With more people working, we must return the tax overpayment to those who earned it," Hastert said.

That suggestion has drawn objections even from GOP governors, including Hastert's own, Illinois Gov. George Ryan. He told officials here that the progress being made moving welfare recipients into the workforce "will be slowed or even halted altogether if that funding is reduced."

Much of the progress in hiring people from the welfare rolls has been made by the national Welfare to Work Partnership, an organization of business and community leaders created by Clinton three years ago. The group, which is sponsoring this week's conference, has 12,000 business "partners" who've hired more than 410,000 welfare recipients.

But critics of welfare reform said the three-year anniversary celebration was premature.

Sen. Paul Wellstone, D-Minn., said the decline in welfare caseloads has not helped reduce poverty because most women are getting low-paying jobs.

"There is some disturbing evidence that many of these families might, in fact, be worse off," Wellstone said.

Row vs. wade

It's been almost two weeks since Vice President Al Gore floated down the Connecticut River on a wave of campaign support that a local utility kindly provided by opening an upstream dam. That's long enough for President Clinton to announce drought relief in five mid-Atlantic states. It's long enough for the Republican Party to crack jokes about the new meaning Mr. Gore's voyage has given to "Row vs. Wade." And still the Gore campaign and Pacific Gas & Electric, the company that operates the dam, are unable to come up with a story that can hold water.

Mr. Gore has denied knowing until after the controversy broke of any plan to raise water levels to keep his photo-op from running aground in 8 inches of water. And his staff says the man who once issued a detailed, apocalyptic warning of what might happen "[i]f the well runs dry," did not knowingly waste any significant amount of precious, dwindling natural resources.

But as this newspaper's Bill Sammon reports, one local official swears she told Mr. Gore about it moments after the canoe ride. His staff also claims to have made an antediluvian request — to a government commission overseeing the river — that it not raise water levels on the vice president's behalf. So somebody on the campaign staff knew it was an issue beforehand.

Meanwhile, PG&E — which found itself exactly where company managers and shareholders don't want it to be, in the midst of a political controversy — scrambled to the vice president's defense saying the trip hadn't wasted the billions of gallons the company originally estimated. It also hastened to add that the dam opening was routine for a utility that uses hydro power to generate electricity; it just opened two hours earlier for the vice president.

In fact, reports Mr. Sammon, PG&E opened the floodgates five hours earlier the day of Mr. Gore's little outing than any other day of the week. Ordinarily, a utility relying on hydro power would open the gates in the late morning or early afternoon to accommodate peak demand. On the day Mr. Gore went boating, the dam opened at 5 a.m. Total water use for the day: more than half a billion gallons. The company denies it was doing Mr. Gore a political favor, but given the otherwise inexplicable pre-dawn deluge, it should stick to generating electricity, not excuses.

If the incident is an embarrassment to the utility, it could be worse to local residents. The drought in that area is bad enough. If it gets worse, Mr. Clinton may well be reluctant to declare it a disaster area because it would simply revive the controversy over Mr. Gore's canoe trip and make it appear all the worse in retrospect.

But it is the vice president who is most of all bogged down in this debacle. That's partly because it's hard to think of a more unctuous, sanctimonious politician than Mr. Gore when it comes to environmental issues. In his book, "Earth in the Balance," he quoted approvingly the saying of a 12th-century king of Sri Lanka named Parakrama Bahu I that he just happened to have at his finger tips: "Let not a single drop of water that falls on the land go into the sea without serving the people." Perhaps there is a 12th-century Sri Lankan codicil to this rule that permits enlightened politicians to waste water in the interest of buoying sinking presidential campaigns. If so, Mr. Gore saw no need to mention it in his book.

Mr. Gore also wrote that "where civilization once feared Nature's whim, the earth must now suffer ours." The Earth will survive Mr. Gore's whims. The question is whether his campaign will.

The NAACP agenda

Having spent much of the 1990s straightening out its own house, the nation's oldest and largest civil rights organization is making news — not all of it desirable. The NAACP has launched a political offensive, something it has not done in a very long time because it was too busy tending to its own fiscal woes, scandals and the like. For supporters, a clearly defined agenda has been absent for far too long.

NAACP President Kweisi Mfume laid out the agenda at the organization's 90th anniversary convention in New York last month. With its membership beset with a variety of social, economic and educational problems, the NAACP decided to do something about... the lack of black actors in leading TV roles. Yes, the group urged Americans to boycott TV shows on three major non-cable networks because they cast too few blacks in primary roles. ABC and NBC hastily reworked their various casts of characters for the fall lineup. And CBS, which was targeted more than three decades ago because of the racially stereotypical "Amos 'n' Andy," found itself on the defensive.

Another NAACP volley landed in South Carolina, which proudly waves the Confederate flag over the statehouse. Heeding the call, some prominent organizations, such as the Southern Christian Leadership Conference, backed out of holding their conventions in Charleston. But that flag is merely a symbol of what was. One would think the organization would devote scarce resources to more serious problems facing its membership today rather than the hues of TV stars or politically incorrect flags.

While those issues, as well as Mr. Mfume's proclamations of a gun-liability lawsuit, drew considerable news print — as perhaps they should, albeit not for the reasons the organizations suggest—what was lost on the media is the group's far more worthy pursuit of economic and educational achievement.

Mr. Mfume wants to bridge what he calls the "digital divide," that is give blacks and other persons of color greater access to technology and the Internet. That's welcome news. In some public school systems, including the troubled one in the District of Columbia, students have limited access to an education those elsewhere take for granted. For poor families, personal computers are dreams they are now obliged to defer and, even in college, students at some historically black schools need increased access to today's technological research tools.

With the countdown to the next millennium already begun, the NAACP's attempts to bring educational empowerment to all people are more than timely. The NAACP and its sister organization, the NAACP Legal Defense Fund, have helped make possible some of America's most profound rulings expanding access to education. It is not too soon to make *that* the first and most important item on its agenda.

The Washington Times

WEDNESDAY, AUGUST 4, 1999

Clinton boasts that America is well on its way to welfare reform
By Andrew Martin and Doug Holt
Chicago Tribune

CHICAGO Of all the promise contained in the welfare-to-work initiatives that President Clinton came to Chicago to praise Tuesday, perhaps the most overlooked is the way some labor organizations have embraced the concept of creating cheap, entry-level jobs.

Unions, which traditionally have resisted any policy that threatened to undermine hard-won wage standards, appeared to have signed on to new government programs to press welfare recipients into jobs, even if those jobs would seem to encroach on union members' turf.

Many labor leaders on Tuesday said they saw opportunity in Clinton's initiatives that which could eventually translate into a broad new pool of union recruits.

"We think its a great idea," said S.J. Peters, an official of the United Food and Commercial Worker's Union Local 881, which represents grocery employees. "All employers are having a challenge trying to find good people. If they can find people who come off the welfare rolls and get a good union job, that's great."

Recent welfare reforms may represent an unusual example of finding both unions and management on the same side. The unusual synergy was cultivated by framers of the welfare-reform legislation, who inserted strict language to prevent welfare-to-work participants from displacing union workers, according to John Bouman, deputy director of advocacy for the National Center on Poverty Law.

"Labor realized that this is a new work force that they should be recruiting, not creating rivalries with," he said. "It's more a source of membership than a threat."

Like the labor unions, Clinton and Mayor Richard Daley have come to embrace the virtues of welfare reform, a concept that has long been the domain of Republican politicians like Wisconsin Gov. Tommy Thompson.

Seeking to capitalize on its early successes, Clinton used a familiar forum to make a political point: a well-choreographed, "Oprah"-style meeting at Navy Pier. Surrounded by about 200 former welfare recipients who had found jobs, Clinton played the sympathetic listener, the tireless advocate, and the self-effacing leader as he listened to them tell their stories.

"This company blessed me," Wendy Waxler, a new Xerox Corp. worker from Washington, D.C., told Clinton, who sat perched on a stool at center stage. "This company took me in like family. They treated me as if I was their daughter."

About 2,000 people watched the exchange on 15-foot-high television screens.

Clinton boasted that America is well on its way to welfare reform and said a major reason is the Welfare-to-Work Partnership, a consortium of U.S. companies.

More than 5,000 firms are now participating in the partnership, the president said, and those companies have hired 410,000 people who formerly had received government assistance. Calling welfare recipients "people who are good for the bottom line," Clinton urged business leaders to hire more of them.

One program easing the transition from welfare to work is the Marriott Pathways to Independence Program, a class that prepares former welfare recipients for a job in one of the company's Chicago hotels.

"Look around you success," said Debra Jenkins, a recent graduate who is soon to be a hostess in one of the Chicago Marriotts. "I am on the path. Baby, I am on my way."

Sonya Rivera, the Pathways to Independence coordinator for the Chicago Marriott hotels, said she sees that kind of enthusiasm at the end of each class.

"They come away with hope," she said, adding that the classes have been offered for the last two years. "They see that there are people who are willing to help them succeed."

Like Marriott, United Parcel Service also has embraced the welfare-to-work program, hiring some 25,000 former welfare recipients in the last three years, including 3,800 in the Chicago area.

The positions are mostly part-time loading jobs that pay up to $10.50 an hour and come with full benefits, said Mike Johnson, UPS regional human resource manager. The company worked to get 38 PACE bus routes to its hub in west suburban Hodgkins to put it in reach of employees without cars.

Union representatives have not fought the hiring because the package delivery service has always had a need for part-time employees, many of whom are represented by unions.

Jim Dawes, vice president of Teamsters Local 710, which represents UPS workers in the Chicago area, said his union welcomed the new hires because jobs are plentiful. And once on board, they become new union members.

But Chip Roth, a spokesman for the International Brotherhood of Teamsters, said the real test of welfare reform will come when the economy weakens.

"It is only when we go through a recession (that) we will have a better understanding of the impacts of the law," Roth said. The obvious risk when times are bad is displacement of existing workers, he said.

"In essence, you are creating new problems by putting folks to work who were having difficulty getting work," he said. "We don't want to undermine the current work force."

Names in the news
Knight Ridder Newspapers

Charlie Sheen is being sued by two women who say his bodyguard beat them at his Malibu home and on orders from the actor had the muscle call them afterward and threaten to kill them if they blabbed about the beatings.

In L.A. court papers made available yesterday, Erin Sieman, who calls herself an "intimate friend" of the movie star's, and Christina Stramaglia said the alleged beatings occurred when they tried to visit Sheen last month. Sieman, who IDs the bodyguard only as Zippy, says he punched her in the face, breaking her nose and cheekbone when he opened the door of Sheen's house and saw her there. When Stramaglia tried to go to her aid, the papers say, Zippy lifted her off the ground by the hair, threw her down and kicked her. The women say Sheen was home at the time but is not accused of piling on. The two seek unspecified damages. Sheen's rep could not be immediately reached for comment. Sheen's on probation until June for conviction of beating on his ex-girlfriend.

XXX

THE BOOK BEAT

A new book says Hillary Rodham Clinton began an affair with Vince Foster in 1977 and, according to Arkansas state troopers, he'd call on her and sometimes spend the night whenever her husband left the state governor's mansion. In "Bill and Hillary: The Marriage," author Christopher Andersen quotes Trooper L.D. Brown as saying: "Hillary and Vince were deeply in love. I saw them locked in each other's arms, deep-kissing ..." Foster, later a White House lawyer, killed himself in 1993. Said the first lady's press secretary: "I'm not going to comment on the book at all." It also says Mrs. Clinton demanded her husband test for AIDS in 1988 and he checked out negative.

Peter Matthiessen's "Bone by Bone" and Peter Guralnick's "Careless Love: The Unmaking of Elvis Presley" were named fiction and nonfiction winners of the Southern Book Critics Circle awards.

XXX

ALL IN THE FAMILY

First pix of the latest Mick Jagger kid have turned up in the Brit mag Hello! In an interview, mom Luciana Morad declares the rocker a fine dad though he has yet to meet Lucas, 4 months. "Mick is a very decent man and he loves all his children," the Brazilian beauty says. "He does not blame Lucas for being born and, as fathers go, Lucas couldn't be luckier." Or lonelier!

Liam Gallagher, whose band Oasis is said to be unduly influenced by the Beatles, will name his first-born, due in November, Lennon. That's if it's a boy, notes wife Patsy Kensit. If it's a girl, Yoko? No. Kensit says then it'll be Grace.

XXX

SICK-BAY REPORT

Raisa Gorbachev's illness was described as serious by a longtime adviser to her and husband, Mikhail, the USSR's final leader. Raisa, 67, is being treated in a German hospital. No word on what ails her but Russian media quoted her husband as calling it a blood disorder.

Barry White canceled the first seven dates of his U.S. tour after checking into a San Diego hospital Monday for exhaustion. The tour, with Earth, Wind and Fire, was to begin tomorrow in Concord, Calif. "I'm taking my doctor's advice and taking it easy for a few weeks," the singer, 54, said. "I hope to give 110 percent as soon as I can." White recently completed extensive promotion for his new CD, "Staying Power." He was hospitalized in 1995 for hypertension.

Whitney Houston canceled a Sunday gig in San Francisco, the last stop on her U.S. tour. Her rep said only that she "took sick." She had previously called off shows in three states plus D.C. There is

August 2, 1999

NATIONAL FORUM AT THE WELFARE TO WORK PARTNERSHIP CONFERENCE

DATE:	August 3, 1999
LOCATION:	McPherson Place, Navy Pier Chicago, IL
MEET & GREET TIME:	10:30am – 10:45am
EVENT TIME:	10:50am – 12:20pm
FROM:	Bruce Reed

I. PURPOSE

To talk to former recipients about their experiences moving from welfare to work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state, and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

II. BACKGROUND

You will be addressing the second day of the three day Welfare to Work Partnership Conference. The purpose of the conference is to provide a forum to share the progress and challenges of welfare reform, and to form partnerships that will ensure continued commitment to welfare to work around the country. In attendance will be almost 2,000 conference participants, including representatives of: businesses of all sizes that have hired former welfare recipients or that want to learn how to hire from this new labor source; local, state, and federal government agencies; welfare to work service providers; and community and faith-based organizations. In your remarks today you will announce:

<u>All 50 States Meeting Overall Work Participation Goals</u>
New data you will release today show that every state and the District of Columbia met the welfare law's overall work requirement for 1998, which requires 30 percent of families to have a parent working at least 20 hours per week. Nationally, 35 percent of all welfare recipients were working in 1998. This is the first full year of work data available under the 1996 welfare reform law (not all states had to report in 1997 and those that did only had to report data for the last quarter). Not all states met the law's two parent work rates, which require 75 percent of two parent families to work: of the forty-one states subject to the rate, 28 met it. These data cover fiscal year 1998 (October 1, 1997 through September 30, 1998).

Four Times More of Those on Welfare Are Working than in 1992

The 1998 data also show that four times more of those on welfare are working than when you took office. Nationally, the percentage of welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998, with the remainder fulfilling their participation requirements through job search, education, and training. You began to reform welfare early in your first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the Earned Income Tax Credit and the minimum wage to make work pay, and pushing the Congress for nationwide welfare reform legislation which you signed into law in August 1996.

Caseloads Have Fallen to Historic New Lows

You will also release new welfare caseload numbers today that show the percent of Americans on welfare is at its lowest level since 1967. The welfare rolls have fallen by 48 percent, or 6.8 million, since January 1993, when they stood at 14.1 million. State-by-state numbers show 31 states have had declines of 50 percent or more. A new report by the Council of Economic Advisers, released today, finds that the implementation of welfare reform is the single most important factor contributing to the widespread and continuous caseload declines from 1996 to 1998. CEA estimates that the federal and state program and policy changes implemented as a result of welfare reform account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy has also played an important role, accounting for approximately ten percent of the decline between 1996 and 1998.

Companies are Hiring from the Welfare Rolls

Over 12,000 businesses of all sizes and industries have joined The Welfare to Work Partnership since its launch in May 1997, and they have already hired an estimated 410,000 people from the welfare rolls. Seventy-six percent of companies have hired former welfare recipients for full-time jobs and the average salary is $17,000 a year. More than 8 in 10 executives have found their new hires are good, productive employees; sixty-five percent of business leaders report that welfare to work hires have the same or higher retention rates than other employees, making welfare to work a smart solution for business. The federal government is also doing its part: as Vice President Gore announced yesterday, the federal government has hired over 14,000 people in dozens of agencies across the U.S., far surpassing the goal of 10,000 hires set in April 1997. The three-day Chicago convention will allow over 2,000 company representatives, federal, state and local officials, and community-based organizations from around the country to participate in over 100 workshops highlighting successful welfare to work strategies they can replicate at home.

Independent Studies Confirm People are Moving from Welfare to Work

Numerous independent studies also confirm that more people are moving from welfare to work. Results from a new national survey released yesterday by the Urban Institute found 69 percent of recipients had left welfare for work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. The report found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four. A recent General Accounting Office report based on state surveys found that between 63 and 87 percent of adults have worked since leaving the welfare rolls, results similar to state studies funded by the Department of Health and Human Services. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

More Must Be Done to Help Those Still on the Rolls

You will call on the public and private sector to do more to help those still on welfare move to work and succeed on the job. You will urge the companies in The Welfare to Work Partnership to hire even more people from the welfare rolls, challenge federal, state and local officials to invest funds in those who need help the most, and warn Congress not to renege on its bipartisan commitment to help states and communities finish the job of welfare reform.

- Congress should honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act. At the same time, states should use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

You will also call on Congress to finish the job by enacting your initiatives to help those families with the greatest challenges move from welfare to work and succeed in the workforce, including:

- $1 billion to extend the Welfare-to-Work program to help long-term welfare recipients and low-income fathers work and support their families. Welfare-to-Work funds are targeted to those individuals who need the most help, including long-term welfare recipients with low basic skills, substance abuse or poor work history, and are distributed to states and communities based on concentrations of poverty, welfare dependency, and unemployment. Also under your proposal, states and communities would use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign personal responsibility contracts committing them to work, establish paternity, and pay child support. The Administration's reauthorization proposal, which has been endorsed by the U.S. Conference of Mayors, the National League of Cities, and the National Association of Counties, is included in H.R. 1482 introduced by Congressman Cardin and S. 1317 introduced by Senator Akaka. The reauthorization would build on the $3 billion Welfare-to-Work program you secured in the 1997 Balanced Budget Act. To date, communities in nearly every state are using Welfare-to-Work funds to help individuals with the greatest challenges, and today the Vice President announced the Department of Labor will release over $100 million in grants to the states of Alaska, Illinois, Indiana, Kansas, Minnesota, and New Jersey.

- Significant new funding for child care to help working families meet the cost of child care including: (1) $7.5 billion over five years to expand the Child Care Block Grant, (2) $5 billion over five years in greater child care tax relief, (3) $3 billion over five years in child care quality improvements, (4) a new tax credit for businesses that provide child care services for their workers, and (5) new tax relief for parents who choose to stay at home with their young children. With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $4 billion in additional funds to states to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for federal funded support, yet in 1997, only 1.25 million children received assistance. Ensuring that families who leave welfare for jobs stay employed is one of the next challenges of welfare reform, and reliable, safe, and affordable child care is one of the critical ingredients for parents succeeding in work.

- Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

- Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

I. PARTICIPANTS

Meet & Greet Participants:
See attached list

Discussion Attendees:
Mayor Paul Helmke
Mayor Marc Morial
Mayor Beverly O'Neill
Gerry Greenwald, Chief Executive Officer, United Airlines

Program Participants:
Mayor Richard Daley
Eli Segal, President & CEO, Welfare to Work Partnership

Discussion Participants:
Rodney Carroll, Chief Operating Officer, Welfare to Work Partnership and Operations Division Manager, United Parcel Service of America
NOTE: Rodney Carroll will moderate the discussion.
Governor Thomas Carper
Governor George Ryan
Mayor Wellington Webb
See attached list for other participants.

II. PRESS PLAN

Open Press.

III. SEQUENCE OF EVENTS

-**YOU** will greet members of the Welfare to Work Partnership Board of Directors.
-**YOU** will be announced, accompanied by Mayor Richard Daley, Eli Segal, and Gerry Greenwald, onto the stage.
-Eli Segal will make opening remarks and introduce Mayor Daley.
-Mayor Daley will make remarks and introduce **YOU**.
-**YOU** will make remarks and take your seat for the discussion.
-Rodney Carroll will begin and moderate the discussion.
-Upon conclusion of the discussion, **YOU** will make concluding remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

I. ATTACHMENTS

- Meet and Greet Participants
- Suggested Discussion Sequence and Questions
- Discussion Participant Bios
- State-by-State Work Participation Numbers Chart
- State-by-State Welfare Caseload Numbers Chart
- Federal Hiring Numbers Chart

PRESIDENT CLINTON WILL ANNOUNCE RECORD NUMBERS OF PEOPLE ON WELFARE ARE WORKING AS BUSINESSES HIRE FROM THE WELFARE ROLLS

August 3, 1999

Today, three years after enactment of the welfare reform law, President Clinton will announce that all 50 states met the law's overall work requirements in 1998, and nearly four times more of those on welfare are working than when he took office. These are the first work data from every state to be released under the 1996 welfare reform law, and they confirm a growing body of evidence that three years later, record numbers of people are moving from welfare to work. These findings, along with new figures showing caseloads have declined by 6.8 million since the President took office, will be contained in a report transmitted to Congress today. The President will make these announcements at a National Forum convened by The Welfare to Work Partnership, whose companies have hired over 410,000 welfare recipients. At the National Forum, the President will talk to former recipients about their experiences moving from welfare to work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state, and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

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- Congress should honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act. At the same time, states should use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

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- Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

- Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

WELFARE TO WORK CONFERENCE MEET & GREET PARTICIPANTS
August 3, 1999

Henry Anthony, AHL Services
Cathy Bessant, Bank of America
Rodney Carroll, Welfare to Work Partnership and United Parcel Service of America
Paul Clayton, Burger King, North America
Ted English, The TJX Companies, Inc.
William T. Esrey, Sprint Corporation
Michael Fergus, Allied Van Lines
Jim Goodwin, UAL Corporation
Gerald Greenwald, UAL Corporation
Rachel Hubka, Rachel's Bus Company
Brendan Keegan, Marriott International
Jim Kelly, United Parcel Service of America, Inc.
Stanley Litow, IBM Corporation
Shelley Longmuir, United Airlines Corporation
Arthur Martinez, Sears, Roebuck and Co.
William McDermott, Xerox Corporation
Rosemary Mede, CVS Corporation
Russell Meyer, Cessna Aircraft, a Textron Company
Chip Raymond, Citigroup Foundation
Eli Segal, Welfare to Work Partnership
Robert B. Shapiro, Monsanto Company
Laurence Siegel, The Mills Corporation
John Sloan, Sears, Roebuck and Co.
Lea Soupata, United Parcel Service of America
George Stinson, General Converters & Assemblers, Inc.
Jonathan M. Tisch, Loews Hotels
Barbara Turner, Boscart Construction
Doug Williams, The Limited
Mark Willis, Chase Manhattan Bank
Barry Zigas, Fannie Mae

WELFARE TO WORK CONFERENCE NATIONAL FORUM DISCUSSION PARTICIPANTS

* POTUS Version *

AUTOMATED DATA SCIENCES (Santa Monica, CA)
Rena Burns, President

Rena Burns, a 47-year-old, Hispanic small business owner, runs an information technology/software development firm which employs 50 people, and has been a winner of the Small Business Administration's Regional Welfare to Work Entrepreneur Award. Although she did not set out to hire welfare recipients, Burns experienced such success with one welfare to work employee that she has now hired four welfare to work employees, and is using the local One-Stop Center as a hiring source. She believes the small business environment is a good one for welfare to work hires, as they are able to be more versatile in providing the personal attention, encouragement, and coaching which she feels are key factors to the success of these new workers. Having been on welfare as one of five children with a single mother, Rena works hard to provide others with the chances she never had growing up. She also believes that as a business owner it is her responsibility to give back to the community that supports her business.

BANK OF AMERICA
Catherine Bessant, President, Community Development Banking Group

Bank of America's Welfare to Self Sufficiency Initiative, initiated in April 1998, aims to achieve the greatest potential for sustained self-sufficiency of former welfare recipients. Having hired more than 330 new workers in recruitment, training and retention programs across the country, including Dallas, Los Angeles, Norfolk, Phoenix, San Francisco, Seattle, Portland and Spokane, the bank has also facilitated hiring of hundreds of other recipients in dozens of other locations through their support of local organizations and initiatives. New hires at the bank have become proof operators, teller, ATM processors, and customer service representatives. Bank of America places career advancement as a priority in helping their new hires achieve self-sufficiency, and has dedicated resources to increase the economic opportunity for and advance the careers of these new employees. Employee supports include money management courses, up to $2,000 reimbursement for tuition and textbooks, subsidized child care, a home ownership program in which the bank provides a $5,000 mortgage loan in which only the interest is due back from the employee, an extensive EAP program, including the Family Resource Center, and a peer-to-peer mentoring program.

Success Story:
LaTonya R. Stephens, Duncanville, TX
LaTonya Stephens, a 26 year-old African-American and the mother of two daughters, had been on and off welfare for two years when she heard about a training program offered by Goodwill Industries. She enrolled in the program, and was hired by Bank of America in Dallas in August 1998 as a Telephone Banking Representative. She has been rewarded for her outstanding performance, has recently received a promotion and raise to approximately $20,600 annually, and looks forward to moving up with the company. In addition, the bank has provided her with childcare assistance. LaTonya is proud to have completed her G.E.D., to be able to adequately support herself and her daughters, and to have saved enough to purchase a new car this year.

CVS CORPORATION
Rosemary Mede, Senior Vice President, Human Resources
Since the inception of CVS' involvement in welfare to work, the company has hired 3,788 welfare recipients with a 60% retention rate, double the industry standard. With active welfare to work programs throughout the eastern United States, CVS has an established record of hiring harder-to-place welfare recipients, and has made internal promotion a company policy. In the metropolitan D.C. area, CVS/Pharmacy and the District of Columbia Apprenticeship Council have developed an apprenticeship program for Pharmacy Technicians. This program has delivered quality employment and training opportunities for people exploring careers.

Success Story:
Antoinette Patrick, Washington, D.C.
Antoinette Patrick, a 41-year-old African-American, is the married mother of 2 children, one of whom has a disability. She had been receiving welfare assistance periodically for approximately 5 years. Through the DC Department of Employment, Antoinette was identified as having high potential for the apprenticeship program, and was chosen for the pharmacy program by CVS after intensive interviews. She was hired with full health benefits as a CVS Pharmacy Technician in October 1998, and has already received a raise in pay to $7.25/hour. She takes pride in delivering good service to customers that are ill or are caring for a sick child or parent. She hopes to take advantage of the educational benefits and loans offered by CVS to attend pharmacy school in the future. Antoinette has also opened a savings account for each of her children, and hopes to be able to help them attend college.

LOEWS HOTELS (Miami, FL)
Jonathan Tisch, Chief Executive Officer
A board member of the Welfare to Work Partnership since 1997, Jonathan Tisch leads a rapidly expanding chain of 15 hotels and resorts. Loews empowers individuals and communities by partnering with organizations to create jobs for and assist in the training of welfare recipients. A prime example of this welfare to work effort is in Miami, where Loews and 44 other members of the Greater Miami & the Beaches Hotel Association worked with Mayor Alex Penelas' office, the local WAGES coalition, and service providers such as Lockheed Martin and America Works, to meet the need for enthusiastic well-trained employees. To date, Loews has hired 40

responsible and qualified individuals from the welfare rolls into well-paying jobs with growth opportunities in their new 800-room hotel in Miami Beach. The success of this venture has inspired Loews to replicate this model at all of their new properties, while maintaining a strong commitment to hire welfare recipients at pre-existing sites.

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Consuelo McGlond, Miami, FL
Consuelo McGlond, a 28-year-old African-American, is the mother of 3 children. She had received welfare assistance for most of the last ten years, and had never held a job for longer than six months. Last year she enrolled in the America Works Program where she participated in a 10-week course in computer literacy, interviewing skills, and job readiness. Upon completion of this course, she was hired by Loews Miami Beach Hotel as an Overnight Switchboard Operator in November 1998. Consuelo currently makes $9.00/hour and has full health and dental benefits. Consuelo says that she loves her job at Loews, especially the pride she feels when she is able to successfully assist a customer in need. She was awarded the Jonathan Tisch President's Award for her professional manner and great attitude at work. Consuelo's aspires to enroll in community college and take business or hospitality courses and learn Spanish. She hopes her kids will be able to attend college one day, and says she encourages them to "be a little better than me".

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Success Story:
Tyler Left Hand, Billings, MT
Tyler Left Hand, a 31-year-old Native American, is the non-custodial father of a 5 year-old daughter. Tyler has worked hard to pay child support to help keep his daughter and her mother off of welfare assistance. Tyler grew up on the Crow Tribe reservation, but left for Billings, Montana after becoming unemployed. He was hired by MasterLube, with full health benefits, in November 1995 as a pit technician, and has worked his way up to assistant manager where he earns $8.00/hour. He enjoys the sense of pride he feels when he completes a day of work, and

appreciates the skills and knowledge he has gained from his work. Tyler hopes to enroll in a vocational school, and also dreams of opening his own lube shop with his brother one day.

TJX COMPANIES, INC & MORGAN MEMORIAL GOODWILL INDUSTRIES
Ted English, President & Chief Operating Officer, TJX Companies, Inc.
Joanne Hilferty, Chief Executive Officer, Morgan Memorial Goodwill Industries (Boston, MA)

The TJX Companies, Inc., the world's largest off-price apparel retailer, was one of the first national companies to commit to hire individuals off public assistance by becoming a charter member of The Welfare to Work Partnership in August of 1997. When they joined, they committed to hiring 5,000 former welfare recipients by the year 2000, and as of June 1999 they have exceeded their goals and hired 10,145 welfare recipients. TJX attributes their success to their collaboration with community-based organizations as part of their recruiting and retention efforts. In Boston, TJX has partnered with Morgan Memorial Goodwill Industries, and has received Welfare-to-Work funding from the Boston Private Industry Council, to pilot The First Step Transition to Work Program, an intensive retail and customer service skill training program. The program, located in the Boston Empowerment Zone, offers four weeks of classroom training, one to five weeks of internship, job placement and post-placement case management for one year to help people succeed on the job. TJX plans to duplicate this program in areas with high welfare populations, public transportation, and a need for new workers.

Success Story:
Maria Mercado, Boston, MA

Maria Mercado, a 29 year-old Hispanic, is the mother of two daughters. Maria had been receiving welfare assistance for 10 years, when she received a mailer advertising Morgan Memorial Goodwill Industries First Step Transition to Work program. While it was a great challenge for her to gain the confidence to work after all of those years, Maria signed up for the training program and was eventually hired by TJX Companies in December 1998 as a cashier at Marshalls. She has been promoted several times, and is currently training as a department coordinator, a supervisory position. She is currently earning $7.00/hour, and will receive a raise and benefits with her promotion. Maria has gained much self-confidence through her training and work, and feels much better about her ability to provide for her children. She is studying for and hopes to receive her G.E.D. soon.

UNITED PARCEL SERVICE OF AMERICA AND THE WELFARE TO WORK PARTNERSHIP
Rodney Carroll, Operations Division Manager, United Parcel Service of America and Chief Operating Officer, The Welfare to Work Partnership

UPS has been a leader in recruiting and hiring welfare recipients for the past 25 years. Under the leadership of UPS Chairman and CEO Jim Kelly, one of the five founding members of the Welfare to Work Partnership, UPS has become even more involved in hiring welfare recipients and encouraging other companies to get involved since 1997. To date, UPS has hired 25,000 welfare to work employees in 40 locations throughout the country including Atlanta, Camden, Chicago, Philadelphia and San Diego. In the Philadelphia area, Rodney Carroll and UPS helped to create a bus system with SEPTA (South Eastern Philadelphia Transit Authority), that allowed Rodney to personally hire more than 700 people from welfare to work at UPS. Transportation has been one of the major roadblocks in welfare to work success, and the program he created, which started in 1996 with 4 buses and has grown today to a total of 54 buses, now moves thousands of people to their jobs daily.

Success Story:
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Tiffany Smith, a 22-year-old Caucasian, is the mother of two, who grew up receiving welfare and continued to receive it after her first child was born. She began working at UPS in late 1996 as a loader/unloader making $8.50/hour with full benefits. She has now been promoted to a package sorter, earning $10.50/hour. Tiffany's daily commute to her job at the Philadelphia Air Hub involves taking her children to day care, and then taking a bus to a subway to another bus that runs to UPS. While this is not easy, she prefers the independence her job provides to relying on welfare. In September she will resume GED classes taught at the airport and funded by UPS. Her goal is to become a supervisor at UPS in the near future, and then to pursue a degree in nursing.

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Wendy Waxler, a 32 year-old African-American, is the mother of a 3 year-old daughter. Although she was constantly in search of employment, her daughter's disability and medical needs made finding reliable childcare difficult and balancing a work schedule with doctor's appointments almost impossible. Wendy received welfare assistance for one and a half years. Eventually, she enrolled in an employment program at So Others Might Eat (SOME). Through the ReEntry to Work Program, Wendy was recruited by Xerox Business Services, and found an employer that could be flexible around her circumstances. She was hired by XBS in February 1999 as a temporary account associate, quickly becoming a permanent employee. She has received several promotions, and currently earns $9.60/hour, receives health benefits and participates in both 401K and net-profit sharing plans. She was even offered a job by an XBS client with whom she was temporarily assigned to work. By allowing her to work at night,

managing the fax center for a large law firm, Wendy can both provide for her daughter and be available to care for and attend to her medical needs. She feels that her new job has enormously boosted her self-esteem and aspirations for the future. Wendy hopes to grow with Xerox, eventually becoming a systems or network analyst, and to start a resource newsletter for other parents of disabled children. She would like to help others in need gain the skills and confidence that she has regained through her employment at XBS.

WELFARE TO WORK CONFERENCE NATIONAL FORUM DISCUSSION PARTICIPANTS

* Press Version *

AUTOMATED DATA SCIENCES (Santa Monica, CA)

Rena Burns, President

Rena Burns, a 47-year-old, small business owner, runs an information technology/software development firm which employs 50 people, and has been a winner of the Small Business Administration's Regional Welfare to Work Entrepreneur Award. Although she did not set out to hire welfare recipients, Burns experienced such success with one welfare to work employee that she has now hired four welfare to work employees, and is using the local One-Stop Center as a hiring source. She believes the small business environment is a good one for welfare to work hires, as they are able to be more versatile in providing the personal attention, encouragement, and coaching which she feels are key factors to the success of these new workers. Having been on welfare as one of five children with a single mother, Rena works hard to provide others with the chances she never had growing up. She also believes that as a business owner it is her responsibility to give back to the community that supports her business.

BANK OF AMERICA

Catherine Bessant, President, Community Development Banking Group

Bank of America's Welfare to Self Sufficiency Initiative, initiated in April 1998, aims to achieve the greatest potential for sustained self-sufficiency of former welfare recipients. Having hired more than 330 new workers in recruitment, training and retention programs across the country, including Dallas, Los Angeles, Norfolk, Phoenix, San Francisco, Seattle, Portland and Spokane, the bank has also facilitated hiring of hundreds of other recipients in dozens of other locations through their support of local organizations and initiatives. New hires at the bank have become proof operators, teller, ATM processors, and customer service representatives. Bank of America places career advancement as a priority in helping their new hires achieve self-sufficiency, and has dedicated resources to increase the economic opportunity for and advance the careers of these new employees. Employee supports include money management courses, up to $2,000 reimbursement for tuition and textbooks, subsidized child care, a home ownership program in which the bank provides a $5,000 mortgage loan in which only the interest is due back from the employee, an extensive EAP program, including the Family Resource Center, and a peer-to-peer mentoring program.

Success Story:
LaTonya R. Stephens, Duncanville, TX

LaTonya Stephens, a 26 year-old mother of two daughters, had been on and off welfare for two years when she heard about a training program offered by Goodwill Industries. She enrolled in the program, and was hired by Bank of America in Dallas in August 1998 as a Telephone Banking Representative. She has been rewarded for her outstanding performance, has recently received a promotion and raise to approximately $20,600 annually, and looks forward to moving up with the company. In addition, the bank has provided her with childcare assistance. LaTonya is proud to have completed her G.E.D., to be able to adequately support herself and her daughters, and to have saved enough to purchase a new car this year.

CVS CORPORATION
Rosemary Mede, Senior Vice President, Human Resources

Since the inception of CVS's involvement in welfare to work, the company has hired 3,788 welfare recipients with a 60% retention rate, double the industry standard. With active welfare to work programs throughout the eastern United States, CVS has an established record of hiring harder-to-place welfare recipients, and has made internal promotion a company policy. In the metropolitan D.C. area, CVS/Pharmacy and the District of Columbia Apprenticeship Council have developed an apprenticeship program for Pharmacy Technicians. This program has delivered quality employment and training opportunities.

Success Story:
Antoinette Patrick, Washington, D.C.

Antoinette Patrick, 41, is the married mother of 2 children, one of whom has a disability. She had been receiving welfare assistance periodically for approximately 5 years. Through the DC Department of Employment, Antoinette was identified as having high potential for the apprenticeship program, and was chosen for the pharmacy program by CVS after extensive interviews. She was hired with full health benefits as a CVS Pharmacy Technician in October 1998, and has already received a raise in pay to $7.25/hour. She takes pride in delivering good service to customers that are ill or are caring for a sick child or parent. She hopes to take advantage of the educational benefits and loans offered by CVS to attend pharmacy school in the future. Antoinette has also opened a savings account for each of her children, and hopes to be able to help them attend college.

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SUGGESTED WELFARE TO WORK DISCUSSION FORUM
SEQUENCE AND QUESTIONS
August 3, 1999

•**Rodney Carroll, Operations Division Manager, UPS and Chief Operating Officer, The Welfare to Work Partnership** will open and moderate the discussion. He will facilitate the discussion flow and introduce you to the participants listed below. The following is a list of suggested questions for you.

•**Bill McDermott, Senior Vice President, Xerox**
•**Wendy Waxler, Account Associate, Xerox**
[Wendy Waxler will comment on how she moved from welfare to her new job at Xerox, and on the aspects of her job that she likes the most.]

*Suggested **POTUS** Question to Wendy Waxler: What kinds of things did Xerox do to help you make the transition from welfare to work?*

[Bill McDermott will comment on the Xerox partnership with Women in Community Service to provide mentors to their new welfare to work employees.]

•**Rena Burns, Automated Data Sciences**
[Rena Burns will comment on her belief that the increased flexibility of a small business environment makes it a good one for hiring welfare to work employees.]

*Suggested **POTUS** Question: What is the greatest challenge small businesses face in hiring welfare recipients?*

*Suggested **POTUS** Comment: At this point you could challenge all businesses—large and small-- to reach out to other small businesses who are the engine of growth, and who may not have the same information and resources to learn about welfare to work. Businesses can also reach out to their suppliers and their business partners to encourage them to get involved in welfare to work.*

•**Tiffany Smith, UPS Package Sorter**
[Tiffany Smith will comment on the challenges she faces with regard to transportation, and describe her daily routine of walking her children to day care, then taking the bus to a subway to the bus to the air hub.]

*Suggested **POTUS** Question: That sounds like a lot of effort. Is it worth it?*

*Suggested **POTUS** Question: Tiffany, you've been at UPS for several years—what's the next step? (NOTE: Tiffany has just put in a request to become a UPS supervisor)*

*Suggested **POTUS** Comment: At this point you could mention our Access to Job proposal which will help more areas design innovative solutions to transportation challenges, such as the one Rodney Carroll helped launch for UPS.*

•Governor George Ryan (R-IL)

[Governor Ryan will comment on the need to maintain the federal-state partnership on welfare reform so we can invest in helping more people move from welfare reform.]

*Suggested **POTUS** Question: What other kinds of investments are you making with your welfare reform funds? [NOTE: The new work numbers announced today show Illinois passing the work rates with flying colors]*

•Rosemary Mede, Senior Vice President, CVS/pharmacy

•Antoinette Patrick, CVS, Pharmacy Technician

[Rosemary Mede will describe CVS' pharmacy apprenticeship that was developed to provide people in the Washington, D.C. area with career track opportunities.]

*Suggested **POTUS** Question for Antoinette Patrick: Antoinette, how do you like working in a pharmacy?*

•Bill Simmons, CEO, MasterLube

•Tyler Left Hand, Assistant Manager, MasterLube

[Bill Simmons will comment his belief that the success of his business is due to the people that work for him. NOTE: 20-25% of his employees are current or former welfare recipients, and he also has an innovative approach to helping employees deal with substance abuse.]
[Tyler Left Hand will comment on how his job has helped him pay child support and provide a better life for his daughter.]

*Suggested **POTUS** Question to Tyler Left Hand: Tyler, what do you hope to do next? [NOTE: Tyler hopes to open his own lube business some day].*

•Governor Tom Carper (D-DE)

[Governor Carper is known as a leader on strengthening fathers, and will comment on how he has worked to involve fathers as part of his broader welfare reform agenda. NOTE: Delaware met all family rate (26%), but not two parent (24%).]

*Suggested **POTUS** Question: What are you doing to help those fathers like Tyler who want to work and pay child support?*

*Suggested **POTUS** Comment: At this point you could challenge businesses to do more to help employ fathers -- which helps support children and families leaving welfare, and helps build stronger communities.*

•**Mayor Wellington Webb (D – Denver, CO)**
[Mayor Webb will discuss why the Welfare to Work program is critical to cities, and will acknowledge **Mayor Helmke**.]

*Suggested **POTUS** Comment: At this point you could acknowledge **Mayor Helmke** and underscore the bipartisan commitment to welfare reform.*

*Suggested **POTUS** Question to Mayor Webb: Mayor Webb, how are you using Welfare-to-Work funds to help those with the greatest challenges get and keep good jobs in Denver?*

•**Ted English, President & COO, TJX Companies, Inc.**
•**Joanne Hilferty, CEO, Morgan Memorial Goodwill Industries, Boston**
•**Maria Mercado, Merchandising Sales Associate, Marshall's**
[Joanne Hilferty will describe the public/private partnership between TJX Companies and Goodwill in Boston, and how TJX has found a way to hire and retain individuals who are still on welfare and who have less work experience.]

*Suggested **POTUS** Question to Maria Mercado: How did this training program help you begin your career?*

•**Catherine (Cathy) Bessant, President, Community Development Banking Group Bank of America (Board Member)**
•**LaTonya Stephens, Telephone Personal Banker, Bank of America**
[LaTonya Stephens will comment about the help Bank of America has given her with child care, her recent promotion, and her accomplishment of saving enough money to buy a new car.]

*Suggested **POTUS** Comment: At this point you could mention the Administration's child care initiative*

[Cathy Bessant will highlight the value corporate investments in things people need to sustain self-sufficiency.]

*Suggested **POTUS** Question for Cathy Bessant: You joined us on the New Markets Tour last month. What do you see as the connection between investing in underserved areas and welfare to work?*

•Jonathan Tisch, CEO, Loews Hotels

[Jonathan Tisch will comment on the partnership between Loews and Mayor Penelas (who will not be in attendance) in an industry-based initiative with 44 other hotels and motels in the community to recruit businesses and address the barriers of hiring former recipients such as education and ESL. He will also introduce one of Loews' welfare to work hires, **Consuelo McGlond, Loews Overnight Phone Operator** who recently won the Jonathan Tisch President's Award for her professional manner and great attitude.]

CHANGE IN TANF CASELOADS

Total TANF families and recipients

(in thousands)

	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-99)
Families	4,963	5,053	4,963	4,628	4,114	3,305	2,668	-46%
				2,295,000 fewer families				
Recipients	14,115	14,276	13,931	12,877	11,423	9,132	7,335	-48%
				6,780 fewer recipients				

Total TANF recipients by State

STATE	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-99)
Alabama	141,746	135,096	121,837	108,269	91,723	61,809	46,934	-67%
Alaska	34,951	37,505	37,264	35,432	36,189	31,689	28,020	-20%
Arizona	194,119	202,350	195,082	171,617	151,526	113,209	92,467	-52%
Arkansas	73,982	70,563	65,325	59,223	54,879	36,704	29,340	-60%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,476,564	2,144,495	1,818,197	-25%
Colorado	123,308	118,081	110,742	99,739	87,434	55,352	39,346	-68%
Connecticut	160,102	164,265	170,719	161,736	155,701	138,666	90,799	-43%
Delaware	27,652	29,286	26,314	23,153	23,141	18,504	16,581	-40%
Dist. of Col.	65,860	72,330	72,330	70,082	67,871	56,128	52,140	-21%
Florida	701,842	689,135	657,313	575,553	478,329	320,886	198,101	-72%
Georgia	402,228	396,736	388,913	367,656	306,625	220,070	137,976	-66%
Guam	5,087	6,651	7,630	7,634	7,370	7,461	8,620	69%
Hawaii	54,511	60,975	65,207	66,690	65,312	75,817	45,515	-17%
Idaho	21,116	23,342	24,050	23,547	19,812	4,446	2,897	-86%
Illinois	685,508	709,969	710,032	663,212	601,854	526,851	382,937	-44%
Indiana	209,882	218,061	197,225	147,083	121,974	95,665	109,675	-48%
Iowa	100,943	110,639	103,108	91,727	78,275	69,504	60,151	-40%
Kansas	87,525	87,433	81,504	70,758	57,528	38,462	32,873	-62%
Kentucky	227,879	208,710	193,722	176,601	162,730	132,388	99,560	-56%
Louisiana	263,338	252,860	258,180	239,247	206,582	118,404	111,074	-58%
Maine	67,836	65,006	60,973	56,319	51,178	41,265	34,108	-50%
Maryland	221,338	219,863	227,887	207,800	169,723	130,196	89,003	-60%
Massachusetts	332,044	311,732	286,175	242,572	214,014	181,729	151,592	-54%
Michigan	686,356	672,760	612,224	535,704	462,291	376,985	263,583	-62%
Minnesota	191,526	189,615	180,490	171,916	160,167	141,064	140,128	-27%
Mississippi	174,093	161,724	146,319	133,029	109,097	66,030	38,426	-78%
Missouri	259,039	262,073	259,595	238,052	208,132	162,950	135,383	-48%
Montana	34,848	35,415	34,313	32,557	28,138	20,137	15,508	-55%
Nebraska	48,055	46,034	42,038	38,653	36,535	38,090	34,662	-28%
Nevada	34,943	37,908	41,846	40,491	28,973	29,262	20,283	-42%
New Hampshir	28,972	30,386	28,671	24,519	20,627	15,947	16,090	-44%
New Jersey	349,902	334,780	321,151	293,833	256,064	217,320	175,223	-50%
New Mexico	94,836	101,676	105,114	102,648	89,814	64,759	80,686	-15%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,189	941,714	828,302	-30%
North Carolina	331,633	334,451	317,836	282,086	253,286	192,172	138,570	-58%
North Dakota	18,774	16,785	14,920	13,652	11,964	8,884	8,355	-55%

STATE	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-99)
Ohio	720,476	691,099	629,719	552,304	518,595	386,239	282,444	-61%
Oklahoma	146,454	133,152	127,336	110,498	87,312	69,630	56,640	-61%
Oregon	117,656	116,390	107,610	92,182	66,919	48,561	45,450	-61%
Pennsylvania	604,701	615,581	611,215	553,148	484,321	395,107	312,364	-48%
Puerto Rico	191,261	184,626	171,932	156,805	145,749	130,283	107,447	-44%
Rhode Island	61,116	62,737	62,407	60,654	54,809	54,537	53,859	-12%
South Carolina	151,026	143,883	133,567	121,703	98,077	73,179	42,504	-72%
South Dakota	20,254	19,413	17,652	16,821	14,091	10,514	8,445	-58%
Tennessee	320,709	302,608	281,982	265,320	195,891	139,022	152,695	-52%
Texas	785,271	796,348	765,460	714,523	626,617	439,824	313,823	-60%
Utah	53,172	50,657	47,472	41,145	35,493	29,868	26,428	-50%
Vermont	28,961	28,095	27,716	25,865	23,570	21,013	18,230	-37%
Virgin Islands	3,763	3,767	4,345	5,075	4,712	4,129	3,533	-6%
Virginia	194,212	194,959	189,493	166,012	136,053	107,192	88,910	-54%
Washington	286,258	292,608	290,940	276,018	263,792	228,723	174,099	-39%
West Virginia	119,916	115,376	107,668	98,439	98,690	51,348	44,367	-63%
Wisconsin	241,098	230,621	214,404	184,209	132,383	44,630	28,863	-88%
Wyoming	18,271	16,740	15,434	13,531	10,322	2,903	1,770	-90%
U.S. Total	14,114,992	14,275,877	13,930,953	12,876,661	11,423,007	9,131,716	7,334,976	-48%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
Aug-99

CHANGE IN WELFARE CASELOADS SINCE ENACTMENT OF NEW WELFARE LAW

Total TANF families and recipients

(in thousands)

	Aug-96	Mar-99	Percent (96-99)
Families	4,415	2,668	-40%
	1,747,000 fewer families		
Recipients	12,241	7,335	-40%
	4,906,000 fewer recipients		

Total TANF recipients by State

STATE	Aug-96	Mar-99	Percent (96-99)
Alabama	100,662	46,934	-53%
Alaska	35,544	28,020	-21%
Arizona	169,442	92,467	-45%
Arkansas	56,343	29,340	-48%
California	2,581,948	1,818,197	-30%
Colorado	95,788	39,346	-59%
Connecticut	159,246	90,799	-43%
Delaware	23,654	16,581	-30%
Dist. of Col.	69,292	52,140	-25%
Florida	533,801	198,101	-63%
Georgia	330,302	137,976	-58%
Guam	8,314	8,620	4%
Hawaii	66,482	45,515	-32%
Idaho	21,780	2,897	-87%
Illinois	642,644	382,937	-40%
Indiana	142,604	109,675	-23%
Iowa	86,146	60,151	-30%
Kansas	63,783	32,873	-48%
Kentucky	172,193	99,560	-42%
Louisiana	228,115	111,074	-51%
Maine	53,873	34,108	-37%
Maryland	194,127	89,003	-54%
Massachusetts	226,030	151,592	-33%
Michigan	502,354	263,583	-48%
Minnesota	169,744	140,128	-17%
Mississippi	123,828	38,426	-69%
Missouri	222,820	135,383	-39%
Montana	29,130	15,508	-47%
Nebraska	38,592	34,662	-10%
Nevada	34,261	20,283	-41%
New Hampshire	22,937	16,090	-30%
New Jersey	275,637	175,223	-36%
New Mexico	99,661	80,686	-19%
New York	1,143,962	828,302	-28%
North Carolina	267,326	138,570	-48%
North Dakota	13,146	8,355	-36%

STATE	Aug-96	Mar-99	Percent (96-99)
Ohio	549,312	282,444	-49%
Oklahoma	96,201	56,640	-41%
Oregon	78,419	45,450	-42%
Pennsylvania	531,059	312,364	-41%
Puerto Rico	151,023	107,447	-29%
Rhode Island	56,560	53,859	-5%
South Carolina	114,273	42,504	-63%
South Dakota	15,896	8,445	-47%
Tennessee	254,818	152,695	-40%
Texas	649,018	313,823	-52%
Utah	39,073	26,428	-32%
Vermont	24,331	18,230	-25%
Virgin Islands	4,898	3,533	-28%
Virginia	152,845	88,910	-42%
Washington	268,927	174,099	-35%
West Virginia	89,039	44,367	-50%
Wisconsin	148,888	28,863	-81%
Wyoming	11,398	1,770	-84%
U.S. Total	12,241,489	7,334,976	-40%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
Aug-99

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
TANF WORK PARTICIPATION RATES
FISCAL YEAR 1998

STATE	ALL FAMILY RATES: RATE	ALL FAMILY RATES: ADJUSTED STANDARD 3/	ALL FAMILY RATES: MET TARGET	TWO-PARENT FAMILY RATES: RATE	TWO-PARENT FAMILY RATES: ADJUSTED STANDARD	TWO-PARENT FAMILY RATES: MET TARGET
UNITED STATES	35.4			42.3		
ALABAMA	38.9	5.0%	✓	1/		NA
ALASKA	42.5	26.8%	✓	36.8	68.6%	
ARIZONA	30.2	8.7%	✓	76.6	53.7%	✓
ARKANSAS	19.4	16.6%	✓	20.3	57.8%	
CALIFORNIA	36.6	17.8%	✓	36.2	32.7%	✓
COLORADO	28.7	7.5%	✓	25.7	15.1%	✓
CONNECTICUT	41.4	21.5%	✓	73.2	66.5%	✓
DELAWARE	26.2	9.4%	✓	23.7	54.4%	
DIST. OF COL.	22.8	20.1%	✓	22.5	30.1%	
FLORIDA	34.5	5.8%	✓	1/		NA
GEORGIA	29.3	6.1%	✓	1/		NA
GUAM	12.4	30.0%		13.8	75.0%	
HAWAII	30.0	28.1%	✓	1/		NA
IDAHO	28.6	4.2%	✓	22.5	0.0%	✓
ILLINOIS	37.7	13.6%	✓	77.7	45.0%	✓
INDIANA	29.9	0.0%	✓	32.8	20.1%	✓
IOWA	56.9	9.1%	✓	53.6	51.4%	✓
KANSAS	41.3	1.9%	✓	44.2	23.2%	✓
KENTUCKY	38.3	16.3%	✓	51.6	37.5%	✓
LOUISIANA	29.2	2.0%	✓	38.1	0.0%	✓
MAINE	45.6	15.1%	✓	49.9	35.3%	✓
MARYLAND	12.7	3.1%	✓	1/		NA
MASSACHUSETTS	29.0	7.3%	✓	73.3	44.6%	✓
MICHIGAN	49.2	5.2%	✓	63.9	38.4%	✓
MINNESOTA	30.6	17.0%	✓	30.8	42.5%	
MISSISSIPPI	25.2	3.7%	✓	70.4	1.2%	✓
MISSOURI	24.1	10.4%	✓	34.9	0.0%	✓
MONTANA	78.3	7.2%	✓	86.4	52.2%	✓
NEBRASKA	36.2	20.6%	✓	39.5	53.1%	
NEVADA	34.5	6.0%	✓	58.7	31.7%	✓
NEW HAMPSHIRE	37.3	5.5%	✓	44.6	1.6%	✓
NEW JERSEY	26.5	14.7%	✓	1/		NA
NEW MEXICO	15.9	8.5%	✓	16.8	35.6%	
NEW YORK	37.5	15.0%	✓	58.8	38.5%	✓
NORTH CAROLINA	14.5	10.0%	✓	30.9	55.0%	
NORTH DAKOTA	31.5	10.7%	✓	1/		NA
OHIO	44.9	11.6%	✓	51.5	49.2%	✓
OKLAHOMA	35.2	0.0%	✓	31.4	4.2%	✓
OREGON	98.2	0.0%	✓	95.2	9.8%	✓
PENNSYLVANIA	19.3	9.9%	✓	21.8	26.3%	
PUERTO RICO	6.8	17.1%		1/		NA
RHODE ISLAND	27.5	19.3%	✓	32.4	51.1%	
SOUTH CAROLINA	42.7	19.0%	✓	60.9	48.5%	✓
SOUTH DAKOTA	39.2	11.2%	✓	1/		NA
TENNESSEE	43.2	2.0%	✓	39.1	4.6%	✓
TEXAS	25.2	5.2%	✓	44.3	47.9%	
UTAH	39.8	2.5%	✓	49.7	47.5%	✓
VERMONT	2/		NA	2/		NA
VIRGIN ISLANDS	15.5	27.7%		1/		NA
VIRGINIA	27.5	6.8%	✓	26.5	51.8%	
WASHINGTON	48.5	21.1%	✓	45.5	52.2%	
WEST VIRGINIA	33.4	19.2%	✓	37.2	46.8%	
WISCONSIN	64.0	0.0%	✓	39.2	0.0%	✓
WYOMING	55.3	0.0%	✓	65.8	4.9%	✓

KEY

1/ State does not have any two-parent families in its TANF Program.

2/ State claims waiver inconsistencies exempt all cases from participation rates.

3/ The work participation rate standard before the application of the caseload reduction credit is 30% for the overall rate and 75% for the two-parent rate.

ACF/OPRE: 07-231-99

THE WHITE HOUSE

Office of the Vice President

For Immediate Release
Monday, August 2, 1999

Contact:
(202) 456-7035

VICE PRESIDENT GORE ANNOUNCES FEDERAL GOVERNMENT IS DOING ITS SHARE IN MOVING FAMILIES FROM WELFARE TO WORK

Washington, DC -- Vice President Gore announced today that the federal government has hired over 14,000 welfare recipients since launching the Federal Welfare-to-Work Hiring Initiative in March 1997, far exceeding the goal to hire 10,000 individuals by the year 2000. And, new data from the U.S. Office of Personnel Management show that federal Welfare-to-Work hires are not only getting off welfare, but they are staying off and succeeding in their new jobs.

"More and more people are moving from welfare to work, and I'm proud the federal government is doing its part," said Vice President Gore. "And I'm particularly pleased that nearly 70 percent of federal Welfare-to-Work hires were still on board with us after one year -- a far higher retention rate than for other federal employees. Clearly, welfare to work can pay off for both employers and employees."

As of September 1998, almost 70 percent of federal Welfare-to-Work hires were still working in their federal positions after one year. In comparison, only 37 percent of the non-Welfare-to-Work employees hired during the same period for similar jobs and pay levels, were still in their jobs. These results are consistent with the experience of the private sector employers involved in The Welfare-to-Work Partnership. Businesses in dozens of industries find that welfare-to-work retention is often higher than that experienced with non-welfare hires. Welfare hiring programs not only help meet labor needs, but decrease costly employee turnover.

Today, Vice President Gore will talk with successful federal Welfare-to-Work hires from several agencies around the country. Dedicated cabinet secretaries and agency coodinators have hired over 14,000 individuals in jobs such as Clerks, Food Service Workers, Enumerators, and Motor Vehicle Operators in hundreds of federal offices nationwide. Four out of five federal Welfare-to-Work hires work outside the Washington area. As part of this effort, the White House pledged to hire six welfare recipients and has already brought eight individuals on board.

Vice President Gore's *Second Annual Report to the President on the Federal Welfare-to-Work Hiring Initiative* highlights strategies that agencies use to recruit and retain their federal Welfare-to-Work hires. Retention strategies include: on-the-job training, mentoring programs, counseling services, health benefits, assistance with transportation and child care, flexible work schedules, and information on supports for working families such as the Earned Income Tax Credit.

"Welfare-to-Work works for federal employers," said U.S. Office of Personnel Management Director Janice Lachance. "Federal Welfare-to-Work hires are almost twice as likely to stay on the job for a full year than non-Welfare-to-Work employees. What a great incentive to keep the momentum going."

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Agency	Total Commitment Thru 2000	Hires Reported Thru July 22	% of Total Year 2000 Commitment Hired since 3/8/97
Commodity Futures Trading Commission	--	3	--
Department of Agriculture	375	559	149%
Department of Commerce	4180	4953	118%
Department of Defense	1600	2634	165%
Department of Education	21	26	124%
Department of Energy	55	73	133%
Department of Health & Human Services	300	362	121%
Department of Housing & Urban Development	200	142	71%
Department of the Interior	325	246	76%
Department of Justice	450	305	68%
Department of Labor	120	161	134%
Department of State	220	56	25%
Department of Transportation	400	290	73%
Department of the Treasury	405	1870	462%
Department of Veterans Affairs	800	1380	173%
Environmental Protection Agency	120	85	71%
Equal Employment Opportunity Commission	--	9	--
Executive Office of the President	6	8	133%
Federal Emergency Management Agency	125	69	55%
General Services Administration	121	102	84%
National Aeronautics & Space Administration	40	32	80%
National Archives & Records Administration	--	32	--
National Credit Union Administration	--	5	--
National Endowment for the Humanities	--	1	--
National Labor Relations Board	--	1	--
Office of Government Ethics	--	1	--
Office of Personnel Management	25	58	232%
Railroad Retirement Board	--	1	--
Securities & Exchange Commission	10	12	120%
Small Business Administration	120	61	51%
Social Security Administration	600	463	77%
U.S. Information Agency	20	27	135%
U.S. Nuclear Regulatory Commission	--	1	--
TOTAL	10638	14028	132%

Welfare to Work Q&As
August 3, 1999

Today's Announcements

Q: What is the President announcing today?

A: Today, three years after enactment of the welfare reform law, President Clinton will announce that all 50 states met the law's overall work requirements in 1998, and nearly four times more of those on welfare are working than when he took office. These are the first work data from every state to be released under the 1996 welfare reform law, and they confirm a growing body of evidence that three years later, record numbers of people are moving from welfare to work. These findings, along with new figures showing caseloads have declined by 6.8 million since the President took office, will be contained in a report transmitted to Congress today. The President will make these announcements at a National Forum convened by The Welfare to Work Partnership, whose companies have hired over 410,000 welfare recipients. At the National Forum, the President will talk to former recipients about their experiences moving from welfare to work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

Q: What's the significance of the work participation rates released today?

A: These are the first full year of work data available under the 1996 welfare reform law, and the first data available for all states. The data to be released by the President today show that every state and the District of Columbia met the welfare law's overall work requirement for 1998, which requires 30 percent of families to have a parent working at least 20 hours per week. Nationally, 35 percent of all welfare recipients were working in 1998, confirming that we are dramatically changing the welfare system to focus on work. Not all states met the law's two parent work rates, which require 75 percent of two parent families to work: of the forty-one states subject to the rate, 28 met it. These data cover fiscal year 1998 (October 1, 1997 through September 30, 1998). Last December, HHS released data for that 39 states that were required to meet the work rates for the last quarter of FY 1997 (July 1, 1997 – September 30, 1997), showing that all 39 states met the overall work requirement and 15 states met the two-parent rate.

NOTE: A table with state-by-state participation rate data has been provided to the press office.

Q: How do the participation rates work?

A: Under the new welfare reform law, states are required to have a specific percentage of their welfare cases involved in work activities for each year. There are two rates for FY 1998: 30 percent of all TANF families must be engaged in work activities (for at least 20 hours per week) and 75 percent of two-parent TANF families must be engaged in work activities (for at least 35 hours per week). The two-parent families make up only a small percentage of the total caseload, less than 10 percent nationwide. About three-quarters of those counting toward the work rates were in a direct work activity (unsubsidized employment, subsidized employment, work experience or community service, with the vast majority of these in unsubsidized employment). The remainder fulfilled their participation requirements through job search, education, and training.

Q: What happens to states that don't meet the work participation rate?

A: States that don't meet the work participation rate are subject to a penalty, and will have the opportunity to propose a corrective action plan to fix the problem and avoid financial sanctions.

Q: Isn't it true that some states only met the participation rate because they reduced their welfare caseloads?

A: The law provides states with credit for those who left the welfare rolls, to ensure success is not simply measured by those who stay on welfare and work. However, two-thirds of states met or exceeded the all family work rate without the caseload reduction credit, and nationally, 35 percent of all families were working – exceeding the target of 30 percent.

The "caseload reduction credit" in the law reduces a state's participation rate target by the number of percentage points its caseloads declined between 1995 and 1997. For example, if a state's caseload went down by 10 percent between 1995 and 1997, its participation rate target for all families is reduced from 30 percent to 20 percent.

Q: What is the basis for saying the number for people working has quadrupled?

A: State data reported to HHS shows that four times more of those on welfare are working than when the President took office. Nationally, the percentage of welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998 – the highest level ever recorded. The 27 percent working includes employment, work experience and community service.

Q: How much have welfare caseloads declined?

A: New welfare caseload numbers to be released by the President today show the percent of Americans on welfare is at its lowest level since 1967. The welfare rolls have fallen by 48 percent, or 6.8 million, since January 1993, when they stood at 14.1 million. State-by-state numbers show that since 1992, 31 states have had declines of 50 percent or more. Since the welfare reform law was signed in 1996, caseloads have declined by 4.9 million or 40 percent. Nationally, 2.7 percent of Americans receive welfare benefits funded through the Temporary Assistance for Needy Families program.

NOTE: A table showing state-by-state caseloads has been provided to the press office.

Q: How much of the caseload decline is due to the economy?

A: A new report by the Council of Economic Advisers, released today, finds that the implementation of welfare reform is the single most important factor contributing to the widespread and continuous caseload declines from 1996 to 1998. CEA estimates that the program changes implemented as a result of welfare reform account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy has also played an important role, accounting for approximately ten percent of the decline between 1996 and 1998.

A growing economy does not always produce caseload declines. The General Accounting Office recently testified that during the 1980s, with a booming economy, welfare rolls actually increased by 12 percent. Declines did not begin until 1994, and decreases were modest until welfare reform was enacted.

Q: Is the rate of caseload decline beginning to slow?

A: No. Both the absolute decline (238,000 recipients) and the rate of decline (-3.1 percent) for January to March 1999 is larger than the declines for the same period last year (222,000 recipients and –2.4 percent). However, we would not find it terribly surprising that the rate of decline may be slowing for some states that have reduced their caseloads dramatically over the past few years and are now working with those who have the greatest challenges to employment. That is exactly why we need to make an additional investment in helping those who remain on the rolls move into jobs and to ensure that those who have gone to work succeed in their jobs.

Q: What did the Vice President announce yesterday?

A: The Vice President announced yesterday that the federal government has hired over 14,000 welfare recipients since launching the federal Welfare-to-Work Hiring Initiative in March 1997. We not only exceeded our goal to hire 10,000 individuals by the year 2000, but we did so more than a year ahead of schedule. As a part of this effort, the White House pledged to hire six welfare recipients and has already brought eight individuals on board. And new data compiled by the Office of Personnel Management (OPM) show that welfare-to-work hires have 85 percent higher retention rates: almost 70 percent of federal Welfare-to-Work hires were still working in their federal government positions after one year, compared to 37 percent of the non-Welfare-to-Work employees hired during the same period for similar jobs and pay levels. According to The Welfare-to-Work Partnership, these results are consistent with the experience of the private sector employers.

NOTE: A table showing agency-by-agency hires has been provided to the press office.

The Welfare to Work Partnership Convention

Q: What is the Welfare to Work Partnership and what is the purpose of the Chicago conference?

A: The Welfare to Work Partnership is an independent, nonpartisan entity consisting of businesses committed to hiring welfare recipients into private sector jobs, which was created in response to the President's challenge in the 1997 State of the Union. Over 12,000 businesses of all sizes and industries have joined The Welfare to Work Partnership since its launch at the White House in May 1997, and they have already hired an estimated 410,000 people from the welfare rolls.

The three-day Chicago convention will allow over 2,000 company representatives, federal, state and local officials, and community-based organizations from around the country to participate in over 100 workshops highlighting successful welfare to work strategies they can replicate at home.

Seventy-six percent of companies in The Welfare to Work Partnership have hired former welfare recipients for full-time jobs and the average salary is $17,000 a year. More than 8 in 10 executives have found their new hires are good, productive employees; sixty-five percent of business leaders report that welfare to work hires have the same or higher retention rates than other employees, making welfare to work a smart solution for business.

Q: Who were the participants in today's National Forum with the President?

A: Today, the President participated in a national forum with over 2,000 businesses, federal, state and local officials, community-based organizations, and individuals who have moved from welfare to work around the country. He spoke with large and small businesses from a variety of industries, former welfare recipients who have been hired by these companies, community-based groups who partner with business to recruit and prepare welfare recipients for work and help them succeed on the job, and state and local elected officials.

Next Steps on Welfare Reform

Q: What's the President's agenda for moving more people from welfare to work?

A: Today, the President called for:

- The companies in The Welfare to Work Partnership to hire even more people from the welfare rolls, and to help new employees succeed in the workplace.
- Congress to honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act.
-

- States and communities to use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

- Congress to finish the job by enacting his initiatives to help those families with the greatest challenges move from welfare to work and succeed in the workforce, including:

  ✓ $1 billion to extend the Welfare-to-Work program to help long-term welfare recipients and low-income fathers work and support their families. Welfare-to-Work funds are targeted to those individuals who need the most help, including long-term welfare recipients with low basic skills, substance abuse or poor work history, and are distributed to states and communities based on concentrations of poverty, welfare dependency, and unemployment. Also under the President's proposal, states and communities would use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign personal responsibility contracts committing them to work, establish paternity, and pay child support. The Administration's reauthorization proposal, which has been endorsed by the U.S. Conference of Mayors, is included in H.R. 1482 introduced by Congressman Cardin and S. 1317 introduced by Senator Akaka. The reauthorization would build on the $3 billion Welfare-to-Work program the President secured in the 1997 Balanced Budget Act. To date, communities in nearly every state are using Welfare-to-Work funds to help individuals with the greatest challenges, and today the Vice President announced the Department of Labor would release over $100 million in grants to the states of Alaska, Illinois, Indiana, Kansas, Minnesota, and New Jersey.

  ✓ Significant new funding for child care to help working families meet the cost of child care including: (1) $7.5 billion over five years to expand the Child Care Block Grant, (2) $5 billion over five years in greater child care tax relief, (3) $3 billion over five years in child care quality improvements, (4) a new tax credit for businesses that provide child care services for their workers, and (5) new tax relief for parents who choose to stay at home with their young children. With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $4 billion in additional funds to states to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for federal funded support, yet in 1997, only 1.25 million children received assistance. Ensuring that families who leave welfare for jobs stay employed is one of the next challenges of welfare reform, and reliable, safe, and affordable child care is one of the critical ingredients for parents succeeding in work.

- ✓ Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

- ✓ Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

Q: Why is the President seeking more funding for child care, Welfare-to-Work, housing vouchers, and transportation when states aren't spending all their welfare block grant (TANF) funds?

A: First, not all states have unspent TANF funds -- 19 states have obligated all of their FY 1998 TANF dollars, including large states such as California, Illinois, Ohio and Texas and small states such as Connecticut and Delaware. Many states that have TANF reserves are prudently saving funds for a rainy day. Second, an even more intensive commitment of welfare to work resources will be necessary in the coming years as the work requirements increase and those left on the rolls face the most serious barriers to employment. Third, there is a great need for child care funds -- the Child Care and Development Block Grant serves only 1.25 million of the estimated 10 million children eligible for child care assistance under federal law and states have many more applicants than they can serve. And finally, in many regions, jobs are being created far from where many welfare recipients live -- 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 -- and new housing vouchers and transportation efforts are needed to help people get to work.

Q: Why aren't states spending their TANF funds more quickly and why shouldn't Congress reallocate these unused resources?

A: It would be a serious mistake to undermine the successful welfare to work efforts underway across the nation by cutting the TANF block grant. Today, the President called on states to use the available TANF resources and flexibility to invest in helping those remaining on the rolls who may face the greatest challenges and to support working families who have left welfare or to prevent them from returning to the rolls – investments they know they can make with TANF funds given the final welfare regulations, released by the President April 10th.

Q: Isn't it true that some states don't even want this Welfare-to-Work money?

A: Demand for Welfare-to-Work funds continues to be strong. In FY 1998, 44 states applied for formula funds and the Department of Labor received 1,400 applications for competitive grants totaling $5 billion and only had funds to award grants of $468 million. This year, 42 states have already applied for formula funds.

Other Welfare Reform Issues

Q: How do you respond to critics who say we don't know what's happening to people leaving welfare?

A: Numerous independent studies confirm that people leaving the rolls are going to work. Results from a new national survey released yesterday by the Urban Institute found 69 percent of recipients had left welfare for work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. A recent General Accounting Office report based on state surveys found that between 63 and 87 percent of adults have worked since leaving the welfare rolls, results similar to state studies funded by the Department of Health and Human Services. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

We will soon know more about the employment status of those leaving the rolls when HHS completes its analysis of data from the states applying for the High Performance Bonus that will reward states with the most success in placing welfare recipients in jobs and ensuring they succeed in those jobs. According to HHS, 46 states have submitted these data. In addition, HHS has funded numerous state and national research efforts that will enhance our knowledge on these important questions.

Q: What are the implications of the study released by the Urban Institute yesterday?

A: This new national survey released yesterday confirms what has been shown in a number of state-specific studies – most women who have left welfare are working. The study found 69 percent of recipients left welfare for work, and 18 percent left because they had increased income, no longer needed welfare, or had a change in family situation. The report also found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four.

Q: Didn't the Urban Institute study find that former welfare recipients are struggling to pay their bills and put food on the table?

A: The Urban Institute found that low income families – whether or not they used to be on welfare – have trouble paying bills and putting food on the table, and former welfare recipients have slightly more difficulty. To help low income working families like these is why the President is pushing an increase in the minimum wage to $6.15 an hour, which would provide a full-time worker with another $2,000 a year, enough to buy groceries for 7 months or pay for 5 months' rent. Also, last month the President took executive action to help ensure working families access to food stamps, by: (1) allowing states to make it easier for working families to own a car and still be eligible for food stamps; (2) simplifying food stamp reporting rules to make it easier for families to get food stamps; and (3) launching a nationwide public education campaign and a toll-free hotline to help working families know whether they're eligible for food stamps. Families with earnings up to 130 percent of poverty ($8.50 an hour for a family of three) can be eligible for food stamps to supplement their income and help buy food for their families, but only two of five working families eligible for food stamps actually apply for and receive them. And, finally, the President's proposal to increase child care subsidies and tax credits for low income families would help low income working families pay one of their largest monthly expenses.

Background: The report found 28 percent of families under 200 percent of poverty who were not recently on welfare and 39 percent of former welfare recipients sometimes cannot pay bills. Similarly, 36 percent of families not formerly on welfare and 49 percent of former welfare recipients said food doesn't always last through the month.

Q: What has the President done to help welfare reform succeed?

A: The President started reforming welfare early in his first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the Earned Income Tax Credit and the minimum wage to make work pay, and pushing the Congress for nationwide welfare reform legislation which he signed into law in August 1996. Since 1996, he has launched The Welfare to Work Partnership which now includes 12,000 businesses that have hired an estimated 410,000 welfare recipients; issued an executive order to ensure the federal government hired its share of welfare recipients -- over 14,000 hired to date; encouraged the launching of the Vice President's Coalition to Sustain Success, a coalition of national civic, service, and faith-based groups are working to help these new workers with the transition to self sufficiency; fought for and won additional funds for welfare to work efforts for long term recipients in high poverty areas ($3 billion in Department of Labor Welfare-to-Work funds enacted in the Balanced Budget Act), a new tax credit to encourage the hiring of long term recipients, and funding for welfare to work transportation ($75 million in FY 1999) and welfare to work housing vouchers (50,000 enacted to date); and put in place new welfare rules (announced April 10th) that make it easier for states to use TANF funds to provide supports for working families such as child care, transportation, and job retention services.

Q: Has welfare reform caused declines in food stamp and Medicaid rolls and what is the Administration going to do about it?

A: While the latest Medicaid enrollment figures show that there was a decline in the Medicaid rolls from 1996 to 1997, it is too early to say with confidence what has caused the decline. There are a number of factors, such as fewer people in poverty, lower rates of unemployment, and the decline in the number of employees participating in employer-sponsored health insurance that contribute to any change in enrollment numbers. It's also important to note that while Medicaid enrollment has declined since 1996, the number of people under the poverty level who are uninsured has not increased in that period.

Similarly with food stamps, there are a number of factors contributing to the decline in food stamp participation, such as the strength of the nation's economy allowed participants to find work, reducing their need for food stamps; the success of the Temporary Assistance for Needy Families (TANF) has moved participants from welfare to work, with an increase in income sufficient to eliminate the need for food stamps; working families don't realize they are eligible for food stamps and have difficulty obtaining them leading some participants to leave the program unnecessarily and discouraging others from applying for benefits; changes in program rules under welfare reform restricted the participation of immigrants and unemployed childless adults (these changes explain less than 20 percent of the decline).

The President recently announced steps that will go a long way to ensuring working families have access to the food stamp program (see above) and extensive outreach efforts are under way in all 50 states to enroll children in health insurance as part of the implementation of the Children's Health Insurance Program. In addition, both USDA and HHS is working aggressively to enforce the law requiring states to provide Medicaid and Food Stamp applications upon request and ensuring they process them without delay, regardless of the state rules governing the TANF application.

Additional Welfare to Work
Question and Answer
August 3, 1999

Q: When did the President challenge the private sector to hire from the welfare rolls and how has the business community responded?

A: When the President signed the welfare bill into law in August 1996, he challenged everyone in society -- businesses, nonprofits, religious institutions, individuals, those in government -- to help people move from welfare to work. Then in his State of the Union address the following January, he announced that five companies -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- would be "the first to join in 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 with 105 companies, and now includes over 12,000 companies that have hired over 410,000 people from the welfare rolls.

Date	Event	Challenge/Announcement
January 1997	State of the Union	The President announced five companies -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- would be the first to join a new national effort to encourage businesses to hire from the welfare rolls.
May 1997	White House	The President helped launch The Welfare to Work Partnership with 105 business members that pledged to hire from the welfare rolls, announcing a goal of growing to 1,000 within a year.
August 1997	St. Louis MO	The President announced the Partnership had grown to 800 businesses.
November 1997	Wichita KS	The President announced the Partnership had grown to 2,500 companies, and he challenged them to grow to 10,000.
May 1998	White House	At an event marking the first anniversary of the Partnership, the President announced more than 5,000 companies have joined and they have hired 135,000 people from the welfare rolls. The President challenged them to double their hiring.
January 1999	State of the Union	The President announced 10,000 companies have joined the Partnership.
March 1999	San Francisco	The Vice President announced the 10,000 companies in the Partnership have hired 410,000 people from the welfare rolls.

Karin Kullman 08/02/99 06:31:36 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Cynthia A. Rice/OPD/EOP@EOP, Andrea Kane/OPD/EOP@EOP, Thomas L. Freedman/OPD/EOP@EOP

cc:
Subject: Welfare to Work Conference & New Markets Tour

I wanted to get back to you all about those CEOs/companies that were both involved in the New Markets tour and will be at tomorrow's conference.

Cathy Bessant, Bank of America -Was on new markets tour
-Will be in Meet & Greet
-POTUS will call on her and ask about the connection between welfare to work and new markets.

Chip Raymond, Citigroup Foundation -Sandy Weill from Citi was on the new markets tour
-Chip will be in meet & greet

Barry Zigas, Fannie Mae - Frank Raines from Fannie Mae was on new markets tour
-Barry will be in meet & greet

Lea Soupata, UPS -Was on new markets tour
-Will be in meet & greet, along with Jim Kelly of UPS

THE EFFECTS OF WELFARE POLICY AND THE ECONOMIC EXPANSION ON WELFARE CASELOADS: AN UPDATE

August 3, 1999

A Report by the Council of Economic Advisers

This study could not have been completed without the generous assistance of the Department of Health and Human Services in providing data and program information.

THE EFFECTS OF WELFARE POLICY AND THE ECONOMIC EXPANSION ON WELFARE CASELOADS: AN UPDATE

EXECUTIVE SUMMARY

This study investigates the causes behind recent changes in welfare caseloads, updating a 1997 CEA report of caseload change.

- *The fall in welfare caseloads has been unprecedented, wide-spread, and continuous, and employment of welfare recipients has increased.* 14.1 million people received welfare in January 1993, and this number had fallen to 7.3 million by March 1999, according to estimates released today (August 3, 1999). In 31 states the caseload is less than half of what it was when President Clinton took office, and all states have experienced double-digit percentage declines. For 22 states, the percent drop during 1998 was larger than during 1997 (from January to December). Previous analyses by the Department of Health and Human Services show that the percentage of welfare recipients working tripled between 1992 and 1997, and an estimated 1.5 million adults who were on welfare in 1997 were working in 1998.

- *The 1996 legislation has been a key contributor to the recent declines.* PRWORA produced a dramatic change in welfare policy: work and self-sufficiency became a primary goal; state and local governments were given much greater control of their programs; and states experimented with a host of program designs. The evidence suggests that these changes caused a large drop in welfare participation, a drop that is independent of the effects of the strong labor market. The estimates imply that TANF has accounted for roughly one-third of the reduction from 1996 to 1998, the last year of data analyzed in this study. In the earlier years, 1993-1996, most of the decline was due to the strong labor market, while welfare waivers played a smaller yet important role.

- *The strong labor market has made work opportunities relatively more attractive, drawing people off welfare and into jobs.* The unemployment rate has not declined as much in the post-TANF period as it did in the 1993-96 waiver period. As a result, the share of the decline in the caseload that is attributable to improvements in the labor market was much higher in the 1993-96 period (roughly 26 to 36 percent) than in the 1996-98 period (8 to 10 percent).

- *Past increases in the minimum wage have made work more attractive and, as a result, caused welfare participation to decline.* The estimates imply that a $0.50 increase in the minimum wage has been associated with a decline in welfare participation of 4 to 6 percent.

- *The specific program design adopted by a state can affect its caseload declines.* The study examines the effects of a number of specific policies, including family caps, earnings disregards, time limits, work exemptions, and work sanctions on the size of the caseload.

The large sustained declines in caseloads provide one piece of evidence about the effectiveness of welfare reform efforts. However, there are multiple indicators of the impact of welfare reform, including changes in work and earnings among welfare leavers, in marriage rates and out-of-wedlock pregnancies, and in poverty rates. The Clinton Administration is collecting and tracking information on all of these measures in order to fully assess the impact of welfare reform.

THE EFFECTS OF WELFARE POLICY AND THE ECONOMIC EXPANSION ON WELFARE CASELOADS: AN UPDATE

OBJECTIVE OF STUDY & SUMMARY OF FINDINGS

From the start of the Clinton Administration to March 1999, the number of people receiving welfare declined by 6.8 million. In 31 states the caseload is less than half of what it was when President Clinton took office. Not since 1967 has such a small share of the population received welfare. Not only have the declines been large, they have also been widespread and continuous (Table 1). Between 1993 and 1998 (the last year of data analyzed in this study), all 50 states and the District of Columbia experienced double-digit percent reductions in welfare participation, and in most states the declines were unprecedented. Although a substantial share of the reduction occurred between 1994 and 1996, in many states the largest declines have occurred more recently. In fact, in 22 states the percentage decline during 1998 (from January to December) was greater than it was in 1997.

This study updates and extends a 1997 Council of Economic Advisers (CEA) report examining the relative importance of a variety of economic and policy changes on caseload declines.[1] The earlier study examined changes in welfare participation between 1993 and 1996; the current study updates that report by including data through 1998. It also analyzes the effects of additional factors, such as changes in the minimum wage as well as the welfare reforms enacted in 1996.

This report uses data from 1976 to 1998 and finds that from 1996-98 policy factors were extremely important, which is not surprising given the scope of the 1996 reform. The 33 percent decline in the recipiency rate between 1996 and 1998 was due in large part to the changes in state welfare programs implemented under the Temporary Assistance for Needy Family (TANF) block grant. Specifically, roughly one-third of the caseload decline between 1996 and 1998 was due to program reforms implemented under TANF, 8-10 percent was due to the improved labor market, about 10 percent was due to the higher minimum wage, and 1-5 percent was due to lower cash welfare benefits.

During 1993-96, roughly 26-36 percent of the caseload decline was due to the improved labor market. The relatively large effect of labor market conditions on the caseload over this period reflects the fact that the decline in unemployment between 1996-98 was much smaller than the decline experienced between 1993-96. Another 12-15 percent of the decline in welfare participation was due to welfare waivers, which were issued to states to allow them to experiment with alternative program designs. The caseload fell 6-22 percent because of lower inflation-adjusted welfare benefits. The real value of the minimum wage fell between 1993 and 1996 (the increase in the minimum wage in 1996 occurred in October, so it was not effective most of the year), which by itself would have caused the caseload to increase by about 10 percent. The remaining change was due to other factors.

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[1] Council of Economic Advisers (1997). "Explaining the Decline in Welfare Receipt, 1993-1996: Technical Report," Executive Office of the President of the United States.

Table 1. Changes in the Number of Recipients in Each State

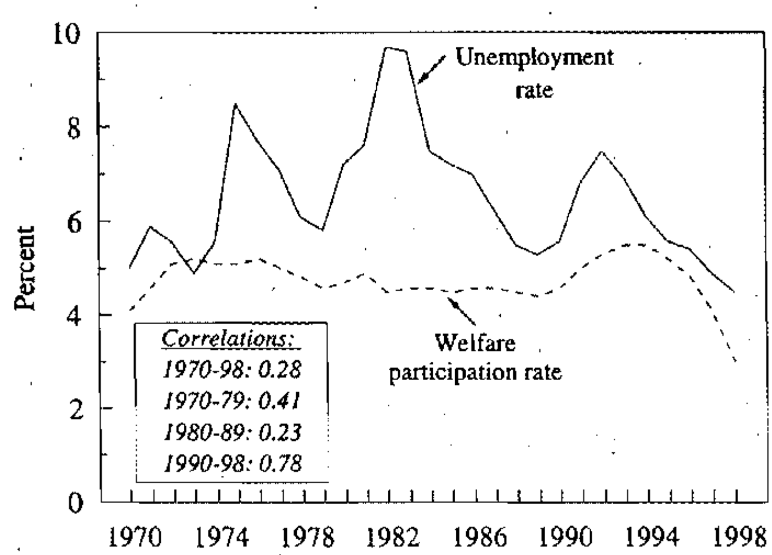
State	Number of recipients		Percentage Change From		
	1993	1998	'93 to '96	'96 to '98	'93 to '98
Alabama	138,465	54,635	-26	-46	-61
Alaska	37,078	29,582	-1	-19	-20
Arizona	199,153	102,511	-16	-39	-49
Arkansas	71,989	32,633	-21	-43	-55
California	2,511,293	1,998,618	3	-23	-20
Colorado	122,890	50,746	-22	-47	-59
Connecticut	162,481	117,777	-2	-26	-28
Delaware	27,736	15,820	-16	-32	-43
DC	69,549	54,856	0	-21	-21
Florida	691,053	261,581	-22	-52	-62
Georgia	398,077	185,052	-15	-45	-54
Hawaii	57,336	46,724	16	-30	-19
Idaho	21,877	3,867	1	-83	-82
Illinois	694,050	476,576	-7	-26	-31
Indiana	215,367	111,176	-35	-21	-48
Iowa	102,438	65,665	-16	-24	-36
Kansas	88,363	34,536	-26	-47	-61
Kentucky	220,766	119,360	-22	-31	-46
Louisiana	259,762	124,800	-12	-46	-52
Maine	66,914	39,423	-18	-28	-41
Maryland	219,998	116,456	-11	-40	-47
Massachusetts	321,219	167,043	-28	-27	-48
Michigan	689,139	332,240	-26	-35	-52
Minnesota	192,173	143,685	-12	-15	-25
Mississippi	168,924	52,523	-26	-58	-69
Missouri	262,382	147,105	-14	-35	-44
Montana	34,875	19,540	-13	-35	-44
Nebraska	47,840	36,665	-20	-4	-23
Nevada	36,009	25,472	-2	-28	-29
New Hampshire	29,797	15,409	-22	-34	-48
New Jersey	345,370	196,947	-19	-30	-43
New Mexico	97,246	74,170	2	-25	-24
New York	1,215,526	886,746	-5	-23	-27
North Carolina	335,620	169,144	-20	-37	-50
North Dakota	18,215	8,541	-28	-35	-53
Ohio	712,277	340,179	-24	-37	-52
Oklahoma	135,762	61,191	-27	-38	-55
Oregon	117,852	46,001	-31	-43	-61
Pennsylvania	610,531	360,009	-14	-32	-41
Rhode Island	62,187	54,150	-8	-6	-13
South Carolina	146,280	60,110	-22	-48	-59
South Dakota	19,913	9,653	-21	-39	-52
Tennessee	310,486	149,089	-20	-40	-52
Texas	784,816	370,857	-16	-44	-53
Utah	52,144	28,258	-25	-28	-46
Vermont	28,301	19,643	-12	-21	-31
Virginia	194,765	99,053	-20	-36	-49
Washington	289,965	202,573	-6	-25	-30
West Virginia	118,113	38,638	-25	-56	-67
Wisconsin	235,247	40,167	-33	-75	-83
Wyoming	17,859	2,471	-32	-80	-86
Total	14,007,468	8,199,666	-13	-33	-41

Data are the average monthly caseloads for the calendar year.

WELFARE PARTICIPATION AND THE LABOR MARKET

Caseloads normally fluctuate with the business cycle, rising in periods of high unemployment and declining when unemployment falls. Chart 1 illustrates this relationship between labor market opportunities and welfare participation over the past three decades. When unemployment increased in the early 1970s, so did welfare participation. The increase in welfare participation in the late 1980s and early 1990s, as well as the decline that began in 1994, also correspond with changes in employment opportunities during these periods. However, the trend in welfare participation does not always match that in unemployment, most notably when other important changes are taking place, including changes in family structure and welfare policies.

Chart 1. Welfare Participation and Unemployment Rates



Economic conditions vary across states as well as over time. Chart 2 displays a scatterplot of the unemployment rate versus the welfare participation rate for each state and the District of Columbia in 1994 when participation was near its peak. This relationship is quite strong, with a simple correlation of 0.65. While this correlation suggests a strong role for economic factors, it is likely to overstate their true role. Characteristics of states that influence their unemployment rates may also influence welfare participation. These characteristics include the age distribution, educational level, metropolitan/rural population shares, and racial and ethnic composition. While these factors may change over time, such change occurs more slowly than changes in policy or economic conditions.

One way to eliminate the effects of these "fixed" factors is to examine changes over time within states, which is the approach employed in this study. Chart 3 displays the simple relationship between the *change* in the unemployment rate and the *change* in the welfare participation rate in each state between 1994 and 1998. It demonstrates that once unchanging state characteristics are removed, the relationship between the unemployment rate and caseloads is not nearly as strong as the simple cross-sectional one, with a correlation of 0.17.

Chart 2. Welfare Participation Rate Versus Unemployment Rate for Each State, 1994

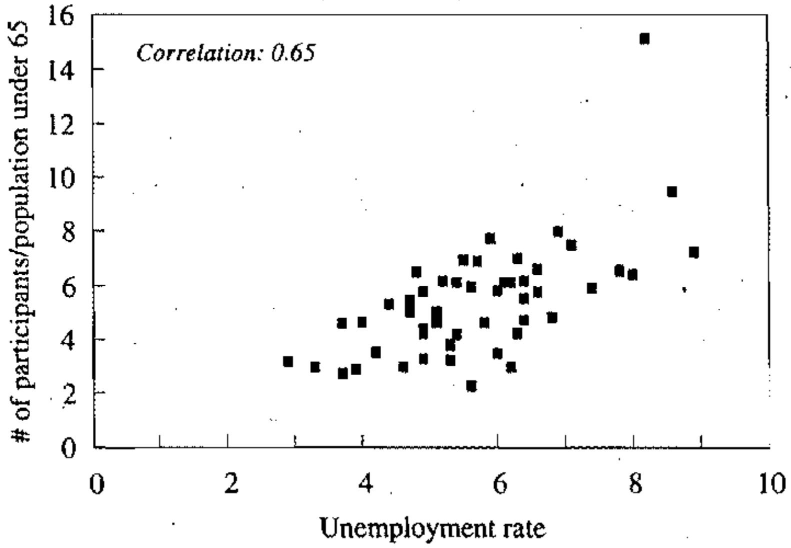
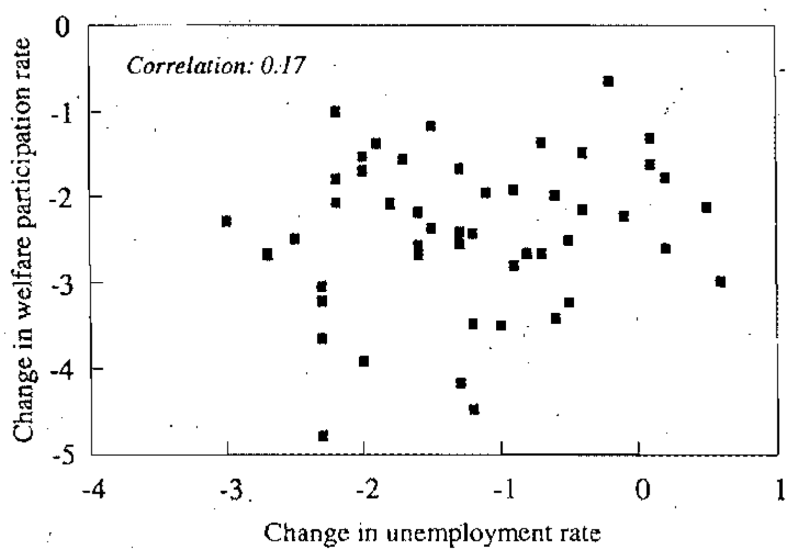


Chart 3. Change in Welfare Participation Rate Versus Change in Unemployment Rate for Each State, 1994-98



The changes over time for the nation as a whole also suggest that factors other than the economy have a substantial effect on welfare participation (Chart 1). For example, increases in welfare participation during the recession of the early 1980s were truncated by eligibility restrictions that were part of President Reagan's welfare reform efforts in 1982. As a result, over the entire 1980s the simple correlation between unemployment and welfare participation was much lower (0.23) than it was in the 1970s (0.41) or the 1990s (0.78).

FEDERAL AND STATE POLICIES

A number of key policy changes have been implemented in recent years and might be expected to have had an impact on welfare participation and caseloads.

Welfare Waivers

Since 1962 the Secretary of Health and Human Services has had the authority to waive federal program requirements in the Aid to Families with Dependent Children (AFDC) program if a state proposed experimental or pilot programs that furthered the goals of AFDC. Although there were a few waivers granted in the early 1980s, it was not until the early to mid-1990s that major, state-wide waivers became widespread. Between 1993 and 1996, the Clinton Administration issued welfare waivers to 43 states, more than any previous Administration. Table 2 lists the date that each state implemented a major state waiver.

These waivers varied substantially across states, and in many cases they differed greatly from the rules under AFDC. Some waivers increased the amount of earnings recipients were allowed to keep and still be eligible for welfare. Other waivers expanded work requirements to a larger number of recipients, established limits on the length of time recipients could remain on aid, permitted states to sanction participants who failed to meet work requirements, or allowed states to eliminate benefit increases to families who conceived and gave birth to children while on welfare (the so-called "family cap"). Given the widespread use of waivers and the degree to which these policies differed from traditional AFDC policy, there is substantial reason to believe that waivers contributed to changes in welfare caseloads.

Like the 1997 CEA study, this report focuses on six "major" types of waivers that received approval to be implemented state-wide[2]: termination time limits, work requirement time limits, family caps, JOBS exemptions, JOBS sanctions, and the earnings disregard. Each of these policies was discussed in detail in the appendix to the 1997 CEA Technical Report.[3]

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[2] In a few instances waivers were examined which were not approved to be implemented state-wide but affected a large share of the state's caseload.

[3] It was determined that the waiver in West Virginia, which was considered a "major" waiver in the 1997 CEA study, did not in fact meet this requirement (Martini and Wiseman, 1997), which is reflected in Table A1.

Table 2. Dates of Major Welfare Waivers and TANF Implementation

	Date of First Major Waiver Implementation	TANF Implementation Date
Alabama		11/15/96
Alaska		7/1/97
Arizona	11/1/95	10/1/96
Arkansas	7/1/94	7/1/97
California	12/1/92	1/1/98
Colorado		7/1/97
Connecticut	1/1/96	10/1/96
Delaware	10/1/95	3/10/97
DC		3/1/97
Florida		10/1/96
Georgia	1/1/94	1/1/97
Hawaii	2/1/97	7/1/97
Idaho		7/1/97
Illinois	11/23/93	7/1/97
Indiana	5/1/95	10/1/96
Iowa	10/1/93	1/1/97
Kansas		10/1/96
Kentucky		10/18/96
Louisiana		1/1/97
Maine		11/1/96
Maryland	3/1/96	12/9/96
Massachusetts	11/1/95	9/30/96
Michigan	10/1/92	9/30/96
Minnesota		7/1/97
Mississippi	10/1/95	7/1/97
Missouri	6/1/95	12/1/96
Montana	2/1/96	2/1/97
Nebraska	10/1/95	12/1/96
Nevada		12/3/96
New Hampshire		10/1/96
New Jersey	10/1/92	7/1/97
New Mexico		7/1/97
New York		11/1/97
North Carolina	7/1/96	1/1/97
North Dakota		7/1/97
Ohio	7/1/96	10/1/96
Oklahoma		10/1/96
Oregon	2/1/93	10/1/96
Pennsylvania		3/3/97
Rhode Island		5/1/97
South Carolina		10/12/96
South Dakota	6/1/94	12/1/96
Tennessee	9/1/96	10/1/96
Texas	6/1/96	11/5/96
Utah	1/1/93	10/1/96
Vermont	7/1/94	9/20/96
Virginia	7/1/95	2/1/97
Washington	1/1/96	1/10/97
West Virginia		1/11/97
Wisconsin	1/1/96	9/1/97
Wyoming		1/1/97

Some of the waivers that were approved for state-wide implementation were initially implemented state-wide, some were implemented in selected areas of the state, while still others began in small regions of the state but were eventually phased in state-wide. Information on the pace of implementation is not available for all states. Therefore, the date that is used to signal implementation is the date that the waiver began to be implemented.[4]

The statistical analysis in this report, as in the earlier CEA report, compares states that did and did not have welfare waivers, determining whether those states that implemented waivers experienced larger caseload declines than those that did not. It improves on the earlier report by using the actual date the waivers were implemented in the states rather than the dates they were approved by HHS. In making these comparisons, the current analysis also adjusts for other differences across these states that may account for the differential decline, including economic conditions, cash benefit levels, and the minimum wage.

PRWORA

Enacted in August of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) is designed to emphasize self-sufficiency and employment in place of welfare dependency and gives states greater flexibility to design and implement programs to achieve these goals. Benefits are time-limited; adults usually cannot receive Federal aid for more than 5 years during their lifetime, and some States have chosen to set shorter time limits. Most recipients must also participate in a work activity within two years to continue receiving aid.

PRWORA abolished the AFDC program and established the Temporary Assistance for Needy Families (TANF) block grant to help states fund their welfare programs. Under the TANF block grant, Federal assistance consists of an annual fixed transfer to each state equal to the amount of federal transfers the state received in fiscal year 1994, 1995, or the average of 1992-4, whichever was higher. In addition, most of the authority to design welfare programs was passed along to the States, who are required to have half of all recipients working by 2002 (40 percent by 2000). As a result, there are now substantial differences in how welfare programs operate across the nation. Some states increase benefits to welfare families who have additional children, while others do not. Some states stop payment of benefits to the entire family at the first instance of their failure to meet work activity requirements, while other states never sanction more than the adult. Most states allow welfare recipients to keep a substantial portion of their labor market earnings without reducing their welfare payments, while others do not. We investigate both the overall effect of TANF-funded programs on caseloads, as well as the impact of specific policy choices made by the states as part of their waiver or TANF-funded plan.

The effects of the new state programs implemented under the TANF block grant are estimated by examining changes in each state's caseload before and after it implemented TANF, again, after adjusting for other factors such as the unemployment rate and the minimum wage. States were required to submit their TANF plans to the Department of Health and Human Services for approval no later than July 1, 1997. Some states moved quickly after PRWORA was passed to enact TANF-funded programs, building on their welfare reform waivers, while other states operated for a period of time

[4] Somewhat larger effects are estimated when the date of approval, which was utilized in the 1997 CEA study, is used instead of the date of implementation, as described in appendix A of the technical report.

under the older AFDC program rules.[5] The date that each state implemented its TANF program is listed in Table 2.

Minimum Wage

A higher minimum wage can make work more attractive, giving welfare recipients a greater incentive to enter the workforce and leave public assistance. On the negative side, if a higher minimum wage reduces employment of low-skilled workers, some people may lose their jobs and enter welfare. At the same time, an increase in the minimum wage may lead employers to substitute away from teenagers (a relatively large share of whom work for the minimum wage) and towards older welfare workers (who are perhaps not as likely to work at the minimum wage, but more likely than teenagers to be working just above the minimum). The latest empirical evidence is mixed, but most studies find either modest or no disemployment effects associated with past increases in the minimum wage.

The minimum wage also varies among states, with 15 states having minimums above the federal floor at some point during the period analyzed in the study (1976-1998). Therefore, the study compares the relationship between welfare participation and minimum wages over time and across states.

AFDC/TANF Benefit Levels

States have long set their own level of maximum monthly benefit payments, with variation by family size and composition. All else equal, higher benefit levels are expected to increase the number of participants. Over the period of this study, the inflation-adjusted level of welfare benefits fell in almost all states. In some cases the state explicitly lowered (or raised) benefits, but in most states benefit levels were fixed and eroded over time with inflation.

DATA AND METHODOLOGY

Using annual calendar year data from 1976 to 1998 on all states and the District of Columbia, the analysis is based on 1,173 observations. A set of models are estimated which correlate movements in welfare participation with movements in state unemployment rates, state AFDC/TANF benefit levels, state/federal minimum wage levels, the implementation of state waivers, and the implementation of state TANF-funded welfare programs.[6]

The estimated models also control for the characteristics of states that are largely unchanged over the entire (1976-98) time period, and for changes in each year that are common to all states. In technical jargon this is known as controlling for state and year fixed effects; this technique is used in most existing studies of annual caseload changes. The estimates are based on a technique known as

[5] In most cases, the waiver concept becomes meaningless once TANF was implemented because states were given broad control over their welfare policies. In particular, states could operate the broad categories of policies under TANF, whether or not they were continuing a waiver. However, if a state continued a time limit waiver, then participants' time clocks in that state would have been running prior to TANF implementation. As a result, these participants would reach their time limits more quickly than if their clock would have been reset on the date of TANF implementation.

[6] Most of the data used in the analysis come from well-known sources, with a few exceptions. The information on implementation dates as well as program waivers and TANF were obtained from the Department of Health and Human Services and the Urban Institute (Gallagher et al., 1998).

weighted least squares, which uses the data across states and over time, and weights the data in each state by its overall population. A Technical Report is available which provides more details on the data and the estimation procedures for interested readers. As always in such studies, we estimate a variety of slightly different models to test the robustness of our results to the exact set of variables included.

The results of this methodology are to estimate the effect of changes in the economy or in policies *over time within a state* on the caseload in that state. Hence, the results are the direct result of asking "If variable X changes over time within a state, what will be the effect on caseloads in that state?" This is clearly the question in which we are most interested. It allows us to measure the effects of (say) waiver implementation or unemployment changes on caseload changes over time.

This approach is very similar to the approach used in the 1997 study. One difference is that the earlier study emphasized models that incorporated a "lead" effect of waiver policies. That is, waivers were allowed to affect caseloads one year prior to the date they were approved. While the current study also reports models that incorporate leads, the preferred models do not contain leads, since the leads may capture more than the causal effects of these policies. (For example, perhaps states with recently declining caseloads had slack resources and manpower to design and submit a waiver.) This difference explains why waivers were found to account for 31 percent of the change between 1993 and 1996 in the 1997 study, but only 12-15 percent of the change in the current study.

RESULTS

These results report the estimated effects on caseloads of each of the variables discussed above over the 1976-98 period, holding constant the effects of changes in all other variables. Based on these estimated relationships, chart 4 shows the contribution of various factors in the recent 1996-98 period.

The 1996 welfare reform legislation has been a key contributor to caseload declines since it was enacted. The average state experienced an 18 percent decline in welfare participation following the implementation of their TANF-funded state welfare plan, holding all other policy and economic variables constant. These new state programs funded by the TANF block grant account for roughly one-third of the 33 percent decline in the recipiency rate that has occurred since 1996 (Chart 4).

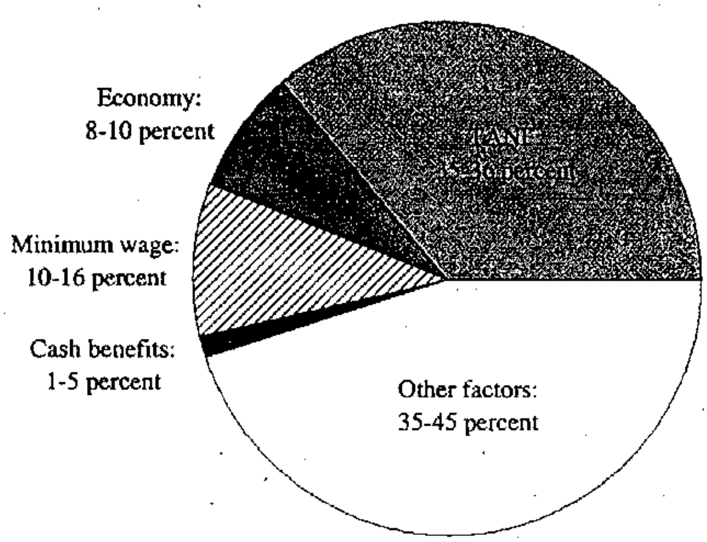
As reported in the earlier CEA study, welfare waivers that were implemented prior to PRWORA explain a substantial share of the caseload decline from 1993 to 1996. States that implemented major waivers experienced an 8-9 percent greater decline in welfare participation than states that did not, holding all other policy and economic variables constant. This accounts for 12-15 percent of the overall decline between 1993-96.

The strong labor market has made work opportunities relatively more attractive, drawing people off welfare and into jobs. The unemployment rate has not declined as much in the post-TANF period (1996-98) as it did in the 1993-96 waiver period. As a result, the share of the decline in the caseload that is attributable to improvements in the labor market was much higher in the 1993-96 period (26 to 36 percent) than in the 1996-98 period (8 to 10 percent). This study reaffirms the importance of maintaining a healthy macroeconomy with low unemployment rates in order to help families move off and remain off of welfare. Any future 1-percentage-point increase in unemployment is likely to produce a 5 to 7 percent increase in welfare caseloads.

The study also finds that increases in the minimum wage have made work more attractive and, as a result, caused welfare participation to decline. The estimates suggest that a $0.50 increase in the minimum wage has been associated with a decline in welfare participation of 4 to 6 percent. Hence, the recent minimum wage increases have helped reduce welfare rolls (Chart 4).

As many other studies have confirmed, higher welfare benefit levels result in higher caseloads. As noted above, this need not reflect any behavioral differences in higher-benefit states, but may only be due to the fact that higher benefits typically imply that a larger share of the population is eligible to receive public assistance.

Chart 4. Percentage of Change in Participation from 1996-98 Attributable to Each Factor



The specific program design adopted by a state can affect its caseload declines. The study examines the effects of a number of specific policies, including time limits, earnings disregards, work sanctions, family caps, and work exemptions on the size of the caseload. We estimate the effects of these policies regardless of whether they were implemented as part of a state's waiver plan or a TANF-funded plan. Our results on the effects of specific policies should be interpreted with caution, since only a limited number of states have implemented many of these policies for only a relatively short period of time. The primary results with regard to these policies are:

- Time limits have the expected negative effect, but this is not precisely estimated (very few participants have actually hit time limits in any state.)
- Higher earnings disregards raise participation modestly.

- Strong work sanctions are associated with declines in welfare participation.
- Contrary to expectations, family caps are associated with an increase in caseloads.
- Work exemption policies based on the age of the youngest child do not play a substantial role in determining caseloads.

CONCLUSIONS

The large sustained declines in caseloads provide one piece of evidence about the effectiveness of welfare reform efforts. This study suggests that caseload declines have occurred in part because of a strong economy with low unemployment rates. However, policy changes by state and Federal governments have been even more important in explaining the post-1996 decline than the strong labor market. The new state programs implemented following the enactment of PRWORA, most of them focused on increasing work effort among welfare participants, have been the most important identifiable factor explaining the decline from 1996-1998. Increases in the minimum wage, at the Federal level and among some states, have also reduced caseloads.

However, there are multiple indicators of the impact of welfare reform, including changes in work and earnings among welfare leavers, in marriage rates and out-of-wedlock pregnancies, and in poverty rates. The Clinton Administration is collecting and tracking information on all of these measures in order to fully assess the impact of welfare reform.