

All information contained in this report
EMBARGOED until August 22, 2000- ~~2000~~.

The Bottom Line For Better Lives

A Report to The President on Welfare to Work

All Services, Inc. Allied Van Lines Bank of America Burger King Corporation
CSC Packaging Cessna Aircraft Company Chase Manhattan Bank Citigroup
CVS Corporation Family Life Foundation General Computers & Assemblers, Inc.
IBM Corporation Loews Hotels Marriott International Monsanto Company
Production Products Rachel's Bus Company Sears, Roebuck and Co.
Sprint Corporation The UPS Store The LOX Companies, Inc. Time Warner
United Airlines United Parcel Service of America, Inc. Xerox Corporation

Summer 2000



"From now on, our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking a historic chance to make welfare what it was meant to be: a second chance, not a way of life."

— President William J. Clinton, August 22, 1996

TABLE OF CONTENTS

A Letter to President Clinton

Executive Summary **4**

Lessons Learned **8**

- ◆ Lesson One: Welfare to Work Is a Smart Solution for Business
- ◆ Lesson Two: What Employers Value in Job Applicants May Surprise You
- ◆ Lesson Three: Public-Private Partnerships Are Critical to Success
- ◆ Lesson Four: Retention and Promotion Strategies Pave the Way to Well-Being
- ◆ Lesson Five: Small Businesses Need Special Help to Benefit from Welfare to Work

Recommendations **21**

- ◆ Reauthorize TANF Block Grants and Spend the Money Responsibly
- ◆ Find the Right Balance Between "Work First" and Preparing for Work
- ◆ Support New Workers in their Transition to Self-Sufficiency
- ◆ Make the System Work Better for Employer and Employee Alike
- ◆ Strengthen Incentives for Employers to Keep Hiring
- ◆ Provide Extra Help for Small Businesses
- ◆ Help Break the Cycle of Poverty
- ◆ Target Special Help to the Fathers of Children on Welfare
- ◆ Build on our Progress

Conclusion **34**

The Voices of Employers **36**

The Faces of Welfare Reform **52**

The Welfare to Work
PARTNERSHIP

August 22, 2000

Dear Mr. President:

The report before you contains one main conclusion: We have made significant progress toward ending "welfare as we know it," but more work needs to be done.

Four years ago, you signed into law a measure that was built on a simple but profound premise: That every American able to work and support a family must do so, and that welfare would hereafter serve as a *second chance, not a way of life*. Under the Personal Responsibility and Work Opportunity Reconciliation Act, economic support from the government would no longer be a matter of entitlement, which meant that individuals who formerly relied on it to make ends meet would need jobs instead.

To deliver on that part of the bargain, you appealed to leading American businesses for help. In response, five companies – United Airlines, Burger King, Monsanto, Sprint and United Parcel Service – took the lead and created The Welfare to Work Partnership.

Our mission was simple: To motivate employers to hire welfare recipients and to give them the tools they needed to succeed. We approached the task methodically, first breaking down long-held myths about those on public assistance, and helping businesses understand how their bottom-line imperatives could be served by turning to this new pool of workers. We then connected them with community partners who would find, train, and send them the best job applicants, and promoted strategies that could help companies keep their new workers on the job over time and, ideally, advance them up the career ladder.

We are pleased to tell you that we've made great progress. More than 20,000 American employers have joined our effort, pledging to hire at least one person from the welfare rolls. They represent all industries, and hail from Main Street to Wall Street. Together, they've opened doors of opportunity to an estimated 1.1 million former recipients, offering good jobs with health insurance and other benefits detailed later in this report.

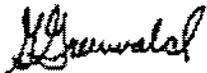
We are proud to have helped many Americans realize the promise embodied in the very title of the 1996 law – to take personal responsibility for themselves and their families, and to seize work opportunity and the dignity that comes from earning a paycheck. But like you, we are well aware of a promise that has yet to be realized for too many of our fellow citizens. It is this one: That people who work hard and play by the rules should not live in poverty.

As employers, we alone cannot end poverty in America. But the important lessons we have learned about how to move people from the welfare rolls to our payrolls can guide our way as we move forward. These lessons can be applied to help millions of citizens in addition to those who are leaving the welfare rolls – citizens who still live on the margins of American life. They can also inform renewed efforts to help former welfare recipients, too many of whom continue to struggle: The estimated 40 percent who don't land steady jobs upon leaving the rolls; many of those who are likely to return to public assistance before long; and especially those who have left welfare for work but moved into the ranks of the "working poor." To help these families, we must all do our part while we have unprecedented budgetary resources and broad public will behind us.

Mr. President, The Partnership stands ready to help you, your administration, your successor, the Congress, local service providers, employers and other government bodies build on the remarkable progress we have made to date.

Sincerely,


Eli Segal
President and CEO
The Welfare to Work Partnership


Gerald Greenwald
Chairman Emeritus, United Airlines
Chairman, The Welfare to Work Partnership

EXECUTIVE SUMMARY

"We cannot be the kind of country we want to be if we're content to leave people behind... We have the knowledge. We have the resources. We have the strong economy that gives us time to focus. What we need now is commitment. We're asking every company across the country to join our Partnership."

– Gerald Greenwald, Chairman Emeritus, United Airlines
Chairman, The Welfare to Work Partnership

"Welfare to work is the perfect example of how two supposedly diametrically opposed goals of business – making money and being socially responsible – can intersect in a meaningful way."

– Jonathan Tisch, President and CEO, Loews Hotels
Vice Chairman, The Welfare to Work Partnership

It is a rare moment when a vexing social problem and a compelling business need align to create positive change. Such an opportunity presented itself in 1996, when Congress passed and President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, reversing six decades of welfare policy. The new law created a historic challenge for the business community to hire those who would now be leaving the welfare rolls in large numbers. And, fortuitously, it created an unprecedented chance for employers to fill their payrolls with new workers, just as the booming economy was making that job more difficult than ever.

In the four years since, the country has witnessed dramatic changes in welfare as we knew it. Welfare caseloads have plummeted by nearly half since 1996, and the majority of adults who are now off the welfare rolls have gone to work. In May of 1997, The Welfare to Work Partnership was created to educate and encourage employers to consider hiring this new source of workers. In three years, more than 20,000 employers answered our challenge and committed to hire and retain former welfare recipients. During that period, they hired an estimated 1.1 million new workers from the public assistance rolls. We are pleased to be at the forefront of this quiet social revolution. The significant role our companies – and many other American businesses – play in hiring, retaining, promoting and benefiting from these new workers inspires this report.

In the pages that follow, we outline some of the most important lessons drawn from our experiences to date. We explain why The Partnership's companies believe:

- ◆ Welfare to Work Is a Smart Solution for Business;
- ◆ What Employers Value in Job Applicants May Surprise You;

EXECUTIVE SUMMARY

- ◆ Public-Private Partnerships Are Critical to Success;
- ◆ Retention and Promotion Strategies Pave the Way to Well-Being; and
- ◆ Small Businesses Need Special Help to Benefit from Welfare to Work.

We are also quick to acknowledge that the job of ending a failed welfare system is far from complete. Important challenges lie ahead. About two million families remain dependent on the federal Temporary Assistance for Needy Families (TANF) program and, as employers, we are well aware that many of them will face difficult barriers on their road to work. We also know that too many individuals who have left the rolls eventually return. Perhaps the most critical challenge, however, is in supporting large numbers of our fellow Americans who have "done right" by their families and worked hard to leave welfare, only to find themselves struggling to make ends meet. As a nation, we owe these individuals more; together, we can do more to help them achieve lasting independence.

To move the agenda forward in pursuit of that goal, we also offer a series of policy recommendations to Congress, federal officials, state and local lawmakers, the service provider community, and employers themselves. The Partnership and its companies believe that only by working together – with neither partisan nor ideological differences – can we complete the ambitious agenda of welfare reform. Our recommendations include the following:

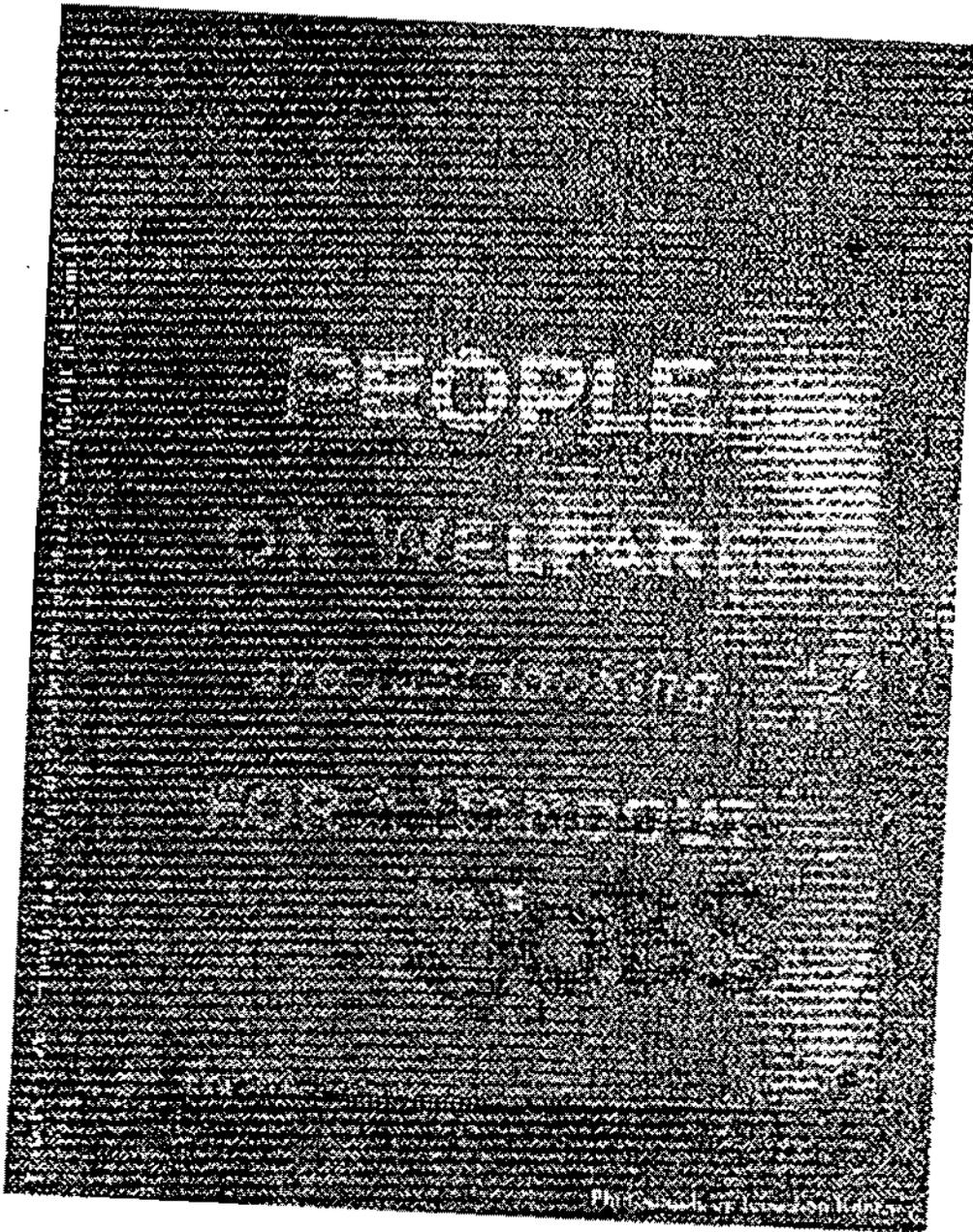
- ◆ Reauthorize the 1996 welfare law and hold the line on funding to assist those still in need. When Congress revisits the 1996 law in the next two years, it should not reduce TANF block grant funding despite large declines in welfare cases. The nation's investment should be sustained to help states tackle the difficult barriers faced by the "hardest to serve" recipients remaining on the rolls and those who have already left. States, for their part, should move expeditiously to spend their TANF allocations on services most vital to welfare recipients and to all low-wage workers. Any effort by states to use TANF money for other purposes should be strongly discouraged.
- ◆ Do more to prepare welfare recipients for long-term success before their first day of work. Lawmakers should also find a better balance between the strict "work first" philosophy at the core of the 1996 law and more intensive efforts to prepare welfare recipients for reliable and better-paying jobs. While The Partnership's companies believe most recipients *should* be required to work and are eager to employ these new workers, many have come to see the practical limitations of a program that, in some cases, pushes recipients into jobs before they are prepared to succeed in them.

EXECUTIVE SUMMARY

- ◆ Help address the biggest obstacles to work – child care and transportation – and to maximize small business involvement in welfare to work. Lawmakers should sustain or, ideally, increase resources for a range of programs that help former welfare recipients stay on the job. Partnership companies call for increased emphasis on child care and transportation aid, as they are consistently the two biggest challenges facing new workers. We also ask for help by government bodies and other employers to ensure that small businesses – the engine of job growth in America – can successfully hire disadvantaged workers.
- ◆ Do more to “make work pay” for employees leaving the welfare rolls. Congress, state and local lawmakers, and service providers must maximize a range of supports that help former recipients keep their jobs and leave welfare behind for good. Partnership companies call on Congress to increase the Earned Income Tax Credit for low-wage workers, and on states to enact such refundable credits of their own. We also urge stakeholders to aggressively promote valuable work supports like Medicaid, the Children’s Health Insurance Program and food stamps for all families who need extra support on the road to permanent self-sufficiency.

The Partnership and its business leaders share other recommendations with those in a position to affect change, including strategies to streamline the workforce and training systems, to reach out to the fathers of children on welfare, and to build on the progress to date with efforts to assist millions of other disadvantaged Americans.

Finally, we know that the lasting success of welfare reform can be measured most dramatically by the individual lives it changes for the better. In the latter section of this report, we highlight the stories of some people who are on their way to claiming the American Dream for themselves and their families, and the testimonials of companies that have proudly given them that chance.



Lessons Learned

LESSONS LEARNED

LESSON 1:

Welfare to Work Is A Smart Solution for Business

"Our UPS welfare to work program [exists] for a simple reason: We need dedicated, reliable people. We've found that recruiting welfare recipients is good for them and good for our communities – and we're a better business because of it."

– James P. Kelly, Chairman and CEO, United Parcel Service of America

Before the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed into law, most Americans viewed the welfare system as a failure. Ineffective and costly, it trapped millions of Americans in a vicious cycle of dependence. What started with good government intentions had turned into a system in which parents lost hope in the present and children lost a chance at a future.

While business leaders sympathized with the plight of families mired in poverty, the rationale for hiring welfare recipients would have to be based on something more than compassion or charity. It had to make good *business* sense. Thanks to a booming economy and a record low unemployment rate, American businesses desperately needed more workers to sustain and expand their workforce. If this nontraditional source of labor could help the bottom line, employers would do their part.

That business imperative – combined with the passage of the new law and a series of impassioned public challenges from President Clinton – persuaded more and more employers to turn to the welfare rolls for help.

Three years of evidence is promising. In an effort to track the success these employers enjoyed and the challenges they faced, The Partnership hired Wirthlin Worldwide, an international polling firm, to monitor their progress. Ongoing telephone surveys of Partnership business executives by Wirthlin have documented several lessons about why welfare hiring makes sense, including:

- ◆ Former welfare recipients make good, productive workers. Fully 80 percent of Partnership business leaders call their new welfare hires "good, productive employees."
- ◆ Their job retention rivals – and often exceeds – that for other entry-level workers. Typically, between 60 and 65 percent of Partnership employers say their welfare to work hires stay on the job as long as – or longer than – their non-wel-

LESSONS LEARNED

fare peers. That translates into a more stable workforce and a stronger bottom line, especially in the retail and hospitality industries which typically struggle with high employee turnover.

- ◆ **Welfare recipients fill an urgent labor need at a time of historically low unemployment.** The Partnership's Business Partners have hired 1.1 million individuals from the welfare rolls. While this new pool of workers has helped address their immediate labor needs, more than three quarters of Partnership businesses tell us their company or industry *continues* to face a labor shortage. It is no surprise, then, that 70 percent intend to hire additional welfare recipients in the year 2000. In fact, despite the steep decline in numbers of adults left in the public assistance system, two thirds of our businesses believe they can "continue to find and hire good employees off welfare now and into the future."

Employers see the value of investing in their new workers. The fact that many employers invest substantial resources in their welfare to work hires suggests that they see these new employees as valuable assets. Business Partners have learned that providing competitive benefits for all their workers will greatly improve overall morale and loyalty to the company. Among Partnership companies:

- ◆ The average starting wage paid to those hired from the welfare rolls is \$7.80 an hour, and, for those earning a salary, a much better \$19,641;
- ◆ More than 74 percent offer **medical benefits** to their welfare to work employees, and 88 percent of Partnership businesses cover the employees' dependents;
- ◆ More than 52 percent offer formal or informal mentoring;
- ◆ More than 44 percent offer a **401(k) match**;
- ◆ At least 22 percent offer other financial supports, which can include loans or lines of credit to buy a home, a car, or other necessities, and 13 percent offer company stock options; and
- ◆ Nearly all -- 91 percent -- provide **training** and other supports that can lead to job promotion.

Companies are documenting the bottom-line benefits of hiring welfare recipients. The large majority (81 percent) of Partnership companies report that their welfare to work programs have been fiscally "cost neutral" or have even saved them money -- even after the expenditure of company resources to provide additional training, men-

LESSONS LEARNED

tioning, and general support to ensure that former welfare recipients stay on the job. And companies report that strong retention among welfare hires can translate into substantial monetary benefits. These include lower staff turnover, less money spent recruiting and replacing employees, and less money wasted on training workers who leave before companies reap a return on their investment.

Government hiring incentives can pay off, too. Many companies are also earning valuable tax refunds – up to \$8,500 per employee – through various financial incentives, most notably the federal Work Opportunity and Welfare to Work Tax Credit programs. Some businesses are putting these hiring bonuses to good use by “recycling” the money back into their welfare hiring initiatives – using it to defray the cost of job training, for example, or to offer new employees vital retention supports like transportation or child care assistance. Many more could be receiving these helpful hiring subsidies but are not now taking advantage of them for reasons detailed later in this report.

Other Partnership businesses have learned that government wage subsidies – or work supplementation programs – can favorably impact their bottom line, too. By reimbursing an employer the value of the welfare and food stamp benefits that would have gone to a newly hired welfare recipient, these programs help underwrite the salary of the new worker – providing additional resources during the first few months on the job. For these employers, this is more proof positive that welfare to work is a smart solution to their business needs.

LESSONS LEARNED

LESSON 2:**What Employers Value In Job Applicants May Surprise You**

"I have learned that many welfare recipients need training beyond the nuances of 'having it your way.' We work with service providers to help welfare recipients learn life skills before they come on board. Then, our managers help them translate those skills to the workplace. Any Partnership employer will tell you that this training is the most critical aspect of a welfare to work program."

— Ron English, President, Ron-Bar Inc., Burger King Franchisee

Success of the nation's boldest attempt to change its welfare system depends on the willingness of employers to give recipients a chance to prove they can become valuable employees. If that was so in previous attempts to overhaul welfare, it was not always reflected in the way recipients were prepared for the workplace. Indeed, the weakest link in earlier reform efforts may have been the system's failure to take the needs of employers into account.

The Partnership believes that the experiences of our Business Partners must play a role as the nation's welfare program continues to evolve. For example, in the last few years, employers have reported important – and, in some cases, surprising – lessons about what they are looking for in prospective workers. Several of The Partnership's surveys have yielded encouraging findings about employer attitudes, findings supported by studies from prominent researchers at the Urban Institute, the Economic and Social Research Institute, Manpower Demonstration Research Corp. and other experts in the welfare arena. We have learned, for example, that:

Positive personal traits matter most. The characteristics employers typically value most highly in entry-level workers are dependability, a positive attitude, a strong work ethic, punctuality and the willingness to learn on the job. Employers also look for new workers who exhibit strong customer-service and team-building skills, including friendliness and collegiality.

Formal education and work experience are less important. The lack of a formal education or strong work experience – two areas where many of today's welfare recipients come up short – are not usually an impediment to hiring, according to employers. Only 20 percent of Partnership businesses report that the

LESSONS LEARNED

absence of work history would prevent them from hiring a job applicant, while additional research illustrates that only one in eight employers list "prior work experience" among the top qualities sought in a new worker.

Lack of "soft skills" presents a problem. Taken together, these findings have taught us that employers can overlook certain perceived deficits common among those struggling to leave the welfare rolls, but other barriers are harder to ignore. Although Partnership companies often do see a lack of education, job skills, or work history among new applicants, they are confident they can train an employee to perform the job. However, 40 percent of Partnership employers say they frequently encounter problems among their welfare to work applicants with so-called "soft" or interpersonal skills – things like punctuality, appropriate dress, and common courtesy. And more than half (53 percent) of our businesses are reluctant to hire such a candidate for fear they will be unable to solve these problems alone. Employers emphasize the importance of community partnerships to help solve these challenges, a subject explored later in this report.

Other barriers that might have seemed insurmountable are not. Polling of Partnership businesses has also revealed another encouraging finding related to employer expectations. In this hot economy, many companies are surprisingly receptive to hiring non-traditional job candidates – including, in some cases, individuals with a criminal background. Two in three Partnership companies would consider hiring an ex-offender who has stayed out of trouble for at least five years. More than half (53%) of our companies report they would be more likely to hire an ex-offender if the government would insure them against financial loss or legal liability should something "go wrong." Similarly, employers are more open to this group of workers if a local intermediary or service provider commits to mentoring the new employee and works to avert any problems.

LESSONS LEARNED

LESSON 3:

Public-Private Partnerships Are Critical To Success

"We have developed a wonderful public-private partnership with Wildcat Service Corporation in New York City. By working together, we created a specialized training program to prepare potential employees with the skills to meet our specific needs and demands. We continually adjust the training program as our needs change and through it all, we get well-trained, reliable employees who are prepared to immediately contribute and excited to build a career at our company."

*- Marjorie Magner, Senior Executive Vice President and Chief
Administrative Officer, The Global Consumer, a division of Citigroup*

Another important lesson The Partnership and its companies have learned in the last few years is that businesses alone cannot make real the promise of welfare reform. Their job is to make a profit, not to serve as social workers for each new employee. They cannot successfully hire, retain and advance welfare recipients unless they are supported by the numerous entities in their community – from government, nonprofit, and for-profit providers to community colleges and faith-based organizations – who do this for a living. These public-private partnerships can take many different forms and be customized to specific employers' needs, but the most effective ones are characterized by close relationships between companies in need of workers and providers seeking to move their clients into good jobs.

Forging partnerships is the best way to find new workers. According to The Partnership's member surveys, the most successful welfare to work programs begin with strong community partnerships. Companies that have successfully hired and saved money through their welfare to work efforts are more likely to have forged partnerships with community-based agencies. These businesses turn to providers to manage key services that are frequently beyond the employers' area of expertise or are difficult for a business – particularly a smaller one – to offer on its own. If a business communicates precise hiring needs and expectations, the provider can recruit and train the best candidates. Eventually, the provider knows what a business is expecting and the business knows it will be referred capable, well-prepared candidates. If the company has a good experience, it is more likely to go back to that provider for continued recruiting.

Maintaining partnerships is the best way to keep new workers on the job. Although many companies utilize service providers to help them hire welfare recipients,

LESSONS LEARNED

few adequately utilize these community partners to address the needs of new workers after they are on the job. Many businesses are unaware that service providers can help with the toughest challenges recipients may face, including finding stable child care and transportation or honing interpersonal skills so they can succeed and advance in the workplace. Partnership surveys demonstrate that employers who do continue to collaborate with service providers after an employee is hired enjoy a better track record retaining and promoting their welfare to work employees.

Viewing business as a customer is the best public-private strategy. When it comes to the success of welfare to work, service providers must view the employer and welfare recipient as customers of equal importance. Providers must understand the customer-service "ethic" and tailor their training, placement and post-employment programs to these needs. Businesses work best with organizations that are able to deliver qualified job candidates according to their standards, pace of business and nature of their hiring needs. In some cases, businesses educate job developers about their culture, practices and routine by inviting them into their workplace to learn first-hand. In other cases, businesses and service providers work together to create a customized training curriculum so graduates of the training program acquire job-specific skills. As Partnership companies have learned, these types of collaborations can ensure that the employers' expectations are met *and* that the job-seeker is getting the best preparation possible.

LESSONS LEARNED

LESSON 4:

Retention and Promotion Strategies Pave the Way to Well-Being

"We believe that promoting self-sufficiency is about more than just creating jobs... it requires a broader look at the challenges facing those employees transitioning from welfare and the communities where they live."

— Cathy Bessant, President, Florida Banking Group, Bank of America

Ending welfare as we know it will require more than just moving people off the welfare rolls, but eventually out of poverty. Businesses must not only find ways to hire workers off welfare, but to retain and promote them as well. A key to success, according to many of The Partnership's Business Partners, is thinking strategically about the challenges that confront many new workers seeking to leave public assistance and responding with direct solutions.

A few simple supports can help boost retention. High retention rates do not happen accidentally. As employers have learned what keeps new workers on the job, they have adapted workplace practices to ensure greater success.

- ◆ *Child care, transportation and soft skills.* Partnership employers consistently report that investments in child care, transportation and life skills do the most to promote retention of their welfare to work hires. Unfortunately, employers generally are not able to address these challenges on their own. Just 22 percent of The Partnership's businesses offer any transportation assistance to their new workers, for example, and even fewer are able to pay for child care or specific soft-skills training. Employers call on wider community efforts to help deal with these issues; their recommendations are explored in greater depth later in this report.
- ◆ *Mentoring.* Mentoring provides personal attention during the first critical months on the job and helps entry-level workers address obstacles before they become a problem for the employer. More than 52 percent of Partnership businesses offer some form of mentoring for their welfare to work hires, either in-house through workplace volunteers, or by partnering with churches or community-based, civic and social organizations. Those with mentoring programs see positive results, with 75 percent reporting improved work performance, 67

LESSONS LEARNED

percent reporting higher job retention, 63 percent seeing reduced absenteeism, and more than half reporting a cost savings.

- ◆ *Education and training.* As detailed earlier, employers do not generally expect their entry-level job applicants to arrive for their first day of work with all the needed technical skills. But employers *do* see the value of investing in post-employment education and training to develop new workers and give them the tools needed to succeed on the job. More than three of every four Partnership companies offer ongoing education and training to their welfare to work hires, and the payoff is striking – 80 percent see improved work performance, 68 percent experience improved morale, and 60 percent see higher retention.

Government-sponsored work supports improve retention, too. Many new employees remain eligible for a variety of government-sponsored work supports as they are transitioning off of welfare and even after they have left the welfare rolls for payrolls. This package of programs helps smooth the transition new workers often face, and can help low-wage families maintain viable living standards until they advance and earn higher wages. That, in turn, is advantageous for employers, because workers who do not have to worry about providing for their families, acquiring health benefits or accessing affordable child care are more likely to be good, reliable employees.

Many of The Partnership's companies have learned that their low-wage workers are likely to be eligible for:

- ◆ The Earned Income Tax Credit (EITC), a valuable tax refund offered by federal and some state governments, which can return as much as \$3,800 a year to working families;
- ◆ A partial "wage supplement" in the form of earned income disregards, through which new workers may increase their income by retaining part of their welfare check even after they have gotten jobs;
- ◆ Comprehensive health insurance in the form of Medicaid or the state-run Children's Health Insurance Program (CHIP);
- ◆ Child care subsidies;
- ◆ Food stamps or other nutrition programs;
- ◆ Housing assistance; and
- ◆ Transportation assistance.

LESSONS LEARNED

By and large, employers understand the value of these programs for many of their low-wage workers and are usually willing to become advocates for these initiatives. In fact, nearly eight in 10 Partnership companies say they would be willing to help a new employee access information on these programs if they knew that workers were eligible.

Businesses want to promote their new workers and are learning how best to achieve that goal. Like all other workers, those leaving the welfare rolls need to know that they, too, will have the opportunity to advance. Seventy-nine percent of The Partnership's companies hire welfare recipients for promotion track positions and 91 percent offer training that could lead to a promotion. Almost all (94 percent) of the former welfare recipients hired by Partnership businesses receive their first pay increase within one year on the job. Their pay raises are on par with their non-welfare, entry-level colleagues. In another encouraging sign, 37 percent of Partnership companies have seen some of their welfare to work hires move on to a better job with another company.

Not surprisingly, many of the strategies employers are using to shore up retention for their new workers are frequently the same factors that drive job promotion. For example, Partnership surveys find that mentoring is the single-most effective strategy for ensuring promotion, while other research shows that education and training can do the most to help promote a new hire. The most successful mentoring initiatives frequently involve partnerships with outside agencies and are formally recognized by the company. Companies see mentoring as an important way to address many challenges, including work-readiness, employer-employee relationships, child care, transportation and other personal issues.

LESSONS LEARNED

LESSON 5:

Small Businesses Can Benefit from Welfare to Work with Special Help

"More than 30 years ago, I learned that welfare recipients were an excellent source of employees for my small business. Today, more than half of my workforce has come from the welfare rolls, and the results have inspired me to educate other businesses - large and small - about the benefits of welfare to work."

- George R. Sinson, Chairman of the Board, General Converters and Assemblers, Inc.

Small businesses are the backbone of our economy. Between 1990 and 1995, companies with fewer than 500 employees created 76 percent of the nation's new jobs. And today, they employ 53 percent of the private workforce, contribute 47 percent of all sales in the nation, and are responsible for over half of the private gross domestic product. The Partnership's membership base reflects the important role small businesses play. Nearly eight in 10 Partnership companies have fewer than 250 employees, and almost half have 50 or fewer employees.

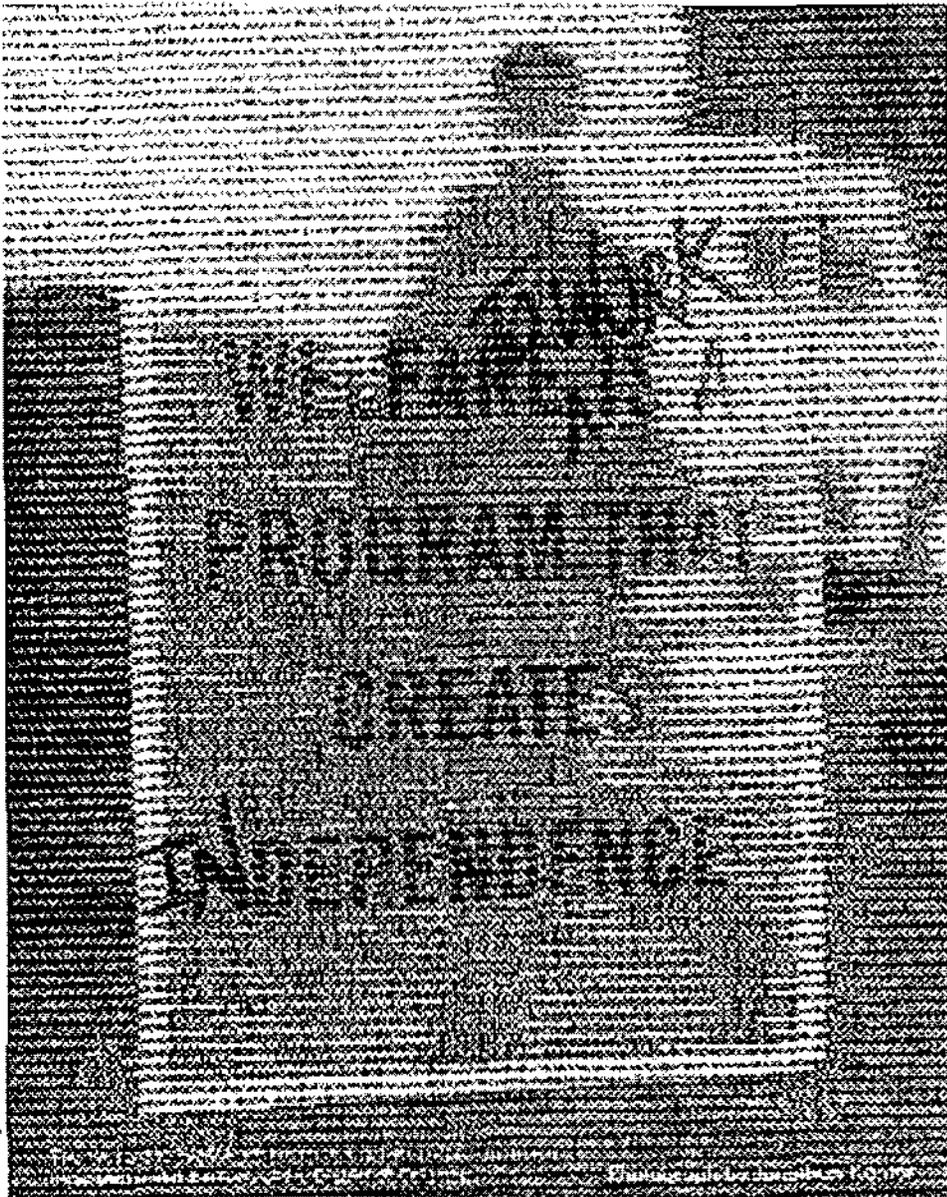
Welfare to work can work for small businesses, too. Of the Partnership's small Business Partners who have hired, more than 80 percent report that former welfare recipients are "good, productive workers," and this percentage has consistently increased over time. Sixty-seven percent of small companies find that retention rates among their welfare hires are equal to or better than those for traditional hires. In fact, small companies appear to enjoy even better retention among their welfare to work hires than do their large colleagues.

Small businesses have a built-in welfare to work advantage over their larger counterparts. Small businesses that report high welfare to work retention rates uniformly attribute their success to the degree of personal attention they can pay to their new employees and the intimacy of their workplace. Managers in small businesses are much more likely to develop the personal relationships with new staff that can ease the transition from welfare to well-being. In fact, some large companies have gone to great effort and expense to create mentoring programs that foster the type of one-on-one relationships that come naturally to small companies.

But small businesses - especially the *smallest* ones - face unique challenges. Ongoing polling by The Partnership has taught us that some small Business Partners are able to

LESSONS LEARNED

offer employee benefits to their new workers – benefits like health care coverage, mentoring, and even retirement savings accounts. But, not surprisingly, many still struggle to help their new employees with these and other supports. This is especially true among the smallest employers, those with 50 or fewer staff members. For example, 56 percent of these businesses are able to provide their new workers with health insurance, compared with 79 percent of companies with 51 to 250 employees. Similarly, 29 percent of the smallest businesses offer 401(k) matches, compared with 69 percent of the largest corporations. Another concern: The smallest Partnership companies are less likely than their larger counterparts to have hired welfare recipients at all. Many simply do not have the time to access information about where to find qualified candidates, to navigate bureaucratic obstacles, or to figure out where to go for help. Despite these challenges, small businesses that receive specially targeted help – including the efforts outlined in the Recommendations section of this report – can often reap the greatest rewards of hiring welfare recipients, as a handful of successful hires may constitute a significant percentage of their labor force.



Recommendations



RECOMMENDATIONS

When The Partnership began, we knew we could be most effective if we left the policy battles to the experts. After three years of first-hand experience, however, we have acquired knowledge that will be valuable in debates surrounding reauthorization of welfare reform, in how to assist and promote low-wage workers in our economy, and in how to move additional people who are not now working into the nation's labor force. We are aware that a system which rewards work will have elements beyond those contained in our recommendations. We have chosen, however, to limit our suggestions to subjects which are direct byproducts of our experience. We urge you, Mr. President, your successor, Congress, federal agencies, state and local officials, and our fellow employers to carefully consider the recommendations. We hope you will call on us or our colleagues in the business community for active input as the debate moves forward. By working together, we will all maximize our mutual investments in this effort and continue to improve lives in the process.

REAUTHORIZE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANTS AND SPEND THE MONEY RESPONSIBLY

As the number of families on welfare has fallen steeply, so too has the amount of money being spent on cash assistance to support them. While many fewer people remain on the rolls, those who do typically face the most serious barriers to employment. Preparing them to find and keep decent jobs will be far more challenging than it was to prepare their predecessors to start working. In addition, millions of individuals who have left welfare need continuing supports—such as assistance with child care and transportation, as well as more training in "soft" skills—as they transition into permanent economic independence.

Some states have been spending their TANF funds responsibly—for example, by ensuring child care for all new workers or investing in valuable skills training for new workers—but others have been less innovative in their spending priorities. In some cases, states have failed to spend millions of excess dollars that could help welfare recipients or fragile new workers. By not using the funds on critical training and retention services, states are sending the wrong signal to Congress, which may, in turn, be tempted to rescind the unspent money.

Strategic Imperatives

- ◆ When funding under the 1996 welfare reform law comes up for reauthorization, Congress should not reduce TANF funding despite the drop in welfare caseloads.

RECOMMENDATIONS

The investment should be sustained to help states tackle more difficult and expensive barriers faced by remaining recipients. We also encourage Congress to adjust future TANF funding for inflation so states will be best equipped to tackle the remaining and most costly challenges.

- ◆ The Partnership is pleased that this administration and Congress recognize the great importance of retention and career advancement efforts for low-wage workers and offer bonus payments to the states who do, too. Still more could be done to promote the career advancement programs that have proven to be so critical for employers. For example, Congress could direct states to explain more clearly how they will use their federal dollars to promote better job retention or reduce family poverty among those leaving welfare.
- ◆ Congress should not rescind the TANF money from states that has already been approved. Congress should also honor the bargain it made with 17 of the nation's poorest states and let them keep supplemental TANF funding that was awarded to them in 1996 – money that was intended to close the large gap between benefit levels paid by these states and their wealthy neighbors. These states, in turn, should move quickly to invest this money in programs to help their neediest residents.
- ◆ State and local officials should spend responsibly the money they have already received. The Partnership's companies strongly disapprove of TANF money being used to supplant other state costs that fail to provide new services for eligible families, as has happened in some states. Any extra TANF dollars should be used exclusively for services and programs that support welfare recipients, additional people who are not working, and existing low-wage workers.
- ◆ State and local officials should spend their TANF funds to help us finish the job by subsidizing innovative strategies on higher quality child care, transportation, training and other retention and career advancement approaches. Broader efforts to help low-wage workers find affordable housing – and in closer proximity to the centers of rapid job growth – would be valuable, too. States should also use TANF dollars that are not needed for welfare recipients to assist all of their low-wage workers who strive to join the ranks of the middle class.

FIND THE RIGHT BALANCE BETWEEN "WORK FIRST" AND PREPARING FOR WORK

The business community applauds the strong emphasis Congress and the Clinton Administration placed on work in the 1996 welfare reform law. Indeed, employers have

RECOMMENDATIONS

been the direct beneficiaries of the statute's "work first" emphasis, as millions of able-bodied welfare recipients joined or rejoined the labor force in the last four years. Like so many other working Americans, Partnership employers promote the value of work and generally believe that *any job is a good job* to the extent that it promotes good work habits, marketable skills, valuable work experience and self-confidence.

But as the rolls decline, many employers have come to recognize the practical limitations of a program that, in some cases, pushes recipients into jobs *before* they are prepared to succeed in them. According to employers, a combination of factors – little or no work history, poor literacy and numeracy, and especially a wide array of personal problems and soft-skill deficits – leaves many welfare recipients ill-equipped to enter the workplace without adequate preparation before they arrive for the first day of work. Importantly, this is not to say that employers call for a return to the old system that valued endless and typically ineffective training over the expectation of honest, productive work.

Strategic Imperatives

- ◆ Congress should give states more latitude to define "work activities" under the law – allowing qualifying recipients to receive intensive but temporary "life skills" training before going to work. Similarly, Congress should broaden the definition of work activities to take into account the special needs of recipients who require mental health, substance abuse or domestic violence counseling, for example.
- ◆ To provide a strong incentive for welfare recipients to take jobs and in the broader interests of fairness, The Partnership believes that the five-year time limit on welfare should be suspended for individuals who are trying hard to work their way off welfare but remain on partial public assistance as a result of their low starting pay. In a recent survey, close to two thirds of Partnership employers said Congress should amend the 1996 law and waive the time limit if a recipient is working at least part-time, thereby "stopping the clock" for these low-wage earners.
- ◆ Short of this revision, Congress and state lawmakers should consider other strategies to supplement very low wages for those working their way off welfare, including small worker stipends outside of the TANF cash assistance program.
- ◆ State and local authorities should take full advantage of the flexibility they have under current law to allow for more and longer remedial, *pre-employment* help for recipients with the biggest obstacles to work – which, in our experience, is an increasing proportion of them.

RECOMMENDATIONS

SUPPORT NEW WORKERS IN THEIR TRANSITION TO SELF-SUFFICIENCY

In an effort to encourage welfare recipients to transition off the rolls and into jobs, lawmakers have enacted and expanded a range of temporary work supports that help ease the journey from welfare to work. Too often, however, these programs – like health insurance, child care, food stamps, and transportation and housing subsidies – do not get into the hands of those they are intended to help. Sometimes, former welfare recipients want a clean break from a system that they find demoralizing and choose not to pursue continued support. But, too often, recipients simply don't know about these supports, and local public assistance offices fail to adequately educate eligible families about the benefits to which they are entitled. Burdensome application requirements and paperwork can further discourage recipients from applying.

There are also financial wage supplements that can greatly enhance a new worker's income and help stabilize their families during the sometimes difficult transition from welfare to work. For example, Partnership companies recognize the great value of the existing Earned Income Tax Credit (EITC) to lift low-wage workers out of poverty. Similarly, many employers support policies that disregard a part of a family's earnings when determining whether they're eligible for continued welfare benefits. The effect: People who are making low wages may continue collecting part of their welfare check until their wages alone are sufficient to lift them out of poverty.

While these supports are pivotal to new workers, they also benefit employers by providing one more resource to retain and advance new workers. Small companies and those who only offer part-time work will especially benefit, as they tend to be the least likely to offer employer-sponsored supports. Of course, there's no substitute for a well-paid job with comprehensive benefits. Where that is not possible, public programs like these can make the difference between success and failure for fragile new workers.

Strategic Imperatives

Meeting child care needs

- ◆ Congress should expand the existing Child Care and Development Block Grant and Child and Dependent Care tax credits to cover more working parents and make the tax credit refundable so that the lowest-wage workers would benefit.
- ◆ Congress, states, local governments and service providers should work together to expand options for workers needing quality after-hours, after-school and

RECOMMENDATIONS

emergency care, particularly for families recently off the welfare rolls who are more likely to work nontraditional hours. Child care should also be more readily available for welfare recipients who are participating in education or job training, substance abuse treatment or counseling.

- ◆ States should use their existing TANF block grant money to pay for more child care slots for low-income, working parents and to eliminate waiting lists that are now common for families eligible for child care.

Getting workers to the job

- ◆ Congress should expand funding for the *Access to Jobs* program to promote innovative community transportation solutions for all low-income workers.
- ◆ Congress and the states should support additional subsidies to provide low-wage workers with transportation vouchers.
- ◆ Congress, as well as state and local governments, should expand on existing creative initiatives to "bring work to the workers" – through Empowerment Zones/Enterprise Communities, proposed "Renewal Communities," and other initiatives to promote inner-city economic development. To complement this effort, Congress and state lawmakers should also help "bring the workers to work" by supporting housing vouchers and other subsidies that enable welfare recipients and low-wage workers to move closer to areas of greatest job growth.
- ◆ Congress should support changes in federal law to make it easier for low-income workers to own a car without losing eligibility for work support programs, and to allow low-income workers to save for a car through Individual Development Accounts.
- ◆ States with substantial TANF reserves should invest them in transportation solutions for low-income workers, and all states should make this challenge a high priority.
- ◆ Municipal and county officials should work across jurisdictional lines to find and support regional transit routes.
- ◆ Local communities, service providers and employers should promote car pools or van services to take workers from their central-city neighborhoods to jobs in the suburbs, as well as innovative car loan or purchasing programs for recipients and low-wage workers.

RECOMMENDATIONS

Expanding the Earned Income Tax Credit (EITC)

- ◆ Congress should increase the value of the credit for families with three or more children, adopt other proposed changes to "phase out" the credit more gradually, and drop the so-called "marriage penalty" which results in a lower tax credit for lower-income married couples.
- ◆ The IRS, service providers, and state and local officials should also more actively promote the EITC "advance payment" option, through which lower-wage workers can earn an incremental credit with each paycheck rather than in a year-end lump sum.
- ◆ States without their own earned income tax credits should enact them, as a dozen states (and one county) have already done.
- ◆ Service providers, state and local officials, and employers themselves should actively promote this valuable wage supplement for lower-paid workers, and the IRS should redouble its efforts to publicize it as widely as possible.
- ◆ Employers should also help their eligible workers access these credits, or enlist the help of service providers to do so. And we encourage our Business Partners and other employers to explore the use of the advance payment tax credit as a valuable way to boost new workers' earnings.

Providing more generous earned income disregards

- ◆ All states should weigh the possible benefits of allowing welfare recipients to keep some portion of their welfare grant even as they begin to earn a paycheck. Where possible, those states that already have earnings disregard policies should make them more generous – allowing recipients to keep more, and for a longer period of time, so that they are able to escape poverty before their grant is completely phased out.
- ◆ The 10 states that do not now have earned income disregards should enact them to help their recipients get off – and stay off – welfare.

Promoting mentoring for new employees

- ◆ State and local officials should find innovative ways to support mentoring programs for those leaving the welfare rolls.

RECOMMENDATIONS

- ◆ Service providers, civic and faith-based groups, and professional organizations should reach out to individuals leaving welfare and other new workers who are most likely to benefit from the support a mentor can provide.
- ◆ Employers should facilitate mentoring programs in the workplace, encouraging and rewarding staffers who agree to mentor their new colleagues.

Taking further steps to smooth the transition

- ◆ It is unacceptable that millions of families who are eligible for transitional support programs like food stamps, Medicaid and the Children's Health Insurance Program (CHIP) are not receiving support from them. For example, a new study for the Robert Wood Johnson Foundation's national *Covering Kids* program conducted by Wirthlin Worldwide shows that six out of ten parents with uninsured children who qualify for CHIP or Medicaid do not believe these programs apply to them.
- ◆ State and local governments, service providers and case workers must do a better job informing people leaving welfare that they are still eligible for these and other support programs, including child care, transportation subsidies and housing. This should be done in an "exit interview" as recipients leave the system, or through a mailing generated automatically as people leave the rolls – ideally, in multiple languages to reach diverse populations. We support new efforts by federal officials to promote this worthy goal by offering bonus payments to states with the best track records on food stamp or health insurance outreach, for example.
- ◆ To facilitate this process, the above parties should develop straightforward guidance – perhaps in the form of a brochure or Web site – that would enable employers and their workers to conveniently understand what transitional supports they can receive.
- ◆ Employers should play a key role in this process by informing their new and lower-wage workers of government supports for which they may still qualify. For example, employers can include information on these programs with their basic employer-sponsored benefits during orientation. They could also promote these supports through the company newsletter or in-house Intranet and e-mail, or by including information with pay stubs.
- ◆ Equally important in promoting job stability are employer-sponsored benefits like affordable health insurance and retirement savings accounts. Partnership surveys teach us that even though most of our companies offer these programs, many of their welfare to work hires do not take advantage of them. We strongly encourage

RECOMMENDATIONS

our Business Partners and other employers to promote these valuable benefits for their employees, and to make them more affordable when possible.

MAKE THE SYSTEM WORK BETTER FOR EMPLOYER AND EMPLOYEE ALIKE

In too many communities today, the systems that are responsible for counseling, training, placing and providing ongoing support for recipients and other low-skilled job seekers simply *do not work* for the average employer. Sometimes the problem is a lack of coordination among diverse and competing program bureaucracies; other times, it is a duplication of effort and failure to involve employers early in the process. Either way, the end result is that employers are frustrated by an unfamiliar and cumbersome system, low-income workers are less likely to access the valuable supportive services they need to succeed on the job, and neither employers nor low-income workers are well connected.

Fortunately, the newly implemented Workforce Investment Act (WIA) aims to address these challenges by streamlining the methods by which employers find new workers. A cornerstone of WIA is to transition local Private Industry Councils (PICs) into Workforce Investment Boards (WIBs), whose mission is to connect employers and job seekers to each other. If the law is to be truly effective in allowing employers and employees easier access to a variety of resources and worker supports, local governments and community groups must truly change the way they do business. If the new systems are to meet employers' expectations, their very culture must change. They can no longer be simply "check-cutting" centers; they must become comprehensive job and support centers that place the needs of businesses and new workers first.

Strategic Imperatives

- ◆ Local welfare and workforce departments should work together to make the hiring, retention and advancement process simple and seamless for employers. Employers should simply have one phone number to call and one customer service representative to meet their business needs.
- ◆ As PICs phase out and new WIBs emerge, local welfare and workforce systems nationwide must become true partners with the businesses in their communities. That means inviting employers into the planning process from its earliest stages and seeking input from employers each step of the way. It will also require them to act more like corporate boards with efficient, business-friendly meetings. They should also form marketing collaboratives to educate employers about available services, cre-

RECOMMENDATIONS

ate materials that speak the business language and customize services for businesses of different sizes, industries and cultures.

- ◆ Federal agencies, welfare and local workforce development organizations, and service providers must regularly collaborate to ensure that employer needs and human services will cross agency and regional boundaries. For example, a cross-section of welfare to work agencies should coordinate to meet the needs of employers in the suburbs whose employee base is in the cities. Or, they should complement each other's services by targeting their efforts on the services they know best.
- ◆ To ensure that eligible welfare recipients and other low-wage workers receive food stamps, child care, Medicaid, housing, training and other important transitional work supports, federal, state, county and local one-stop career center officials should simplify their application processes. These agencies must recognize that many former welfare recipients are now full-time workers who cannot leave work in the middle of the day to apply for benefits without disrupting employers' schedules or jeopardizing their own employment. To accommodate new workers, local welfare offices and one-stop centers should offer flexible hours – evenings or weekends, for example – or consider setting up satellite application centers or creating on-the-job enrollment. Some Partnership businesses have arranged for local welfare officials to visit their workplace and enroll eligible employees on site.
- ◆ State and local governments must build more accountability into the workforce development system by encouraging performance-based employment and training programs and rewarding those that focus most directly on what employers need. Funding should be easily accessible for customized job-training programs, as long as employers are involved in the development and commit to hiring individuals who complete the programs. In the end, such demand-driven programs will benefit businesses in need of workers and workers in need of good jobs.
- ◆ Employers can participate, too. They can become active with their local WIB or a task force promoting job training or retention. They can provide feedback to every community-based agency or public agency. The more closely businesses are connected to the workforce development system, the easier it will be for them to access resources and new employees from the one-stop career centers.

STRENGTHEN INCENTIVES FOR EMPLOYERS TO KEEP HIRING

The Work Opportunity and Welfare to Work Tax Credits are incentives for businesses to hire and retain individuals moving from welfare to work. Many of the businesses

RECOMMENDATIONS

that have accessed these tax credits have used the savings to offset the costs of hiring, retaining and providing career advancement opportunities for their new hires. Other businesses, especially small ones, have not taken advantage of the credits for a number of reasons: They do not know these credits exist, they believe the paperwork involved is too burdensome, they have been confused by periodic lapses in the program, and they are often frustrated by a backlog in the certification process by the state employment security agencies.

Strategic Imperatives

- ◆ Congress should extend the Work Opportunity and Welfare to Work Tax Credits for longer periods of time, thereby limiting confusion in the business community and increasing the stability of the state agencies that process them.
- ◆ Federal, state and local governments should educate service providers on the value of these tax credits so they can better market them to business.
- ◆ State employment security agencies should process these tax credits more quickly for businesses and eliminate any backlogs.

PROVIDE EXTRA HELP FOR SMALL BUSINESSES

The recommendations we have made in previous sections are applicable to businesses of all sizes and industries, especially the millions of small businesses throughout the country. The following recommendations reflect additional and targeted ways to ensure the successful participation of small businesses in welfare to work. They have the least time and money to spare, creating the imperative to keep things simple.

Strategic Imperatives

- ◆ Federal, state and local small business-related agencies, small business associations, and appropriate trade associations can be very effective advocates for their constituency and should more actively involve their members in welfare to work. Their outreach efforts must leverage existing relationships that small businesses – with little extra time or money – have with these groups.
- ◆ The U.S. Departments of Labor, IRS, Health and Human Services and the Small Business Administration should allocate resources to aggressively market the Work Opportunity and Welfare to Work Tax Credits for small businesses.

RECOMMENDATIONS

- ◆ **Governors and local officials** should recruit small business leaders and small business associations for active and substantial participation on state and local WIBs.
- ◆ **Local governments, one-stop career centers, service providers and Small Business Development Centers** should be prepared to allocate and fund staff to serve as small business "ombudsmen." These staff would provide customized guidance to help small business owners access welfare hiring tax incentives, as well as hire, retain, and advance new workers. They would also broker social and support services for small business employees. Special marketing campaigns and materials need to be developed to get and keep them involved.
- ◆ **Larger businesses** should work with their vendors and suppliers – many of whom are small businesses – to educate them about welfare to work. Also, larger businesses should act as mentors to smaller businesses, educating them on the value of welfare to work and providing them direction on the "ins and outs" of issues like accessing tax credits, solving transportation problems and forming partnerships with local organizations who can help recruit and support new workers.

HELP BREAK THE CYCLE OF POVERTY

One of the major goals of welfare reform was to break the dependence on welfare that many generations experienced. Too often, children grew up in families that relied on welfare checks instead of paychecks. While employers' immediate interest is in hiring adults who are ready to work, many Partnership businesses support efforts to intervene earlier in the lives of disadvantaged youth, the workers of tomorrow.

Strategic Imperatives

- ◆ **Congress, state and local governments** should expand school-to-career programs in local high schools.
- ◆ **State and local governments** should effectively develop and implement high standards for schools so children have the academic skills to excel later in life.
- ◆ **Schools, faith-based and civic organizations, as well as individuals in the community** should actively take part in the lives of younger adults – teaching, mentoring, and inspiring children to value the importance of work in their lives.
- ◆ **Employers** can do more, too, by offering internships and job-shadowing opportunities to young people to expose them to the world of work.

RECOMMENDATIONS

TARGET SPECIAL HELP TO THE FATHERS OF CHILDREN ON WELFARE

Increasingly, Partnership companies understand that welfare reform cannot realize its full promise unless the *fathers* of children on welfare have every chance to support their families. Indeed, many Partnership companies are eager to expand the progress they have made with their new female employees by tapping the large pool of underemployed men who are more loosely associated with the welfare system. Under the 1996 law, many of these men were held more accountable than ever to support the children they fathered. At the same time, many of them are not ready to enter the workforce without more assistance. Local initiatives that focus on the needs of these fathers will find many employers receptive to giving them new opportunities to support themselves and their families.

Strategic Imperatives

- ◆ Congress and state and local governments, as well as service providers should better integrate fathers into existing welfare to work initiatives. States should also take full advantage of existing funds from the U.S. Department of Labor that are intended in part to help fathers access employment-related training.
- ◆ Congress should consider favorably bipartisan legislation that earmarks new grants and services to low-income fathers, with the important goals of helping them gain employment, pay child support and reconnect with their children. Many employers also support proposed changes in the current child support system that would ensure that families get more of a father's support collected on their behalf.
- ◆ Employers should apply the lessons learned from hiring former welfare recipients to all employees, including the fathers of children on welfare or those otherwise struggling to get by.

BUILD ON OUR PROGRESS

In recognition of the fact that the nation's work will not be done until all remaining welfare recipients – and so many others living at the margins – are able to support their families, we add the following.

Strategic Imperatives

- ◆ Federal, state and local governments have been major employers of those leaving the welfare rolls. They should continue aggressively hiring and encourage their

RECOMMENDATIONS

subcontractors and others with whom they do business to reach out to this new workforce as well.

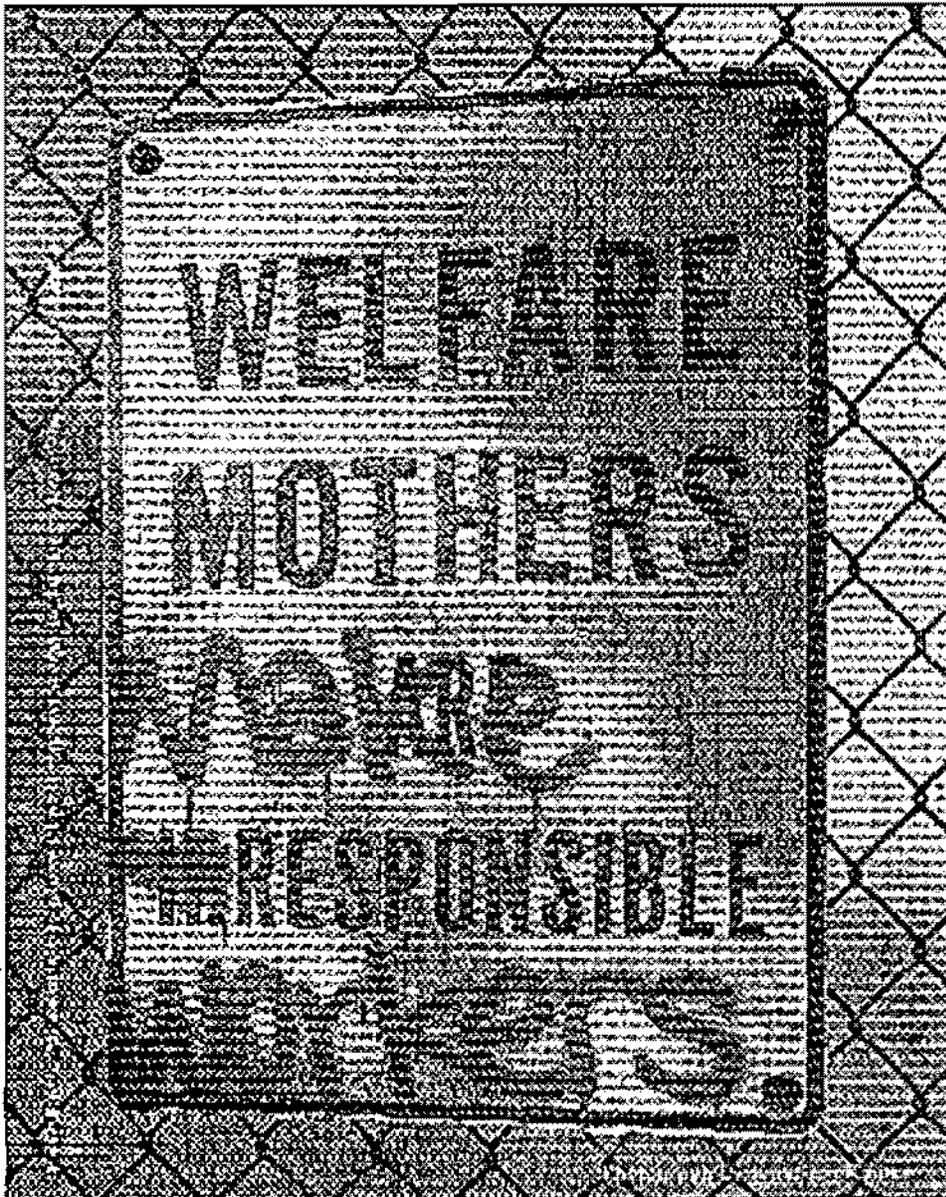
- ◆ As previously stated, employers who rely on high-quality service providers have had the greatest success with welfare to work. In communities nationwide, local organizations are helping disadvantaged citizens seize new opportunities to support their families. Partnership businesses will benefit from more such efforts, including those rooted in the faith-based organizations which are receiving well-deserved attention by both major party candidates for President.
- ◆ While The Partnership is truly gratified by the response of our own members, we know much more can be done by the private sector, too. We call on employers nationwide to join the effort, learning by example that welfare to work can be a smart solution to their hiring needs.

CONCLUSION

A few years ago, welfare to work was little more than a slogan. Today it is a reality across America. Companies have proven that welfare to work is as good for their business as it is for the community. And welfare recipients have proven that when employers give them a chance and they have the right employment-related supports, they can make the successful transition from welfare to work. Together, we have proven that welfare to work is *the bottom line for better lives*.

We are happy to report that businesses will remain engaged in the welfare to work effort. In fact, nearly three quarters of Partnership companies intend to hire welfare recipients in the coming year. Having experienced success first hand, these businesses will be working harder than ever to build on the progress to date. In the process of building their business with dedicated and reliable workers, these companies will enable even more Americans to begin the transition from dependence to independence. These new workers, in turn, will gain valuable skills and experience they never had before. Welfare to work has helped – and will continue to help – countless Americans be productive citizens, provide for their families, and be role models for their children.

There are two unanticipated benefits of the welfare to work initiative. First, despite early public skepticism, it has generated deep support in the American business community. Second, it has increased the likelihood that the lessons we have learned in moving welfare recipients toward productive lives can be applied to many other citizens who have lived too long in the shadows of the American Dream. With the help of wise policy makers and committed service providers, we can open the doors of opportunity to millions more of our fellow citizens.



*Voices of Employers
Faces of Welfare Reform*

THE VOICES OF EMPLOYERS

UNITED AIRLINES **United Airlines**
Gerald Greenwald

As chair of The Partnership, I have taken great pride in fulfilling my mission to publicize innovative welfare to work efforts across the country and actively encourage other corporations to target welfare recipients as potential new employees. Every company that has come on board has realized one fact: welfare to work programs are good for business.

At United, we remain committed to welfare to work and will reach our goal early by hiring 2,000 former welfare recipients before the end of the year. But beyond the numbers, we have learned that welfare to work benefits all our employees. When our program began, we solicited volunteers to serve as company mentors to each of our new welfare to work employees. Our mentors were there to be a friend: to help the new hire get over any bumps in the road at a new job; to give practical workplace advice; or just be a sounding board or a cheerleader.

We knew that our mentoring program would lead to higher retention rates, and it did – almost twice as high. But the interesting part of the program is that working with former welfare recipients, and hearing how much it meant to have a job and be independent again, offered a unique perspective for our existing employees. We have found that morale is up at United. Our people pull together and work as a team. There is a refreshing new spirit among our employees and it is due in part to this welfare to work experience. Based on our success, I can look any shareholder or customer in the eye and say that welfare to work means a stronger workforce and better service for our customers. I am convinced that by working together to recruit, train and employ former welfare recipients, we can build stronger workforces, companies and families.

United Airlines is one of the five founding companies of The Welfare to Work Partnership. Gerald Greenwald is the chairman emeritus of United Airlines and the current chairman of the board for The Welfare to Work Partnership. United Airlines is the largest majority employee-owned company in the world, as well as the largest air carrier. United offers more than 2,330 flights to 139 destinations in 26 countries and two U.S. territories.

THE VOICES OF EMPLOYERS



Burger King Corporation Dennis Malamatinas

At Burger King Corporation, we believe that all people, regardless of economic status, race, creed or color, have an important role to play in our long-term viability as a business and in our community at large. We have learned that each person has a unique talent and gift. If you give them a chance and the tools to succeed, they will become valuable employees. This commitment to diversity and opportunity is one of the main reasons Burger King accepted the challenge in 1997 to join The Welfare to Work Partnership. Our nearly 500 U.S. corporate-owned restaurants alone have hired 17,000 plus employees off welfare since we joined the program. Our welfare to work program tells a terrific, bottom-line story.

At Burger King, we have found that the workers who are hired off welfare have a 45 percent higher retention rate than the turnover rate for all other employees in the industry. In an industry like ours, where dependable workers are in such high demand, this is no small accomplishment. Our successful welfare to work strategies are forever integrated in our hiring, training and recruiting systems. The program reduced turnover costs for all employees and made our restaurant teams feel good about themselves and their restaurant. And that feeling transfers to our customers.

Burger King is one of the five founding companies of The Welfare to Work Partnership. Dennis Malamatinas is the chief executive officer of the Burger King Corporation. Burger King has more than 10,950 restaurants in 58 countries and international territories worldwide and employs more than 300,000 systemwide.

THE VOICES OF EMPLOYERS

MONSANTO
Food • Health • Hope™**Monsanto Company**
Robert B. Shapiro

When President Clinton called for businesses to help end "welfare as we know it," I knew Monsanto could help. As a company we had outsourced most of our entry-level employment opportunities, however, I still felt we could play a role by educating our vendors about welfare to work and advocating change in our local communities.

From the beginning, we have been at the table in our local communities working with government, nonprofits and the private sector to shape a program that works for businesses and prospective employees. Our involvement in welfare to work has helped us develop new relationships in the community and helped our vendors in this tight labor market. We will continue to work in our local communities to improve the program and educate new vendors about the benefits and advantages of hiring former welfare recipients.

Monsanto is one of the five founding companies of The Welfare to Work Partnership. Robert B. Shapiro is the former chief executive officer of Monsanto Company, which recently merged with Pharmacia Upjohn to create the new Pharmacia Corporation. Monsanto Company, a wholly-owned subsidiary of Pharmacia, is a leading provider of agricultural solutions to growers worldwide. Monsanto's employees provide top-quality, cost-effective and integrated approaches to help farmers improve their productivity and produce better quality foods.

THE VOICES OF EMPLOYERS



Through its participation in welfare to work, Sprint has enjoyed the satisfaction of helping provide jobs for those in need and the benefit of creating an alternative recruiting source in a tightening labor market. I am honored to serve as one of the original five U.S. CEOs charged with facilitating public/private sector partnerships in support of this initiative.

Over the past three years, our most notable welfare to work accomplishments include the "JazzRoc" call center in Kansas City's historic 18th & Vine jazz district. "JazzRoc" allowed us to hire individuals from the urban core and provided other businesses with a model for revitalizing an economically-depressed area that was once the heart of Kansas City. Sprint has also partnered with other Kansas City-based organizations in developing skills-based training to support the staffing needs in our call center operations. The six-week training program has a graduation and placement rate of over 80 percent. It not only provides candidates to Sprint's multiple call centers, but also to over 20 other call center employers that have found it difficult to attract and retain skilled workers.

We will continue to support the effort of moving individuals from welfare dependency to self-sufficiency, because the benefits are far-reaching – for individuals seeking to achieve the American dream, for a continuing robust U.S. economy and for businesses searching for a new stream of able, willing and dedicated employees.

Sprint is one of the five founding companies of The Welfare to Work Partnership. William Esrey is chairman and chief executive officer of Sprint, a global communications company at the forefront of integrating long-distance, local and wireless communications services, and a large carrier of Internet traffic.

THE VOICES OF EMPLOYERS

**United Parcel Service
James P. Kelly**

More than 25 years ago, UPS discovered that former welfare recipients make dedicated and loyal workers because they truly value their jobs. Since 1997, UPS has hired almost 35,000 people from welfare and operates welfare to work programs in 40 locations across the country all the while providing excellent pay, health insurance, 401(k) plans and paid vacations and holidays. In addition, many employees have access to tuition assistance through UPS' Earn and Learn Program.

UPS' success in welfare to work is due to the unique partnerships it has formed with government and nonprofit agencies across the country. UPS managers visit these agencies, establish hiring goals and objectives, and conduct mock interviews and job readiness workshops. As one of the five founding companies in The Welfare to Work Partnership, UPS has become even more active in hiring welfare recipients and in encouraging other businesses to get involved in the initiative. UPS is continuing to expand its welfare to work program so more people can make the transition from generations of welfare to financial independence.

UPS is one of the five founding companies of The Welfare to Work Partnership. James P. Kelly is the chairman and chief executive officer of United Parcel Service of America. UPS is the world's largest express carrier, the world's largest package delivery company and a leading global provider of specialized transportation and logistics services delivering over 12 million packages each business day.

THE VOICES OF EMPLOYERS


AHL Services, Inc.
Frank A. Argenbright, Jr.

AHL Services joined the welfare to work initiative because we learned that we can staff our businesses and service our customers while giving welfare recipients in our community an opportunity to improve the quality of their lives. Through aggressive local and regional recruiting efforts, AHL has hired 398 welfare to work participants during the first quarter 2000, and we are well on our way to reaching the overall three-year goal of 3,750 welfare to work hires by year-end 2000. Our welfare to work program has allowed us to create a training program that provides support and advancement opportunities necessary to ensure the development and work skills of all our workers. With today's competitive labor market and low unemployment rate, all employers must expand their recruiting efforts and get creative in their methods to attract and retain employees. For AHL, welfare to work participants are the employees that allow us to fully staff our business and move ahead of the competition.

Frank A. Argenbright, Jr. is the chairman and co-chief executive officer of AHL Services, Inc., a leading multi-national provider of outsourced business services. AHL provides management, processes, technology and labor for operational, marketing and customer service functions to clients located throughout the United States and Europe.


Allied Van Lines
Mike Fergus

Allied Van Lines became involved in welfare to work because it brings viable solutions to our business objectives and employs a strategy that significantly strengthens communities, families and the future of our nation. We joined with Alliance Relocation Services, L.L.C., our local partner in this effort, in the goal of training and placing 500 former welfare recipients in the year 2000. We also created synergies with selected organizations that strengthen our foundation for success: A local university is preparing a training curriculum for recruits; we are seeking to strategically outsource the retention effort to the BizLink Network Program in Chicago; and Reebie Moving & Storage, a local agent, has provided a full-time trainer to mentor potential participants in the program. We have also educated many of our clients about the benefits of hiring this new source of employees. For us, welfare to work is essential to our business development and critical to the continued success of our corporate citizenship. We are excited by the prospects and possibilities of such a far-reaching effort.

THE VOICES OF EMPLOYERS

Mike Fergus is the president of Allied Van Lines, Inc., the leading provider for domestic and international relocation services, special products transportation and related insurance service markets.

Bank of America



Bank of America Cathy Bessant

Bank of America has become a national corporate leader in welfare to work issues through its Welfare to Self-Sufficiency Initiative. In 1998, Bank of America joined The Welfare to Work Partnership to further support our initiative. We have long recognized that the success to community development and expanding economic opportunities to all Americans can best be achieved through partnership and collaboration. We understand that promoting self-sufficiency is about more than just creating jobs. Bank of America focuses on recruitment, retention, career advancement, housing, health care, childcare, transportation, building strong communities, and moving people into the financial mainstream. The result has been an impressive vehicle for the recruitment and retention of a diverse and talented workforce and an opportunity to develop communities and neighborhoods across the country. We currently have training programs for the recruitment and retention of former welfare recipients in 12 locations throughout our franchise, with 10 locations being added in 2000. Through these efforts, we have hired more than 1,500 former welfare recipients into career path positions at the bank and currently are averaging 150 new hires per month. This has been a smart solution for our business in that it has helped lower costs per hire, reduced turnover and training costs and improved retention rates. The associates hired through this program also demonstrate loyalty and gratitude for the opportunity provided to change their lives.

Cathy Bessant is the president of the Florida Banking Group for Bank of America. Bank of America, with \$656 billion in assets, is the holding company for the largest bank in the U.S. It has full-service operations in 21 states and the District of Columbia and provides financial products and services to 30 million households and two million businesses.

C & S Paving, Inc. C&S Paving Carolyn Stradley

Since we are a small company that employs around 40 people, being understaffed can make or break a project deadline. To combat the tight labor market, C&S Paving turned to hiring women and men off the welfare rolls to fill laborer and equipment operator positions. We worked with the Georgia Women's Business Initiative, which brought together several companies that donated resources and space for training. In addition

THE VOICES OF EMPLOYERS

to finding valuable employees, welfare to work has helped us learn about the people who are facing the reality of being in the welfare system. These people have the same problems that we employers face in trying to retain our employees – transportation, child care and health care costs. Their problems are our problems. Let us work together to help each other.

Carolyn Stradley is the president of C&S Paving, an asphalt paving and grading company serving the Southeastern United States.



When we started our welfare to work program in 1990, it was never intended to be a staffing solution. But today, as we continue to grow and with unemployment at a record low, our 21st Street facility is an important solution to a difficult staffing question. We found that there are an awful lot of people who are willing to make a change in their lives. So instead of giving up on an untapped source of employees, we invested in them. Our training center provides pay and benefits during vocational training and guarantees graduates employment in our company. The Learning Center, opened in 1997, expands the training center to include a sub-assembly plant and houses all of the training programs as well as a new daycare center. All of our trainees are assisted by counselors to help them deal with problems that can arise when transitioning into a new work environment. Since the 21st Street Program opened, we have had over 300 employees, who but for this program, would have never worked for us. They are talented. They are loyal. They hold Cessna in a status beyond which most employees hold their companies. The quality of our graduates is reason enough for any company to take a look at doing something of this nature.

Russ Meyer is the chairman of Cessna Aircraft Company, the world's leading manufacturer of general aviation aircraft. In addition to its 21st Street Learning Campus, Cessna employs 12,000 people in Wichita, Kansas.



From the onset of welfare reform, we at Chase realized that welfare to work could have a significant effect on the communities we serve. Building on our experience in helping to revitalize communities across the country, and with full support from our chairman, we recognized that locally-based strategies were critical in translating welfare to work into real jobs and economic empowerment. We saw a number of ways for Chase to play an important leadership role, including funding programs and

THE VOICES OF EMPLOYERS

alliances that support welfare to work efforts and sponsoring forums to engage other businesses in welfare to work employment activities. Additionally, we facilitate partnerships between businesses and nonprofit training organizations and develop our own partnerships so Chase can hire more people who want to leave public assistance. We are proud of the results from all three initiatives and look forward to helping our community while gaining valuable employees.

Mark Willis is an executive vice president for Chase Manhattan Bank and director of the Chase Community Development Group. The Chase Manhattan Corporation is one of the world's top-performing financial services firms and the third largest bank-holding company in the United States.

citigroup  **Citigroup**
Marjorie Magner

At Citigroup, there is terrific gratification that comes from our involvement in welfare to work, because we know we are giving people an opportunity. But from a corporate perspective, this is smart business – we get great employees. Citigroup's welfare to work model is unique in that we have developed a wonderful partnership between Salomon Smith Barney and Wildcat, a New York City-based service provider. After the training at Wildcat, former welfare recipients come to Salomon Smith Barney ready to contribute. We get qualified employees who are specifically trained on our computer systems. Our new employees are enthusiastic, excited and incredibly loyal. In fact, we have had a 90 percent retention rate. It has become an inspirational program on so many levels and based on the results at Salomon Smith Barney, we are replicating the program at other Citigroup subsidiaries around the country and in England.

Marjorie Magner is senior executive vice president and chief administrative officer, The Global Consumer, a division of Citigroup. Citigroup is the most global financial services company providing some 100 million consumers, corporations, governments and institutions in 100 countries with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage and asset management.

THE VOICES OF EMPLOYERS

CVS/pharmacy CVS Corporation
Tom Ryan

Our involvement with welfare to work started for strictly business purposes – we needed to hire the best people to handle the critical task of serving our customers. Today, CVS employs 6,000 former welfare recipients among its active workforce, and our welfare to work program has embodied the President's call for "enlightened self-interest." Our success has resulted, in part, from targeted training and support programs in rural and urban areas. CVS works with local service providers to assist former welfare recipients in advancing on the job and accessing valuable government benefits, such as the Earned Income Tax Credit, WIC and food stamps, so that individuals can truly transition from welfare to self-sufficiency. Our welfare to work program has not only been good for our business as a retailer and a health care provider, but it has helped individuals realize that hard work and a commitment to success can lead to a meaningful career.

Tom Ryan is chairman, chief executive officer and president of CVS Corporation, which is the largest drugstore chain in the United States.

 **FannieMae** Fannie Mae Foundation
FOUNDATION Stacey H. Davis

I joined the welfare to work initiative because I believe the business community can help identify job opportunities for people coming off welfare and help those individuals remain on the job. I am impressed with the business community's accomplishments so far. Thousands of welfare recipients are now supporting their families by earning a paycheck. This is more than statistics – this is an impact. As president and CEO of the Fannie Mae Foundation, I share welfare to work's emphasis on measurable results and sustainability. As we move forward, financial literacy and affordable housing opportunities are essential components. The Retention and Career Advancement 2000 program presents a natural opportunity for the Fannie Mae Foundation and The Welfare to Work Partnership to partner in providing former welfare recipients with financial literacy and homeowner education resources in order to help get them on the path to self-sufficiency.

Stacey H. Davis is president and chief executive officer of the Fannie Mae Foundation, the largest foundation in the country devoted to affordable housing issues.

THE VOICES OF EMPLOYERS


General Converters and Assemblers, Inc.
George R. Stinson

More than 30 years ago, I learned that welfare recipients were an excellent source of employees for my small business. Today more than half of my workforce has come from the welfare rolls, and the results have inspired me to educate other businesses – large and small – about the benefits of welfare to work. By partnering with local organizations, including Workforce Investment Boards and the One Stop Job Center, we provide recipients with job-specific training to ensure that they succeed on the job. Through personal mentors inside the company, our welfare to work hires come to work with the appropriate attitude for a successful career and an independent life. Welfare to work has been crucial to GCA's expansion over the past 30 years. We are living proof that you can help your community and improve your bottom line at the same time.

George R. Stinson is the chairman of the board of General Converters and Assemblers, Inc. (GCA). GCA is a contract packaging and manufacturing company located in Racine, Wisconsin.


IBM
Stanley S. Litow

IBM's commitment to ensuring that individuals have the skills and experiences they need for a productive and successful life is part of the culture of this company. When I joined The Welfare to Work Partnership, we saw a new opportunity where IBM's technology and people could make a significant difference. The Partnership's web site, The Solutions Network, is a perfect example of how we can and must go beyond mere access to technology. We can truly bridge the digital divide when we use our technical know-how to work better and smarter on behalf of others. IBM will continue to work with The Partnership to make sure that businesses, community resources, and individuals can find the online resources they need to hire more former welfare recipients and better integrate them into the workforce.

Stanley S. Litow is vice president of Corporate Community Relations for the IBM Corporation. IBM is the world's largest information technology Provider (hardware, software and services) and the sixth-largest company in the Fortune 500, ranked by revenue. The company employs more than 290,000 people worldwide and does business in more than 160 countries.

THE VOICES OF EMPLOYERS


Loews Hotels
Jonathan M. Tisch

As the worker-shortage crisis continues to be a challenge for the growing travel and tourism industry, welfare to work is the perfect example of how two supposedly diametrically opposed goals of business – making money and being socially responsible – can intersect in a meaningful way. As part of Loews Hotels' efforts to transition former welfare recipients into the lodging industry, we have hired over 125 former recipients with a higher retention rate than our overall turnover rate. Our commitment to the initiative even transcends competition with other hotels. In an unprecedented step for the tightly competitive hotel industry, Loews brought together 44 area hotels from the Greater Miami & The Beaches Hotel Association, along with the mayors from Miami/Dade County and Miami Beach, to create a program that is now helping to transition 300 former welfare recipients into the lodging industry. Collectively, corporate America needs to understand that we cannot look to government to solve all of our problems. The public sector can set the tone and take the initiative, but the private sector must also take responsibility.

Jonathan M. Tisch is the president and chief executive officer of Loews Hotels and the vice chairman of the board for The Welfare to Work Partnership. Loews Hotels currently owns and/or operates 14 hotels and resorts in the U.S. and Canada.

Marriott International
J.W. Marriott, Jr.

In my mind, Pathways to Independence is the best thing we do at Marriott. Marriott is a company that cares about its employees, and Pathways to Independence has trained and placed a new source of dedicated, productive employees in the company's operations. In addition to providing career opportunities for thousands of welfare recipients and disadvantaged individuals, Marriott's Pathways program is also helping the communities in which it operates. It is a great privilege for Marriott International to participate in an initiative such as welfare to work, where we can help individuals gain self-respect and become productive members of society. We offer former welfare recipients jobs and career opportunities in a truly supportive, trusting environment, and in return, Marriott receives dedicated and loyal employees.

J.W. Marriott, Jr. is the chairman of the board and chief executive officer of Marriott International, Inc. Marriott is a leading worldwide hospitality company with over 2,000 operating units in the United States and 57 other countries and territories.

The Welfare to Work Partnership

THE VOICES OF EMPLOYERS


THE MILLS' The Mills Corporation
Laurence C. Siegel

At Mills, we have found that there is an untapped resource of loyal and dedicated workers just waiting for a chance to prove themselves. We have significant employment demands – more than 3,000 new positions for every mall we open – and we have learned that welfare to work can help us build the workforce we need at each location. From the very beginning, the key to the Mills MATCH program was transforming development directors, once driven by deadlines and dollars, into community activists. With the transformation complete, MATCH addresses the toughest welfare to work challenges, including transportation and child care. Mills' investment in the community benefits not only our retail/entertainment venues, but other local businesses as well. We will continue to hire former welfare recipients because it is a sound business practice, and we are proud that the education, training and certification provided to Mills' employees will stay with them for life – wherever they live and wherever they work.

Laurence C. Siegel is the chairman and chief executive officer of The Mills Corporation. Across the United States, ten Mills super-malls employ almost 4,000 people each and are one of the top two tourist attractions for their respective states.


production products Production Products
Barry N. Corona

I joined The Welfare to Work Partnership because it makes good business sense. I started my business in the inner-city 24 years ago, and from the beginning, I relied on a workforce predominately made up of individuals coming from welfare. I have found that given the right training and support, this sector of the population is a valuable source of good, productive employees.

Barry N. Corona is the president and chief executive officer of Production Products. Based in St. Louis, Missouri, Production Products is a small minority manufacturing business that primarily serves the Department of Defense.


Rachel's Bus Company
E. Rachel Hubka

Having once applied for welfare myself, I know that welfare recipients are smart, motivated people who only need a chance to prove that they make loyal and dedicated workers. My key to success is making basic decisions that most businesses, especially small ones, need to consider, such as making a personal commitment to helping

THE VOICES OF EMPLOYERS

employees stay on the job, offering incentives, and never lowering my standards. My welfare to work program has given me highly motivated employees. In return, I have been able to help my employees improve their self-esteem and gain hope for themselves and their children's futures. Because our future depends on continuing to hire from the welfare rolls, my commitment is to hire and train as many qualified individuals as are available.

E. Rachel Hubka is owner and chief executive officer of Rachel's Bus Company, Inc., a contract carrier for Chicago Public Schools, providing safe and timely transportation to Chicago's school children. Approximately 40 percent of Rachel's Bus Company's 150 employees have come from a welfare background.

SEARS Sears, Roebuck and Co. John T. Sloan

As a part of the fabric of American life for more than 100 years, Sears was pleased to take a leadership role in welfare to work. Sears' Chairman and CEO, Arthur C. Martinez, personally directed efforts across the country to identify, hire and retain qualified applicants. Sears has also developed relationships and networks with other like-minded businesses and organizations, hired a vendor to screen all new hires, created awareness about wage subsidy programs and rolled out wage subsidies in a number of Sears stores. Sears has hired more than 32,000 former welfare recipients with a retention rate higher than the company average. Our welfare to work associates have proven to be an excellent source of dedicated, hard-working employees, many of whom have been promoted. In a time when the pool of qualified job seekers is at historic lows, we have found a great resource of willing, able and loyal employees who have turned into respected Sears associates.

John T. Sloan is the executive vice president of Human Resources of Sears, Roebuck and Co. Sears is a leading U.S. retailer of apparel, home and automotive products and services with annual revenues of nearly \$40 billion.

TIME WARNER Time Warner Inc. Gerald Levin

Time Warner has always put a high value on social commitment, respect for individuals, fostering diversity and supporting local communities. It is the vibrant, vital tradition of community responsibility that leads us to be involved in the welfare to work initiative. In addition to creating community partnerships and developing an internal hiring program within our New York operating units, Time Warner is leveraging its national networks and print media in a PSA campaign to break down negative stereotypes about welfare

THE VOICES OF EMPLOYERS

recipients. Early on, we recognized the importance of media in changing public perceptions about the welfare population. We are proud to play a role in helping individuals achieve lives of independence and self-respect within the private sector.

Gerald Levin is chairman and chief executive officer of Time Warner Inc., the world's leading media company. Its businesses include cable networks, publishing, music, filmed, cable and digital media. Time Warner's merger with AOL will create the world's first fully integrated internet powered media and communications company.

TJX **TJX Companies** **Ted English**

When we joined The Welfare to Work Partnership in 1997 we felt it was a rare opportunity to make a difference on several fronts. We believed that welfare to work would be good for TJX, good for business in general and good for America. Our initial commitment was to hire 5,000 former welfare recipients by the year 2000. Our welfare to work program evolved faster than anyone could have imagined. As of June 2000, TJX has hired more than 15,000 associates from the welfare rolls. Former welfare recipients proved to be such good workers, that many have been promoted and others have been hired to take their place. We saw early on that making the transition from welfare to work is not any easy one for many individuals. We addressed this issue by partnering with Morgan Memorial Goodwill Industries and creating the First Step Program, which provides classroom training, internships, and job placement to former welfare recipients. This program continues to play an important part in our already successful welfare to work initiative. We believe that programs such as First Step and partnerships with community based organizations create win-win scenarios. An unexpected benefit has been the retention rate for former welfare recipients, which we have found to be higher than that of more traditional entry-level hires. With the labor market as tight as it is, it makes excellent business sense to utilize creative recruitment practices. TJX will continue to hire former welfare recipients and has made welfare to work an integral part of our company.

Ted English is the president and chief executive officer of The TJX Companies, Inc. The TJX Companies, Inc. is the leading off-price retailer of apparel and home fashions in the U.S. and worldwide. In total, TJX operates more than 1,450 stores, including T.J. Maxx, Marshalls, HomeGoods, and A.J. Wright in the U.S., as well as Winners Apparel Ltd. in Canada and T.K. Maxx in Europe. The company employs 73,000 associates worldwide.

THE VOICES OF EMPLOYERS

THE DOCUMENT COMPANY
SERIES**Xerox Business Services (XBS)**
Joe Valenti

Over the past two years XBS has hired nearly 400 welfare recipients coast-to-coast, with a 65 percent retention rate. Establishing a strong working relationship with service providers and community-based organizations is a key element to this success. In developing a comprehensive mentoring program, XBS worked with Women in Community Services (WICS), a national organization providing mentoring expertise, to ensure that both mentors and new employees make the most of their relationship through a program called Friends at Work. XBS has also partnered with the Xerox Federal Credit Union to enable former welfare recipients to obtain Visa cards, lines of credit, and financial advice and training. Due to this support, our welfare to work hires are experiencing more success in their careers and delivering greater value to our customers.

Joe Valenti is senior vice president of XBS Operations. XBS is the fastest growing division of Xerox Corporation and the worldwide leader in document services outsourcing. It provides a comprehensive portfolio of services to some four million customers each day in more than 5,000 client companies worldwide.

THE FACES OF WELFARE REFORM

Antoinette Patrick – CVS Corporation

Antoinette Patrick never dreamed of working at a pharmacy. Now, Antoinette can't imagine a career at any place other than CVS. After almost three years on welfare, Antoinette entered the CVS Apprenticeship Program on her way to a full-time job as a pharmacy technician. She excelled on the job by treating her customers with patience and respect. "I try to put myself in their shoes to see how they would feel, and treat them accordingly," said Antoinette. In addition to full benefits, Antoinette is taking advantage of the CVS educational opportunities, working toward her certification as a lead pharmacy technician through an innovative online curriculum developed by CVS. "I never thought I could learn to do all this," said Antoinette. "I feel like I'm making a difference at CVS."



Antoinette Patrick (right)

Chris Wilcox – Cessna Aircraft Company

For years Chris Wilcox and his wife had a drug addiction problem. His three children – Rikki, 14, Toni, 13, and Lance, 10 – were suffering from the instability of their parents and the limitations of welfare. Finally, Chris got "sick and tired of being sick and tired." One of the workers at the KarWorks program in Kansas introduced Chris to Cessna's 21st Street Facility, a program designed to train welfare recipients for jobs at Cessna. Today, Chris is the final assembly mechanic on the Citation 750 line at Cessna Aircraft in Wichita, Kansas. Chris started working first shift, but he later discovered that the best way to take care of his children and still do the job at Cessna was to be on third shift. Chris sees his children off to school in the morning, he is waiting when they come home from school in the afternoon, he spends quality time with them at night, and then goes to work. Chris has custody of his three children and he has already been promoted. Chris has goals for himself, including earning a Bachelor's Degree in business, but his true gratification comes from his children. "It's pretty neat to show them, 'Hey, there's one of the planes I've built,'" Chris said. "Now when somebody asks, 'Where's your dad work?' they've got an answer. It's out at Cessna."



Chris Wilcox

THE FACES OF WELFARE REFORM

Consuelo McClond – Loews Hotels

Thanks to Consuelo McClond's job as a night telecommunications operator at Loews Hotel in Miami Beach, Florida, she and her three children – Kortney, Brandis and Kori – now have stability in their lives and Consuelo is focusing on a long career in the hospitality industry. Consuelo's future was not so clear three years ago when she was forced to go on public assistance. On welfare, Consuelo's monthly check was \$335 a month and rent was \$325 a month. She needed help from her mom and brother to pay the light and gas bills. Her cousin used to buy Pampers for her son. "I relied on other people for everything," Consuelo said. Finally, Consuelo was introduced to America Works, who recommended her for a job at Loews. Now Consuelo works the night shift – from 10:30 p.m. to 6:30 a.m. – allowing her to take care of her children before and after school. After 18 months on the job, she now relies on herself. In fact, her friends and family come to her for money. "I tell them the same thing they used to tell me," Consuelo said. "Do I look like the Bank of Miami?"



Consuelo McClond

Elaine Kinslow – E-Z Ride

Elaine Kinslow's future appeared secure when she graduated high school as the valedictorian of her class. But her college scholarship was revoked when her future school learned that Elaine was a single parent and Elaine was forced to go on welfare. For 13 years, Elaine was on and off welfare. She couldn't find a job that allowed her to work and afford day care for her children. Finally, Elaine was hired at Path Finder Transportation Service, where she found more than a job. "They believed in me," Elaine said. "They challenged me and things started getting better." When Path Finder lost its funding, Elaine continued to persevere and landed a job at E-Z Ride, a minority-owned company that helps transport people to and from work. Elaine is also taking classes in Public Safety at Ivy Tech College and plans to earn an EMS certificate. She is also learning to become part of a Hazardous Material Response Team. "My situation is not unique," said Elaine. "Everyday, I see former welfare recipients who are earning a paycheck to support themselves and their families."



Elaine Kinslow
(second from right)

THE FACES OF WELFARE REFORM

LaTonya R. Stephens – Bank of America

LaTonya Stephens was determined to reach her dreams when she and her two daughters - Regina and Nakeisha- moved to Dallas three years ago to get a fresh start after living on public assistance. Her path off welfare began with CED and computer training through the Dallas Housing Authority, and entrance into a customized training program offered by Goodwill and Bank of America to train people for jobs as Customer Service Representatives. LaTonya is now a member of the top performing Call Center team at Bank of America and has won a national award for her work performance (and a trip to Beverly Hills). With benefits like subsidized child care, medical, 401(k), life insurance, and stock options, LaTonya has purchased a car and is now closing in on her biggest dream - a house with a backyard. Through the Bank's Associate Home Ownership program, LaTonya has been working with a personal financial counselor, will take advantage of an employee \$5,000 principal-free loan, will qualify for a mortgage at a discounted rate, and begin house hunting this summer. From homeless to homeowner in two years - LaTonya Stephens.



LaTonya Stephens

Lou Ann Catano – Marriott International

Lou Ann Catano's motto could be, "I want more." That's what she said to herself when she hit rock bottom - stuck in an abusive relationship, grappling with a drug and alcohol program and separated from her daughter, Angeline. She went on welfare, waiting for a spot in a supportive housing unit so she could get help. She took advantage of education and skills training opportunities, all the while telling her caseworker that she wanted more. Lou Ann was referred to the Marriott Pathways program. She was hired by Marriott and worked her way up from hotel operator to concierge. Now, she has a job that she loves in the city that she loves, and she is able to fulfill a passion for travel. Lou Ann just wrote Angeline a check for her college sorority dues. "Four years ago, she wouldn't have even bothered to ask," said Lou Ann proudly.



Lou Ann Catano

THE FACES OF WELFARE REFORM

Maria Mercado – The TJX Companies, Inc.

Maria Mercado never graduated from high school, but now, she can't stop thinking about college. After spending nine years on welfare before landing a job with Marshalls, Maria has started college funds for her two daughters Elixmarie, 11, and Maria Ellena, 7. "I want them to have the opportunity to follow their dreams," she said. For almost a decade, she dreamed of getting off welfare. In the autumn of 1998, Maria entered The First Step Transition to Work Program, which is a collaborative program between The TJX Companies, Inc. and Morgan Memorial Goodwill Industries. The program led to an internship at Marshalls, where Maria discovered her natural ability for retail. She was promoted from intern to full-time sales associate to a merchandising lead sales position. Each accomplishment gave her more confidence and inspired her to pursue additional responsibility. Maria is now training in TJX's Bridges To Management program and is well on her way to becoming an Assistant Store Manager. She is studying to earn her GED and hopes to pursue an accounting degree. "I learned that nothing is impossible," said Maria.



Maria Mercado (left)

Rena Burns – Automated Data Sciences/CADscan

As one of five children raised by a single mother on welfare, Rena Burns dreamed of being financially self-sufficient. Today, she has reached that dream for herself – she owns her own technology/software development business – and helps others accomplish that dream. Her company, Automated Data Sciences, employs 60 people, including four former welfare recipients. She did not intend to target welfare recipients but one former welfare recipient who worked for Rena as a secretary changed her mind. "She asked why we weren't going to bid on a particular project," she said. "I told her that we are a small company and don't have the resources to respond to every request for proposal." The former welfare recipient asked if she could try in her spare time. A month later, they got the account. In addition to running a business, mentoring employees and earning the Small Business Administration's Regional Welfare to Work Entrepreneur award, Rena is a speaker for a Los Angeles Juvenile Hall program. She assists at-risk youths in LA County, and plans to expand to the nine central valley counties. "I bring one important message," Rena said. "If I can do it, so can anyone."



Rena Burns

THE FACES OF WELFARE REFORM

Rhonda Costa – Salomon Smith Barney

Rhonda Costa didn't dream much when she was on welfare. She spent her days trying to pay her bills with a \$280 a month welfare check and her nights shielding her two daughters from stray gunfire in a one-bedroom apartment. Rhonda decided to change her life after her oldest daughter, Lakiyah, told Rhonda to get up and do something with her life. "It really hit home when your 11-year-old daughter recognizes that you are not doing anything productive with your life," said Rhonda. The next day, Rhonda enrolled with Wildcat Service Corporation, a New York service provider that trains welfare recipients for jobs. After a 16-week training course, Rhonda was hired by Salomon Smith Barney. Rhonda was recently promoted to office manager and now has an assistant of her own – a Wildcat graduate. Through Salomon Smith Barney's tuition reimbursement program, Rhonda is taking a class at Borough of Manhattan Community College for her business management degree. "It's great when you have a job where you're excited to get out of bed in the morning," she said.



Rhonda Costa

Tiffany Smith – United Parcel Service

Tiffany Smith was on welfare with her six-month-old son, Shawn, when his father stopped coming around. It was then that Tiffany realized that she was the only role model in Shawn's life, and she needed to get a job. "A working parent means a lot to a child," said Tiffany. "I became a mother and a father to him and he needs to know that what I'm doing, he should be doing too, once he grows up." Tiffany now works part-time at UPS, where her benefits include health and dental insurance in addition to her paycheck. Tiffany takes pride in being a positive example for her two children – Shawn and Bre'anna. She is obtaining her GED and will apply for a supervisory position at UPS. With a GED, Tiffany will also become eligible for UPS's Earn and Learn program, which provides financial assistance for college. "The more you work, the more opportunities become available," said Tiffany. "I want my kids to learn that you never know what you can accomplish unless you try."



Tiffany Smith

Weather
Today: Partly sunny
High 86, Low 67
Wednesday: Sunny, hot
High 90, Low 72
Friday: Partly sunny
High 88, Low 68

Defectors Say CIA Reneges On Promises

Seattle Couple's Suit Is Latest Against Agency

By Vernon Latta
Washington Post Staff Writer

During the Cold War, the diplomat and his wife were proud recruits. If they paid attention in place and speed against their Soviet bloc homeland for a while longer, the Central Intelligence Agency promised, they eventually would get new names and comfortable lives in America.

They wanted to defect immediately but felt they couldn't say no to the CIA. So they reneged on promises and raised their lives.

Now, years later and half a world away, the couple is virtually penniless in Seattle and suing the CIA, claiming that the agency had reneged on the deal and cut off their \$27,000 annual stipend.

"They feel betrayed," said Steven W. Hite, their attorney. "The CIA promised they would have health insurance and financial security for a lifetime, and they declined it for as long as they were able to earn a living. And now the agency has given them nothing, zero—the back of the hand."

The couple's lawsuit is but the latest chapter in the CIA's long and troubled history with defectors who come to the United States in return for spy services rendered abroad—and often come to feel ignored, abused, even cheated by their CIA handlers.

There was Victor Gundare, a KGB sniper who defected in 1986 and came close to rejoining three years later because he felt misled and mistreated by his CIA handlers. And just last year, there was Victor Shermov, a KGB major and computer guru who charged publicly that CIA officials never paid him much of the \$1 million promised when he defected in 1980.

The CIA's critics have complained for years that the agency shortchanges defectors from the get-go, making them sign retroactive agreements they can't understand, mislabeling them over routine

See DEFECTORS, A15, Col 1



Ehud Barak reneges on promises offered to him by the CIA.

Vote to Unseat Barak Fails

Israeli Leader Heads to Summit in U.S. After Close Call in Parliament

By Lee Hockstader
Washington Post Foreign Editor

JERUSALEM, July 10—Prime Minister Ehud Barak narrowly survived a no-confidence vote this evening and immediately departed amid pomp and ceremony for a critical Middle East peace summit convened by President Clinton at Camp David.

Barak mustered just 52 votes in the 120-member Knesset, Israel's parliament, despite hours of desperate ap-

peals to holdout lawmakers. But the 54 votes against him by right-wing and religious parties left short of the 61 needed to topple his government and force new elections. There were seven abstentions, and seven members were not present.

Coming a day after right-wing and religious parties quit his wobbly coalition government, today's vote was the latest of dozens of no-confidence measures he has faced since taking office last July—but the first he did not win

by a comfortable margin. The move was a measure of the political turmoil that haunts the Israeli leader as he tries to fashion a deal with Palestinian leader Yasser Arafat to end 52 years of conflict.

Wrapping himself in the mantle of Abraham Lincoln and Yitzhak Rabin, previous Israeli leaders who took pains to reach peace accords, Barak appealed directly to the Israeli public, going over

See ISRAEL, A20, Col 1



Victor Shermov, once a KGB major, reached a settlement with the CIA last fall.



Texas Gov. George W. Bush with NAACP Chairman Julian Bond at the date of the group's annual convention in Baltimore.

Bush Vows Better Ties to Blacks

At NAACP Meeting, Governor Acknowledges GOP's Breach

By Tracy M. Neal
Washington Post Staff Writer

BALTIMORE, July 10—George W. Bush came before the nation's largest civil rights organization today to acknowledge the breach of trust between his party and African Americans and vowed to find "common ground" on issues that have long divided them.

Declaring that "strong civil rights enforcement will be a cornerstone of my administration," the Republican presidential candidate told the

NAACP annual convention that he recognizes there will be some who do not agree with the NAACP's mission and its message, and he vowed to find "common ground" on issues that have long divided them.

Declaring that "strong civil rights enforcement will be a cornerstone of my administration," the Republican presidential candidate told the

NAACP annual convention that he recognizes there will be some who do not agree with the NAACP's mission and its message, and he vowed to find "common ground" on issues that have long divided them.

Declaring that "strong civil rights enforcement will be a cornerstone of my administration," the Republican presidential candidate told the

NAACP annual convention that he recognizes there will be some who do not agree with the NAACP's mission and its message, and he vowed to find "common ground" on issues that have long divided them.

U.S. Halts Cancer Tests In Oklahoma

Patient Protections Ignored, Agency Says

By Russ Wyatt
and Clarence Nizkor
Washington Post Staff Writers

Federal regulators have shut down all government-funded human medical experiments at the University of Oklahoma Health Sciences Center in Tulsa and evidence that researchers there broke multiple rules designed to protect patients and then tried to cover up their lapses by withholding information from supervisory agencies and patients.

Among the concerns that led to the unusually severe disciplinary action were that dozens of cancer patients may have been infected with experimental cancer-fighting vaccines contaminated with the gamma herpes virus, that 13 of the first 18 patients to get the vaccines were not eligible for the study, and that the researchers had not given their patients the possible benefits of the experiments and underplayed the risks.

University officials said yesterday they were looking into the lapses but had found no evidence that any patients had been harmed.

The research suspension, which affects about 75 studies on campus, represents the first major disciplinary action by the newly constituted federal Office for Human Research Protections (OHRP) Health and Human Services Secretary Thomas E. Shalton created the office in the past month to respond to a growing recognition of the need for increased federal oversight of human clinical

See CANCER, A12, Col 1

Group Home Ex-Chief Is Indicted

\$800,000 Stolen; Meant for Retarded

By Bill Miller
Washington Post Staff Writer

The former head of a company that runs group homes for mentally retarded D.C. residents was accused yesterday of stealing more than \$800,000 from the nonprofit firm and using the money for luxury vacations, cars and other extravaganzas.

A federal grand jury returned a 16-count indictment against Steven E. Pullman, 41, former executive director of D.C. Community Services Inc., the District's largest nonprofit provider of group homes for the retarded. Pullman pleaded not guilty in U.S. District Court yesterday and was held pending a bond hearing Thursday.

Pullman, of Annapolis, joined D.C. Community Services in 1993 as co-president. Prosecutors said Pullman diverted the firm from the start, lying on his employment application by stating he had never been convicted of a crime. He was convicted of embezzling money in 1987 from the town of Verona, where he was chief financial officer.

Pullman later became D.C. Community Services' executive director, replacing a man who was

See HOMES, A14, Col 1

Restoring Their Good Names

After Nearly 80 Years, Mongolians Reclaim Identities—and a Past

By John Pomfret
Washington Post Staff Writer

ULAN BATOR, Mongolia—Call him Ulan Gen, Gen. Coosoo.

In 1981, Coosoo took an eight-day ride on a horse and sled and into the history books, becoming Mongolia's first and only cosmonaut. Earlier this year, the heavily tattooed warrior had another triumph with doctors: He chose to battle his lung cancer. He rejected the word "cancer," the Mongolian word for the disease.

"It made sense," said the 56-year-old military officer, dressed in starched combat fatigues and a pair of worn brown leather boots,

uniform as the Mongolian air force chief of staff. "I tried to find my family's original name but I couldn't. I researched on the internet those with my family. My friends and colleagues also approved."

Mongolians have regained much since the fall of communism. 13 years ago, 15 years who had been forced to give up their animals to state-controlled trading companies as their herds back. Unemployed workers, abandoned for decades, have regained 90 percent of the economy has been transferred to the private sector. But perhaps the most significant benefit is the 2.4 million people abandoned

See MONGOLIA, A20, Col 1



Steven E. Pullman, former executive director of D.C. Community Services, is accused of stealing more than \$800,000 from the nonprofit firm.

INSIDE

Filipinos Die Under Garbage

A mountain of garbage looms over people who are residents searching for survivors after a week of intense fighting in southern Manila. At least 40 people were killed, and at least 60 were missing. Rescuers were hampered by the slush and lack of resources.

PHOTOS BY AP/WIDEWORLD

Sisters Triumph

Waters' singles champion Venus Williams completed her victorious Wimbledon run by beating with sister Serena to capture the doubles title. Williams, 21, and Venus, 20, were favored to win the Grand Slam victory and seventh Wimbledon crown.

SPORTS, Page D1

The Post on the Internet: www.washingtonpost.com

FTC Sues Web Store Over Plan To Sell Data

Toysmart Assured Buyers of Privacy

By John Schwartz
Washington Post Staff Writer

The Federal Trade Commission yesterday sued a financially troubled Internet toy store to keep it from selling off detailed information it would never use.

The agency said Massachusetts-based Toysmart.com, an online toy retailer largely owned by Westbury, N.Y., which asked buyers to provide their children's names, birthdays and even e-mail lists in exchange for toys to register for contests and giveaways.

"When you register with Toysmart.com, you can rest assured that your information will never be shared with a third party," the company said in its privacy policy.

Then, in June, the company advertised the sale of e-mails on being "customers" and "customer files" at the Web site's auction after its pending bankruptcy.

The prospect of such sensitive personal information being available to the highest bidder horrified privacy advocates and regulators alike and forced Toysmart to shut its doors. The company said it never intended to sell the e-mails.

But the FTC's action to halt the sale of information that gives children lists of addresses who purchase Toysmart.com is the first time the

See TOYSMART, A12, Col 1



WR -
WTA Partnership

Untimely Turbulence in Israel

It is unfortunate that the center-right parties in Prime Minister Ehud Barak's coalition have deserted the Israeli leader just as peacemaking in the Middle East reaches a critical juncture this week at Camp David. Had they not resigned from the cabinet Sunday, and voted against him in a failed no-confidence vote yesterday, the parties could have helped shape the agreement Mr. Barak hopes to negotiate with the Palestinian leader, Yasir Arafat.

Instead, Mr. Barak will have to proceed on his own considerable authority. Just over a year ago 56 percent of Israeli voters elected him prime minister on a platform of negotiating peace with the Palestinians. Under recent changes in Israeli election law, prime ministers are directly elected, making them less dependent on Parliament's shifting coalitions. Mr. Barak heads to Camp David rightly determined to rise above party politics and work hard for an honorable peace.

The main issues awaiting him and Mr. Arafat are delineating borders between Israeli- and Palestinian-ruled territory, resolving competing claims over greater Jerusalem and defining the rights of Jewish settlers and Palestinian refugees. Mr. Barak has long promised Israelis that there are clear "red lines" beyond which he will not compromise on these issues. He insists, for example, that the city of

Jerusalem will remain united and under Israeli sovereignty, and he has promised that a majority of Jewish settlers will be able to stay in the West Bank.

But within these parameters, Mr. Barak has wisely left room to negotiate with Mr. Arafat. If the Palestinians are prepared to make compromises on these sensitive issues, a fair agreement can be reached. Should he come home with an honorable deal, Mr. Barak will have a good chance of getting it approved by a majority of voters, either in a special referendum or through new national elections. It is a reasonable assumption that many of the Russian immigrants and Sephardic Jews whose party leaders quit the government this week would themselves welcome a realistic peace agreement.

President Clinton summoned Mr. Barak and Mr. Arafat to Camp David because lower-level negotiations had reached a dangerous impasse. The unresolved questions are the hard ones, and only the top leaders have the authority to make the necessary compromises. Mr. Clinton should be ready to back them up with American guarantees, promises of financial aid and even draft diplomatic language. But this summit meeting can succeed only if the two leaders themselves are ready to deal. Mr. Barak appears ready to do so, despite the untimely collapse of his cabinet majority.

Diminishing the Welfare Rolls

When Eli Segal started three years ago to round up corporations to hire welfare recipients, many of his C.E.O. friends scoffed. Experts told him that only about a third of the recipients were ready for steady work, the rest untrained, undisciplined or worse. Today Mr. Segal's group — The Welfare to Work Partnership — has grown from 5 companies to 12,000. They have hired more than 650,000 welfare recipients, a huge bite out of the welfare rolls that has helped shrink them to about 2.5 million adults.

Among the heroes in this story are the nonprofit neighborhood groups to which the partnership turned to help recruit, train and screen welfare applicants. The local groups took much of the risk and fear out of hiring welfare enrollees. The partnership's goal was to make hiring from the welfare rolls profitable, therefore self-sustaining. It succeeded. Corporate members of the partnership report that welfare hires stay on the job longer than

their ordinary hires, cutting down retraining costs.

The partnership's record has disproved many pessimistic predictions, made after passage of the welfare law in 1996, that welfare recipients would be unemployable or confined to low-skilled retailing jobs. In fact, Chase Manhattan and other financial service behemoths have absorbed thousands of recipients. So have United Airlines, Xerox and companies in other high-paying industries. In 1997 Mr. Segal predicted he would have to twist the arms of corporate C.E.O.'s to get them to hire from the welfare rolls. But, with mighty help from an economy that cut the unemployment rate in about half, corporations now come to Mr. Segal desperate for applicants.

"The hardest to hire turn out to be not so hard to hire," says Gerald Greenwald, former chairman of United Airlines. C.E.O.'s started out as skeptics, he recalled. "Now we are the optimists."

The Edgy City Series

Setting aside the frightening fact that one of Roger Clemens's 90-mile-an-hour fastballs beamed and concussed Mike Piazza, the New York Mets' All-Star catcher, the rousing four-game series between the Yankees and Mets was everything that organized baseball had hoped for when it introduced midseason interleague play in 1997. New York, of course, is unusual: There is only one other major league city, Chicago, with two teams in different leagues, and one would expect more interest in a crosstown rivalry than, say, an intrastate rivalry like St. Louis and Kansas City. Even so, the excitement reached World Series levels from the very first pitch, and when the last out had been recorded at Shea Stadium on Sunday night, New Yorkers had been treated to some sterling baseball and a few memorable moments.

Wearing a Yankee uniform, Dwight Gooden made an emotional return to Shea, where, as a Met, he enjoyed his greatest triumphs during the 1980's before his personal life spiraled out of control. Gooden was unemployed in late May when George

Steinbrenner, with the benevolence he often shows to former employees, reached out and gave him a minor league contract. Gooden responded by pitching five strong innings in the front end of an unusual home-and-home doubleheader, with the first game at the Mets' ballpark in Queens, the nightcap at Yankee Stadium in the Bronx.

The Yankees won three of the four games and local bragging rights, at least for now. It is conceivable that the two teams will meet again in October, since both have the talent to win their respective league championships. Perhaps by then both teams will have forgotten the ugly beaming incident. Clemens insists that he did not throw deliberately at Piazza. The Mets suspect the worst, however, because historically Piazza has treated Clemens's pitching roughly, and also because Clemens had good control of his pitches when facing all the other Mets. Players have long memories, and at least for the remainder of this season, the Mets-Yankees rivalry is likely to be characterized by good baseball and bad blood.

Business Day

NR C1

THURSDAY, NOVEMBER 26, 1998

The New York Times

Welfare to Work Partnership: Promises That Might Be Kept

By MICHAEL M. WEINSTEIN

A robust economy has provided a respite at least until the next recession -- from the fangs of the 1998 Welfare Reform Act, which threatens to withdraw aid from millions of poor families. But now a longer-term, if still partial, answer is slowly emerging.

Prodded by the Welfare to Work Partnership, a nonprofit organization run by Eli Segal, a former adviser to President Clin-

ton, companies are connecting with community groups to recruit, train and hire welfare recipients for entry-level jobs.

"The motive," Mr. Segal said, "is the most reliable of all -- profit. Companies are finding that properly trained welfare enrollees stay at their job longer than other recruits, cutting the firms' recruitment and training costs."

Beginning in early 1997, the partnership initially signed up about 3,200 companies to hire an estimated 135,000 welfare enrollees for entry-level jobs. About three-fourths of the hires are for full-time work with health benefits. The program has now expanded

to about 7,500 companies.

The partnership's key strategy is to link companies to nonprofit community groups, like Goodwill Industries and churches, that specialize in recruiting, training and counseling welfare recipients. The idea is to provide enrollees the English, math and so-called soft skills -- manners and attitude -- that qualify welfare recipients for an employer's own training program. The groups also provide counseling and mentor aid once the welfare recipient starts the new job.

The initial jobs were in all the expected unskilled fields: fast-food restaurants,

clerical positions, retail sales. The obvious question was whether the partnership's strategy could be expanded to handle any number close to the two million or so women on welfare who will soon need jobs.

The new wrinkle is that the partnership has pierced good-paying white-collar jobs in industries that are expanding. Next week the partnership plans to announce in New York City new commitments by banks and other financial institutions. Therein lie the seeds of replication.

Take Chase Manhattan. The bank has so

Continued on Page 5

Handwritten notes: "Welfare to Work Partnership" and "Welfare to Work Partnership" written vertically.

NOV-26-98 13:37 FROM WELFARE TO WORK PARTNERSHIP ID: 2025551007

Economic Scene

Partnership's Promises That Might Be Kept

Continued From First Business Page

up three tracks for hiring welfare enrollees into jobs that pay as much as \$24,000 a year. The first uses the Wildcat Service Corporation, a non-profit group specializing in training low-skilled workers, to train enrollees to become bank tellers at Chase's branches, using Chase terminals and computer programs. Chase then puts these new employees through its own two-week training course. The distinct feature of the program is that Wildcat trains enrollees to perform tasks specific to work at Chase.

Carol Parry, who oversees the program for Chase, said that her "managers are thrilled with their new recruits, and the welfare recipients say they are very happy to be working at Chase." Typically, she says, about half of Chase's new tellers leave within a year, forcing Chase to spend between \$3,000 and \$5,000 to recruit and train a replacement. But so far, only about 10 percent of the tellers it has hired through Wildcat have left.

Chase has turned to two other non-profit groups to train welfare enrollees to serve as customer service representatives who answer telephone inquiries about Chase bank products and as back-office workers who reconcile transactions on Chase's automated teller machines.

Salomon Smith Barney, the brokerage unit of Citigroup, has also turned to Wildcat to train welfare enrollees specifically for its entry-level jobs. So far, more than 90 percent of the enrollees that Salomon has hired through the program remain employed two years later. And Republic National Bank, which promises a job to each graduate of its program, trains 120 welfare recipients a year.

By expanding beyond fast food and retail sales, Mr. Segal notes, the partnership strategy opens the possibility that employers will absorb most if not all the welfare recipients who will enter the labor force in the next several years.

Some independent evidence suggests that Mr. Segal's optimism may be justified. Prof. Harry Holzer of Michigan State University surveyed employers in three Michigan metropolitan areas, finding that almost 9

percent of their jobs in the next year would be open to welfare recipients, even those without high-school diplomas or work experience. That percent reflects a number many times larger than the welfare population that will need work.

Of course, not all the evidence is encouraging. The Holzer study emphasized that the employers' willingness to hire was tied to temporarily tight labor markets and that the offices of many employers are situated well beyond the easy access of most welfare enrollees. And there remains the serious issue of matching recipients to willing employers — the very task that the partnership was set up to accomplish.

Another study found other obstacles to success as well. Prof. Sandra Danziger and colleagues at the University of Michigan surveyed women on welfare in an urban Michigan county in early 1997, then followed up with interviews about nine months later. They found that of the women who were not already working, perhaps half were potentially hireable, especially if they were to receive the type of services offered by Mr. Segal's program.

But many enrollees faced serious, multiple barriers to employment. Some of those barriers were physical; about a third of the women suffered from mental problems like depression; a third had not finished high school. And half the women lacked access to transportation.

The welfare recipients beset by more than one handicap — about half the group — did not easily find work. And the study found that only about 5 percent of the women who faced several of the barriers were employed.

It's easy to list reasons why optimistic signs that welfare-to-work programs are succeeding are just that, optimistic. The Danziger study identified and measured some of the core obstacles. And 60 years of welfare experience proves the point.

But it is equally valid to bask in the good news. The Holzer study says that employers are prepared to hire welfare recipients. The partnership results — though skimpy because they come from a program still in its infancy — say that promises can be translated into permanent jobs, a mellow note on which to start the holidays.

CC: CR, Bruce, Summary Binder

E X E C U T I V E S U M M A R Y

WTR - WTW Partnership

Business Participation in Welfare-to-Work: Lessons from the United States

Prepared for the Business Forum on
Welfare-to-Work: Lessons from America
20-21 January 1999, London



Jobs for the Future
88 Broad Street
Boston, MA 02110
(617) 728-4446

January 1999

A C K N O W L E D G E M E N T S

This report was written by Jack Mills and Richard Kazis. The authors would like to thank the following Jobs for the Future staff for their assistance: Hilary Pennington and Marlene Seltzer for their comments on early drafts; Andra Jurist Levy and Verna Lalbeharie for their research work; Marc Miller and Sybilla Green Dorros for their editing skills; and Barbara Kroner and Sarah Bennett-Astesano for design and production assistance.

A debt of gratitude is owed to the representatives of the companies interviewed for this project. They generously gave time from their busy schedules to share their firms' experiences and perspectives with us. We also thank the Welfare to Work Partnership and the National Alliance of Business for their assistance.

Funding for this study was provided by the Rockefeller Foundation. We thank Julia Lopez and Elizabeth Biemann of the Foundation's staff for their support and encouragement. We also thank the New Deal Task Force Secretariat for helpful comments and suggestions.

Jobs for the Future

Jobs for the Future (JFF), a national non-profit organization, works to strengthen the foundation for economic opportunity and civic health in America by advancing the skills and knowledge required for success in the new economy. JFF works locally and nationally to develop innovative workforce development solutions that help people make effective lifelong transitions between work and learning.

Business Participation in Welfare-to-Work: Lessons from the United States

through the New Deal, the British government has embarked upon a major reform of the welfare state, with a focus on reducing dependency and increasing the employability of long-term unemployed individuals. As in the United States, which has undertaken similar initiatives during the last several years, British efforts make employment the primary goal, marking a shift from income support to a work-centered welfare system. This shift puts employers at the heart of reform.

On behalf of the New Deal Task Force, Jobs for the Future (JFF) has researched early lessons from the U.S. experience to stimulate planning and discussion among British employers and policymakers. This paper summarizes those lessons, with particular attention to the experience of a select group of large U.S. firms that have British subsidiaries and effective welfare-to-work programs.

These companies are: Allied Signal, American Airlines, Anheuser-Busch, Bristol-Meyers Squibb, Chevron, EDS, Federal Express, Ford, General Motors, Hewlett-Packard, Manpower Inc., Marriott International, McDonald's, Monsanto, Pizza Hut, Salomon Smith Barney, United Airlines, United Parcel Service, and Xerox Business Services.

Because the United States and the United Kingdom have very different political and economic structures and traditions, as well as different welfare and workforce development systems, no attempt is made to transfer JFF's findings about the American experience into recommendations for Britain. Social policies from one country can never be adopted wholesale by another. However, we believe that the lessons from the past few years of welfare-to-work practice in the United States are instructive and relevant to the future development of the New Deal and other welfare-to-work initiatives.

Social and Economic Context

Political and economic factors have accelerated the rate at which U.S. employers are hiring people on welfare.

- *The "push" of federal legislation is increasing the number of welfare recipients seeking work:* The 1996 Personal Responsibility and Work Opportunity Reconciliation Act transforms welfare into a work-based system by limiting welfare recipients to a lifetime maximum of five years of federally financed assistance. The Act requires most recipients to find employment or participate in activities leading to work. It also places a clear priority on immediate labor market attachment—known as a "work-first" approach—rather than longer-term education and training strategies.
- *The "pull" of a shortage of qualified entry-level employees is forcing employers to seek new sources of labor:* Tight labor markets combined with rising employer demand for basic and soft skills in entry-level positions have prompted employers to

look to new sources of potential employees, including the welfare population. Through most of the 1990s, the demand for qualified entry-level employees has increased more quickly than the supply. During the last five years, the number of companies reporting skill shortages has doubled. In addition, the literacy, numeracy, communications, and teamwork skills demanded by employers have increased. In this environment, many firms are experimenting with new ways to find qualified, entry-level staff, reduce turnover, and improve productivity.

Welfare has traditionally provided income to poor families with dependent children.

Consequently, adult welfare recipients are overwhelmingly female and between the ages of 20 and 45. The typical family that receives welfare is a single mother with two children. (Able-bodied adult men and women without children are not eligible for most welfare programs; those who have recently lost their job are eligible for short-term income support through the Unemployment Insurance system.) Welfare recipients are distributed fairly evenly across racial groups, and as many as a third have dependents under the age of three. They are unevenly distributed geographically: they are overwhelmingly concentrated in the nation's cities and, to a lesser extent, rural poverty areas.

As a group, welfare recipients face serious skill deficiencies.

At least 42 percent of welfare recipients lack a high school diploma. A sizable minority have physical and other disabilities that make work difficult. One-third have never held a job for longer than six months. According to one estimate, only 10 percent of the welfare population is skilled enough to advance beyond entry-level work. Other non-skill barriers to employment include inadequate transportation to where jobs are located, a lack of day-care resources, and inexperience in strategies for finding suitable employment.

As the welfare system becomes more work-centered, welfare and workforce policy are becoming more closely linked.

Recent reforms of both welfare and workforce development policy in the United States emphasize the priority of work. Welfare policy promotes work as a way to reduce dependency on public assistance.

Workforce development policy has moved toward skill-development strategies that are more work-based and responsive to employers than in the past. New policy priorities include: an emphasis on serving employer needs, increased roles for business-oriented intermediary organizations and private-public partnerships, a one-stop service-delivery system, and an accountability system that includes performance measures on retention and advancement as well as hiring. These reforms constitute a major paradigm shift in the role of the Employment Service at the local level.

The success of a work-centered welfare policy is linked necessarily to the dynamics of the low-wage, low-skill labor market.

Many individual employers can change—and are changing—hiring and employment practices to better help welfare recipients find work. However, important questions remain about whether the U.S. economy has enough jobs for all welfare recipients; whether recipients are qualified for available jobs; and whether the jobs that are available to these individuals, in combination with government income support, make it possible for welfare recipients eventually to achieve family-supporting incomes.

These are challenges that individual employers alone cannot address. It is why many U.S. experts—and employers—see a necessary role for public policy not just in helping welfare recipients escape dependency but also in making it easier for the millions of low-wage workers who are not on welfare to achieve self-sustaining incomes through a combination of employment, education, job training, tax, and income-support policies.

General Trends in Employer Welfare-to-Work Efforts

Many employers are hiring welfare recipients.

Hiring of welfare recipients by U.S. firms has grown rapidly, more rapidly than many predicted even two years ago. The national Welfare to Work Partnership, an organization dedicated to helping companies set up welfare-to-work programs, has enlisted 7,500 firms. In 1997, Partnership members hired over 135,000 welfare recipients. Two recent surveys conclude that more than half of U.S. firms report they have hired from the welfare population. However, most welfare recipients get low-wage jobs. And unfortunately for both firms and welfare recipients, turnover rates in low-wage jobs are high, unless

employers design programs to promote retention.

Participation is dominated by larger firms in a few industries.

Larger firms in a small number of industry sectors are the major employers of welfare recipients, with firms of more than 100 employees estimated to employ 61 percent of working welfare recipients.

The service and retail sectors account for 60 percent of all employment but 80 percent of the jobs secured by welfare recipients. Business services, eating and drinking places, and health services alone account for 45 percent of employment for welfare recipients.

However, as Jobs for the Future's research and interviews indicate, firms in diverse—and frequently higher-paying—industries, such as high technology, transportation, health, and heavy manufacturing, have successful welfare-to-work policies. Efforts to diversify target industry sectors are beginning to bear fruit.

There is potential for continued expansion of employer participation, particularly among smaller businesses.

Further expansion of employer hiring from the welfare population is both likely and feasible, assuming continued economic growth. Even in a recession or a period of slower growth, firms will face ongoing challenges in finding and retaining qualified, entry-level workers.

While participation of small firms in welfare-to-work programs has been relatively weak, two-thirds of small firms that used local intermediary organizations to recruit candidates for employment reported hiring welfare recipients. Smaller firms that hire welfare recipients have a much higher ratio of welfare hires to total employees than do larger firms. Marketing to firms by employer associations, business networks, and other local intermediaries, an idea that is gaining momentum in many communities, may help increase small-business involvement in welfare-to-work efforts.

Most employers focus primarily on recruitment and hiring, but strategies to improve retention are becoming more common—and they are receiving support from public policy.

The primary emphasis of welfare-to-work efforts to date has been recruitment and hiring. However, employers are increasingly interested in ways to

lower turnover and improve retention of entry-level employees.

Federal and state policies have also focused on moving recipients off welfare and into employment. Increasingly, though, policymakers recognize the need for additional funds to support strategies that help recipients stay employed and advance in careers. The newly enacted Workforce Investment Act authorizes resources for training current employees, with an emphasis on low-skill workers. Federal welfare-to-work legislation provides \$3 billion for measures to improve retention and advancement of the hardest-to-employ welfare population. One target group for this assistance is non-custodial parents with significant barriers to market success. These resources can be used for pre-employment training and related services delivered by public agencies, local One Stop Centers, or other community-based organizations that are part of the local workforce development system.

The Welfare-to-Work Experience of Leading U.S. Firms

Jobs for the Future interviewed 19 leading U.S. companies about their welfare-to-work activities. (Profiles of 11 of these large firms, all of which have a presence in the United Kingdom, are included in the full report.) The interviews explored: corporate motivation for developing and sustaining welfare-to-work programs, the benefits firms derive, the kinds of activities in which the firms engage, and the role of local partnerships in simplifying and strengthening employer participation.

The primary motivation for employer participation is to meet business objectives.

Wage subsidies motivate firms to begin welfare-to-work efforts but are not by themselves sufficient to sustain involvement. Public funding of recruitment, training, and support services encourages sustained efforts by improving welfare recipients' job performance while reducing companies' financial exposure. That said, firms report two other motives for initiating welfare-to-work efforts: the desire to be good corporate citizens and peer pressure or influence from other companies they see as leaders in their industry or community.

Employers identify a number of important business benefits from their welfare-to-work involvement.

Three benefits are foremost: more effective access to an expanded labor pool, reduced employee turnover, and increased motivation and loyalty among new hires.

Firms report other benefits as well. These include: reduced recruitment and hiring costs; better-than-average quality and performance for new hires; and improved morale among a firm's incumbent workforce.

An additional benefit comes from public subsidies for hiring welfare recipients and for training and other services that improve job-readiness and productivity. Employers appreciate subsidies because they help reduce the risks and costs of employing welfare recipients.

Finally, employers enjoy "spill-over" benefits from innovations that benefit not just welfare recipients but all entry-level employees in a company. Examples include: more effective mentoring and orientation programs for all new hires and strategies for addressing transportation needs or other barriers to work that can extend beyond the welfare population.

Employers identify several challenges to expanding their efforts.

These include:

- How well local service providers can customize their activities to meet employer needs;
- The need for quality referrals and screening of potential hires, given the poor job-readiness of many welfare recipients and other low-skill workers;
- Perceived inflexibility of welfare and workforce development agencies;
- The time and resources commitment required to develop new programs; and
- Complexities of integrating services needed by many welfare recipients into a firm's existing human resource practices.

Partnerships play a critical role in successful business experience.

U.S. companies have found it particularly helpful to enlist local agencies who excel at providing services that are beyond the firm's core competencies. Every firm interviewed by Jobs for the Future stressed the importance of working in partnership with effective local organizations. Examples include: community-based organizations and temporary help firms that

help companies recruit and assess potential new hires; regional bus lines or private firms that provide transportation to and from workplaces; community colleges that provide training and skill development; and a range of organizations that collaborate with employers to design and deliver work-based training and post-placement support.

From the company perspective, successful partnerships must meet clearly defined business objectives. Partners must provide excellent customer service, understand an employer's specific entry-level labor needs, and be committed to continuous improvement in meeting employer standards.

Large, engaged firms are involved in two kinds of welfare-to-work efforts:

1. Activities that increase their access to quality employees and help the firm retain and advance those employees; and
2. Collaborative inter-firm activities that share best practice, increase overall business involvement, and influence public policy.

1. Activities that increase access, retention, and advancement

Firm-specific efforts focus primarily on expanding access to sources of new employees, improving the quality of the job match. Effective strategies include:

- Better screening and matching of job seekers to job vacancies;
- Pre-employment preparation in basic skills, communication, and "soft skills" and short-term training targeted to the firm or industry; and
- Improved orientation to the job, training on the job, and support during socialization to the job.

Examples of firms interviewed by JFF that engage in these efforts: Allied Signal, American Airlines, Chevron, EDS, Federal Express, General Motors, Hewlett-Packard, Manpower, Marriott, McDonald's, Monsanto, Pizza Hut, Salomon Smith Barney, United Airlines, United Parcel Service, and Xerox Business Services.

Companies are increasingly concerned with strategies for increasing retention and lowering turnover. Activities include:

- Supervisor training on working with new hires;
- Mentoring and coaching by company staff;

- Post-placement support to address logistical and personal barriers to employment; and
- Provision of health and other benefits to entry-level workers.

Examples of firms interviewed by JFF that engage in these efforts: American Airlines, EDS, Federal Express, Marriott, McDonald's, Pizza Hut, Salomon Smith Barney, United Airlines, United Parcel Service, and Xerox Business Services.

Many companies are developing efforts to strengthen career-advancement opportunities for entry-level workers.

Activities include:

- Helping entry-level employees to develop career plans;
- Encouraging employees to engage in additional training and education (within and outside the firm); and
- Joining consortia of firms in the same industry or occupational cluster to collaborate on training, job matching, and other efforts that can improve advancement opportunities within and outside a single firm.

Examples of firms interviewed by JFF that engage in these efforts: EDS, Federal Express, Manpower, Marriott, McDonald's, Pizza Hut, United Airlines, United Parcel Service, and Xerox Business Services.

While effective participation in welfare-to-work efforts requires staff, companies vary in how they organize and manage their activities. There is great variation in how firms organize the operational management of welfare-to-work efforts, depending upon the extent to which a firm's operations and management are centralized. Xerox Business Services decentralizes most decision-making in welfare-to-work efforts to local managers; EDS, on the other hand, has more centralized roles for planning, program design, goal-setting, and reporting. Regardless of organizational structure, corporate staff often play important roles in providing local offices with guidance, tools and materials, examples from other parts of the company, and other ways of simplifying local start-up and implementation.

2. Collaborative, inter-firm activities that promote business engagement

Large firms frequently contribute staff time and resources to help coordinate and advance business involvement in

local welfare-to-work efforts through membership on local Workforce Investment Boards that set policy and priorities for federal workforce-related spending or through other local partnerships. Companies provide leadership in planning and governance. They are well-positioned to provide detailed labor market information, advocate for quality and continuous improvement in placement and training programs, and offer practical advice to local welfare and workforce agencies on simplifying the system and making participation more attractive to employers.

Employers also find it advantageous to collaborate with other firms in their region or their industry. Examples include United Parcel Service's Employee Share program and American Airlines' efforts to improve transportation for employees. Collaborations can be especially helpful to smaller firms with more limited staff and resources. They can be strengthened and formalized through technical assistance from public and quasi-public institutions at the state and local levels.

At the national level, membership in business-led organizations and learning networks facilitates joint activities around sharing best practices and representing employer interests in national policy debates. Business organizations, such as the Welfare to Work Partnership, the U.S. Chamber of Commerce, the National Alliance of Business, the Conference Board, and Business for Social Responsibility, provide interested and member companies with important opportunities for inter-firm collaboration, learning, and direct technical assistance.

Lessons and Implications from U.S. Experience

Although U.S. experience with a work-centered welfare system is modest and the long-term results unknown, the experience of participating firms and individuals has yielded important lessons for employers; their partners in designing and implementing programs to employ welfare recipients; and the policymakers who are reshaping the U.S. welfare system and its public institutions. These lessons fall into two categories: implementation advice to employers and lessons for the public system at the regional and national levels.

Implementation Lessons to Employers

- *Successful initiatives require strategic planning*

and high-level corporate commitment, so that participation meets clear business objectives and the commitment to participate is communicated effectively throughout the company.

- **Local partnerships can simplify and strengthen employer efforts to hire welfare recipients who can succeed.** By working and contracting with local service deliverers for help on recruitment, screening, skill-development, and support services, firms can improve their job matches and, as a result, increase employee productivity.
- **Productivity and employer satisfaction can be increased by greater emphasis on post-placement services for new hires.** Employers are more likely to be satisfied with their involvement in welfare-to-work if they derive long-term productivity benefits, not just short-term public subsidies. Promising retention strategies include these post-placement services: mentoring and coaching; supervisor training; help overcoming logistical and personal barriers to long-term employment; and access to company benefits plans.
- **Companies frequently find it advantageous to integrate efforts for welfare recipients into their overall human resource practices.** It is frequently easier—and less controversial within a worksite—to provide all entry-level staff with the kinds of support services that can help welfare recipients succeed in the transition to employment. Whether they receive public assistance or not, most low-wage, low-skill employees can benefit from access to employee assistance programs, on-the-job training, and help with personal barriers to employment. Broad availability of such assistance can help reduce high turnover in entry-level positions.

Policy Lessons for the Public System

For welfare-to-work to expand significantly and become sustainable in more U.S. firms, large and small, changes in government policies and practice will be needed. We highlight five policy priorities that can help the United States achieve the public goal of meeting both employer and individual needs:

- **Change policies and funding to better balance “work first” and effective longer-term skill development strategies,** with a particular emphasis on: *Pre-employment skill development programs cus-*

tomized in response to the needs of specific employers. Salomon Smith Barney's close collaboration with Wildcat Service Corporation is a good example of a program that is responsive to an employer while preparing welfare recipients for jobs that pay well and offer career-advancement opportunities.

Skill advancement strategies while individuals are employed, including access to career planning; innovative partnerships with education and training providers; more on-the-job training opportunities for all entry-level employees; and support for additional training and credentials.

- **Increase public investment in activities that support the decision to work.** For example, provide additional resources to help pay for on-the-job support services; transportation, child-care, and substance-abuse services, and other activities that can make work more viable for welfare recipients.
- **Create and expand income supplements for low-wage workers,** such as the gradual expansion of the Earned Income Tax Credit, which supplements wages of the working poor, rewarding them for work and raising their effective earnings through the tax system.
- **Remake the culture of the public-sector welfare system.** Fund efforts to accelerate and support the transition of government from the role of simple administrator of income maintenance to that of a partner in promoting work, with responsibility for setting performance standards, developing accountability systems, and strengthening partnerships with the private sector and non-profit community organizations.
- **Provide public support to build the capacity of local intermediary organizations.** Successful local welfare-to-work efforts combine the strengths of the public, business, and non-profit sectors. Public funding should promote the engagement of employers and their partners in both governance structures and in a one-stop service-delivery system that provides a single point of contact for individuals and employers.

not mandated under fed law

not allowed

2
about
welfare
the
services
to welfare
1 step
w/

1250 Connecticut Avenue NW
Suite 810
Washington DC 20036
tel 202 955 3005 / fax 202 955 1087

From the Office of Eli J. Segal

Fax

→ CC: Karin
Cynthia
Beverly
Barbara
Bruce

To:	Andrea Kane	From:	famrb
Fax:	(202) 456-7431	Pages:	Two inc cover
Phone:	(202) 456-5573	Date:	07/28/99
Re:	Article from Crain's		
<input type="checkbox"/> Urgent <input type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply <input type="checkbox"/> Please Recycle			

Andrea,

EJ asked me to pass this along to you. It's exactly the kind of press we're hoping to get all next week.
Please don't hesitate to share this with whomever you see fit.

Regards,

Amie

JULY 26, 1998 • CRAIN'S CHICAGO BUSINESS

Writing a new, successful welfare-to-work chapter

The 2-year-old welfare-to-work movement is entering an important phase—one that likely will determine if this crucial national crusade will succeed or just fade away.

To thrive, the welfare-to-work effort must recharge itself by stretching beyond an initial band of dedicated corporate backers, among them locally based UAL Corp. and McDonald's Corp. Going forward, the movement must seriously connect with the multitude of small and mid-sized companies that do the bulk of the nation's hiring, especially at the entry level.

A golden opportunity to improve those links surfaces next month, when Chicago becomes the country's focal point for welfare to work, by hosting a three-day nationwide conference of more than 1,000 policymakers, corporate leaders and operators of small and mid-sized companies. President Clinton, who launched the massive welfare reform effort, also is expected to appear.

Skeptics dismiss the conference, scheduled Aug. 2 to 4, as mere political horn-blowing. But, as Washington Editor Paul Merizon reports (CRAIN'S, July 19), the confab's managers are determined to keep it real. The conference, which is being sponsored by the Washington, D.C.-based Welfare to Work Partnership, will provide employers with hands-on methods for attracting, training and hiring public aid recipients.

The conference also will give owners of small-to-mid-sized companies an opportunity to meet state officials, whose departments can help calm jittery employers' nerves and get a firm's nascent welfare-to-work effort up and running. *→and running*

In the past three years, large corporations have made nearly 400,000 new hires from welfare rolls. That's an impressive accomplishment, but there's more to be done. *—welfare rolls*

Next month's conference, along with the spirited participation of small and mid-sized company owners, should strive to become a launching pad for welfare to work's next triumphant era.



The Welfare to Work
PARTNERSHIP

*WR
WTW
Partnership*

Fax

To: John Podesta **From:** Eli J. Segal/amrb

Fax: 202.456.1907 **Pages:** Four inc cover

Phone: **Date:** 15 Mar 99

Re: Attached in re Chicago Convention **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

John,

This is a once-over-lightly on the Chicago Convention which I mentioned to you earlier today.

Regards,

Eli Segal
Eli

*Bruce
Please
what do you think*

CityLink Welfare to Work Convention
The Welfare to Work Partnership
Navy Pier - Chicago, Illinois
August 2-4, 1999

Concept

Since February 1998, The Partnership has focused on the most challenging areas in the country, including inner cities and high poverty zones, through its CityLink program. CityLink is designed to impact welfare reform in communities with the highest concentrations of poverty. The objective of this campaign is to work with businesses, government leaders and community organizations to further local welfare to work initiatives.

The key to welfare to work success is partnership. In each of the 25 target communities, The Partnership has established partnerships with local and state government, businesses, service providers and welfare recipients to develop and implement creative strategies for successful welfare to work initiatives. Efforts include comprehensive welfare to work conferences; forums designed to increase service provider capacity; on-the-ground assistance to create new partnerships and local service provider resource guides.

In August 1999, The Partnership proposes organizing a national convention to provide a platform for some of our target communities to share the solutions and successes they have devised to meet the welfare reform challenge in their community. The Partnership would invite each community to identify a delegation of businesses, local and federal government officials and service providers to participate in the convention.

The goal of the convention is to invite businesses, local and federal officials and service providers from across the country to share best practices, review the success of several demonstration projects, participate in workshops and seminars, and work together to plan for the next phase of welfare reform.

Broad Goals

- Solidify and bolster existing local welfare to work efforts through sharing information and best practices from across the country.
- Encourage new local efforts and provide the information and resources necessary to get started.
- Move efforts toward independent local operations, charters or franchises of the national Welfare to Work Partnership.
- Provide a platform to foster discussion regarding the success of welfare reform and organize strategies to address the issues of the future.

Key messages

- Since the signing of the welfare legislation in August 1997, welfare to work is succeeding because the private sector is taking a leadership role in helping to move people from lives of dependence to lives of independence and creating strong working partnerships with the federal, state and local government.
- The Partnership, through its CityLink campaign, has been a catalyst for comprehensive, locally-based welfare to work initiatives a number of high-poverty regions.
- In each of the communities, businesses have joined with the government and with community organizations to build a lasting welfare to work infrastructure.

Overview of the Conference

The meeting will be designed like a convention - each community will be a delegation. The Partnership also can organize participants into delegations such as industry (financial, manufactures, roofers), corporations (UPS, United, Marriott), small businesses and franchisees. Communities outside of CityLink will also be encouraged to organize a delegation. The Partnership will work with organizations such as US Conference of Mayors, National League of Cities, National Association of Counties and NGA, as well as the Administration to secure participation in the conference and to help with outreach.

All Business Partners and service providers will be invited to attend the convention. The Partnership also will invite congressional leaders and members of our National Advisory Council.

The convention will be two or three days and take place in Chicago, headquarters of United Airlines. We will honor Gerald Greenwald for his years of service as Chairman of the board and the CEO's of the other five founders of The Partnership. In addition, all other board members, and key partners are represented in Chicago and all the work of Mayor Daley.

Day One (Afternoon Only)—

Welcoming Ceremony

- Media event with a leading national celebrity, CEOs, Administration officials and Governors Thompson and Carper, hosted by Mayor Daley. Designed to set the tone for the convention.

Regional delegation meetings

- Each CityLink delegation will participate in closed-door meetings with its local elected official. Community and state officials as well as business leaders will run the meeting. Topics would include a presentation of the community's existing effort, a discussion of what is needed to improve the effort and from whom assistance is needed, and efforts to formalize local efforts, perhaps by agreeing to franchise the national Welfare to Work Partnership. The overall goal would be to build more buy-in among community representatives to ensure their continued participation as an organized group.

Evening reception

- During the evening of Day One there would be a reception, hosted by a major Chicago-area company, for the local elected officials and other delegation leaders.

Day Two -**WELFARE TO WORK CONVENTION**

- Possible closed morning breakfast session between local elected officials and POTUS/VP.
- Town Hall with POTUS, Greenwald, Esrey, Malamatinas, Kelly and Shapiro, their success stories, community partners and some of CityLink delegations representatives.
- Following the town hall one business leader from each delegation will make the commitment to lead the private-sector welfare to work effort in that community. This will reinforce the idea that we are moving into a new phase of welfare to work, where the ownership and leadership will be driven from the local level.
- The afternoon session will consist of best practice plenary sessions and other specific seminars and break-out group discussions.

Day Three - Community Blueprint/Blueprint for Business Sessions

- This day will consist of optional how-to seminars, breakout rooms, plenary sessions and roundtable forums. Topics would include: community blueprint how-to, blueprint for business how-to, industry issues, retention issues, delegation hosted forums, franchisees how-to, working with federal and state agencies, fundraising, how-to lobby, etc.

Deliverables

- New Wirthlin Survey to come out of focus groups at the convention.
- Follow-up document to the Retention Document - "SAVINGS - Retention and the Bottom Line" (to include information on money saved, state of the economy and reinforce welfare to work as a smart solution). Target key companies to study and track.
- Industry based "how-to" guide - Examples include: finance, transportation, retail, food service, airline, hotel/motel, call center. Each guide would be sponsored by a leading Board member within that industry.
- Preferred Provider criteria document (Goodwill and The Partnership).
- Train the Trainer concept document - "how to" document for businesses to advise and teach the service provider community how to increase capacity and better address employers needs.
- Advanced Community Blueprint.
- Transportation - Local Announcements with Ford (other retention issues).
- Tapes and summaries of all workshops and tracks for distribution following the convention.
- Virtual Tour of Welfare Reform unveiled on The Partnership's Web page - can include video clips, links, latest news in welfare reform, etc.

MEMORANDUM

WtW Partnership

cc KK
CR
AK
EK
+ return

TO: The President

FROM: Eli J. Segal *EJS*

DATE: March 17, 1999

RE: Welfare to Work Convention

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it - not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives."

Putting People First

We are organizing a National Convention on Welfare to Work in Chicago from August 2-4, 1999, modeled at least in part on the Volunteer Summit in Philadelphia.

The purpose of the Convention is to trumpet the success of welfare reform since you signed the legislation in August 1996, exchange best practices and challenge those in attendance to finish the job.

The Convention will be composed of a cross-section of business leaders, trade associations, faith based groups, public officials, community based organizations and former welfare recipients from large and smaller cities from across the country. Altogether, we expect more than 2,000 individuals to be in attendance at the Navy Pier.

We have the enthusiastic support of Mayor Daley (as well as the buy-in of several major trade associations from the U.S. Chamber of Commerce to the U.S. Conference of Mayors).

The Convention is more than an opportunity for you to give a speech. It is a way to reinforce your personal commitment to this historic undertaking and to highlight the efforts of the Administration. Bruce Reed is very supportive of this. I have briefed John Podesta, Ann Lewis and Goody Marshall as well.

I have been advised that August 3 is a day that works with your schedule. At this early stage, I can see a brief private meeting with "The Nation's Best," including the Founding Five pioneers of welfare reform which you identified in 1997, along with the Chicago business community and other major supporters of our efforts. This event would be followed by a Town Hall meeting which you would moderate. Altogether, with the other mini-events which always develop, we're probably talking about four hours on the ground.

I know how difficult it is to make a commitment more than four months out, but if you could do so now, it will have a direct effect on the quality of the event, and more importantly, the larger mission of ending welfare as we know it.

Can we count on you?

#####

EJS/aurb

WR -
WTW
Partnership



Thomas L. Freedman
02/17/99 05:51:39 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: Good New welfare #s

Welfare to Work has new numbers showing that in '98 WTW companies hired more than 270,000 people, which added with their '97 numbers (135,000) means over 400,000 people. In addition, retention rates are up 10%, a fact the companies attribute to better mentoring/partnering and better cooperation with public agencies. Eli would love to get a POTUS release before he does the meetings in Miami (26th) and SF 3/2. (CEO's drop in on POTUS with good news perhaps). Or he could give to the VP to announce in SF. Any other ideas?

THE WHITE HOUSE
WASHINGTON

Date 2/24
To: Bruce Reed
Blern Kagan
From: The Staff Secretary

Do you want to add a
cover, or can I just
forward as is?

Phil

MEMORANDUM

TO: The President

FROM: Eli J. Segal *EJS*

DATE: February 23, 1999

RE: New Welfare to Work Partnership Survey Results

'99 FEB 24 PM 5:04

You and I know about hyperbole around public policy, but the results of the recent Wirthlin Worldwide survey done for The Welfare to Work Partnership are so stunning I'm having a little difficulty with vocabulary.

As you may know, every six months we contract with Wirthlin to conduct a survey of our Business Partners to determine how successful they have been at hiring and retaining welfare recipients. We have just received the results from our third survey. Wirthlin surveyed a random sample of 500 businesses broken down by business size and industry to represent our makeup. The survey has a margin of error of +/- 4.4%. Below are highlights from the survey results:

410,000 Welfare Recipients Have Been Hired by Welfare to Work Partnership Businesses Since May 1997

- For the years 1997 and 1998, Partnership businesses hired a total of 410,000 welfare recipients. Success in hiring is consistent across all industries, all business sizes and in all states.
- Partnership companies expect to hire even more recipients in 1999, pledging to hire a mean of 70.2 employees per company from the welfare rolls in 1999.

Companies Still See A Labor Shortage And Are Hiring and Retaining Welfare Recipients At A Fast Pace

- 67% of the Partnership's businesses still believe we are facing a labor shortage in either their company or industry. These results remain consistent with polls taken in 2/98 and 8/98.
- Businesses are more likely now than in the previous two studies to report that their welfare to work hires end up being "good, productive employees"—76% in 2/98; 79% in 8/98 compared to 82% in 2/99.
- Not only are these hires recognized as significant contributors, they are also increasingly likely to stay on the job at the same or higher rates as standard entry-level employees not hired from the welfare rolls. This increased from 48% in 2/98 to 53% in 8/98 to 65% in 2/99.
- 72% of Partnership businesses are hiring welfare recipients into full-time jobs which is consistent with results from the earlier surveys.
- 73% of Partnership businesses offer former recipients full or substantial health care benefits, essentially identical with the other surveys.

Former Welfare Recipients' Job Performance Is Yielding Salaries, Promotions and Career Building

- 27% of Partnership businesses are hiring welfare recipients into salaried positions— up from 19% in 8/98--at a mean salary of \$15,266.
- 70% of Partnership businesses are hiring welfare recipients into hourly wage jobs at a mean starting wage of \$6.86 per hour.
- Welfare hires receive promotions at the same rate as standard hires. 60% report some promotion of welfare hires in 1998, with a mean of 22.3 employees per company promoted last year.
- Some welfare hires are moving onto jobs with other organizations— 60% report such movement with a mean of 20.5 employees per company taking a job with another company. This is particularly gratifying, and has caused us to talk about mobility as much as retention.

Mentoring and Community-Based/Government Partnerships Are Drivers Behind Former Recipients Being Promoted

- Formal mentoring with one-on-one interaction and partnerships with community-based organizations are the two greatest drivers of promotion among welfare recipients.
- More companies are turning to non-profit, community-based organizations to find candidates to hire— up from 25% in 1998 to 48% in 1999.

Companies Say Welfare to Work Programs Cost No Extra Money and In Some Cases Save A Company Money

- 65% of businesses say they run successful welfare to work programs without increasing their costs. This is a new question we have added to deal with skeptics who feared that the program will mean higher costs.
- 16% of companies have actually saved money by creating a welfare to work program, with savings averaging \$5,803 per company.

I know that this is a lot to digest, but the basic conclusion is inescapable: welfare to work works. 410,000 people moved from lives of dependence to lives of independence in two years. Good jobs, high retention rates, mobility inside and outside companies. Obviously, we have a long way to go, but looking at those still trapped in our bankrupt welfare system as opportunities for the business community, rather than as "the hardest to place," should be a successful strategy in the future.

#####



The Welfare to Work
P A R T N E R S H I P

Fax

To: Betty Currie	From: Eli J. Segal/amrb
Fax: 456.1210	Pages: Three inc cover
Phone: 456.7820	Date: 23 Feb 99
Re: Attached Memo for the President	CC:

Urgent For Review Please Comment Please Reply Please Recycle

Andrea Kane

02/26/99 02:10:59

Record Type: Record

To: Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Wirthlin Survey Results

Here's a summary of the Wirthlin survey results that the VP will be announcing on Monday at the Welfare to Work event. I've also fax'd an embargoed copy of the Wirthlin report. The VP's office has indicated it wants to share paper with Robert Pear today and we assume Bruce will want to



actually do the leak. wirthlin.wpd

Can you please pass this information to him. Thanks

Wirthlin Survey Results on Businesses Hiring Welfare Recipients

- On March 1st at a town hall meeting in San Francisco with businesses and community groups, Vice President Gore will announce the results of the latest Wirthlin survey showing that the businesses participating in the Welfare to Work Partnership have now hired an estimated 410,000 welfare recipients, more than meeting the challenge set by the President last May.
- On May 27, 1998, the President celebrated the success of the Welfare to Work Partnership which had grown from 105 to 5,000 companies since it was launched at the White House the previous May. A study conducted by Wirthlin Worldwide found that these companies had hired 135,000 in 1997. The President challenged the Partnership to double the number of companies and the number of hires. In the State of the Union, the President announced that the Partnership had grown to over 10,000 companies.
- The survey finds a direct and positive correlation between establishing formal mentoring programs and the promotion of former welfare recipients. The most successful mentoring initiatives are those that are formally recognized by the company and involve partnerships with outside agencies. About two-thirds of the businesses surveyed currently offer some type of mentoring, or plan to do in the near future, though these vary in their design.
- Companies are increasingly entering into partnerships with community organizations to help with hiring welfare recipients -- the percent of companies reporting they are doing so doubled over the past year. However, the study finds there is untapped potential to enter into such partnerships to help with retention and advancement. In fact, companies who have entered into such partnerships have a significantly higher rate of promotion.
- Welfare recipients are moving into jobs with opportunities for advancement and promotion -- 60% of the companies report some promotion of former welfare recipients in the past year, which is generally consistent with the promotion rates for other hires. 77% of companies hire individuals for promotion-track jobs, and 91% of the companies offer training that could lead to promotion.
- Over 80 percent of the businesses report that their welfare to work hires make good, productive employees, and this number continues to grow (up from 76% last year).
- Not only are these employees perceived as making a positive contribution, but most companies (65%) report they stay on the job at the same rate or higher rates than other entry level employees -- this percentage increased significantly from 48% one year ago.
- The survey confirms that businesses have stepped up to the plate and are more than willing to hire welfare recipients and provide training and mentoring which help people succeed on the job and advance. But, businesses continue to express a need for help in the critical areas of child care and transportation. The Administration recognizes the importance of both issues and has budget initiatives to expand child care for working families and

provide grants to communities to develop innovative transportation solutions for those moving from welfare to work and other low income workers.

- Most businesses (72%) are hiring individuals off welfare into full-time jobs with medical benefits.

Background

- The numbers are based on a survey conducted by Wirthlin Worldwide. This is the third survey conducted for the Partnership by Wirthlin. Wirthlin surveyed a random sample of 500 businesses from a total of 9,300 businesses participating in the Welfare to Work Partnership (since then, the Partnership has grown to over 10,000 businesses, as the President announced in the State of the Union).
- The survey included a statistically representative sample of Partnership businesses by size and geography. Of those surveyed, 48% had less than 50 employees, 29% had between 51 and 250 employees, 9% had between 251 and 499 employees, 9% had between 500 and 2,999 employees, and 5% had over 3,000 employees. Margin of error is +/- 4%.



The Welfare to Work
PARTNERSHIP

MEDIA ADVISORY

National Welfare to Work Leaders
Address Bay Area Businesses

Vice President Al Gore to Host Bay Area Welfare to Work Town Hall Meeting

WASHINGTON, DC, February 23, 1999 – On Monday, March 1st, more than 500 Bay Area businesses will join together at the Bill Graham Civic Auditorium to discuss the successes and challenges of the welfare to work initiatives and job retention. The conference, sponsored by The Welfare to Work Partnership, will bring together top business leaders from around the region to talk about the biggest challenges they face in today's tight labor market – finding qualified entry-level employees. Vice President Al Gore, Jr. will host a town hall meeting to discuss how companies can access job-ready workers and increase retention rates.

Vice President Gore comes to San Francisco because Bay Area businesses lead the nation in welfare to work efforts. Local companies such as Bank of America, Pacific Gas & Electric Company, UPS and Cal Insurance have impressive welfare to work programs that are examples to the rest of the country. There is still much work to do and other significant issues to address, but San Francisco is off to a good start: Businesses are successfully hiring former welfare recipients for good jobs, that are on promotional tracks and that pay significantly more than the minimum wage.

The business leaders will participate in panel discussions and workshops on the key issues facing employers who hire people from the welfare rolls.

WHAT: Bay Area Welfare to Work Conference

WHERE: Bill Graham Civic Auditorium

WHEN: Monday, March 1st, 1999
10:15 am – 11:15 am: Town Hall Meeting with Vice President Al Gore
Media Availability 11:15am – 11:40 am

WHO: Eli Segal, CEO & President, The Welfare to Work Partnership
Catherine Bessant, Community Investment Group President,
Bank of America, [tba]
Dan Quigley, Manager Corporate Contributions, PG&E
Pamela Cook, Manager Community Relations, The Clorox Company
Scott Hague, President, CAL Insurance & Associates, Inc.
Keith Jones, Northwest Region Human Resource Manager, UPS

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USA JOB1

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

The Partnership is an independent, nonpartisan national effort of the American business community to help move those on welfare into jobs in the private sector. Its founding companies are United Airlines, UPS, Burger King, Sprint and Monsanto. The Partnership was launched on May 20, 1997, and has grown to more than 10,000 companies known as Business Partners. In order to join The Partnership a business need only to pledge to hire and retain former welfare recipients without displacing existing workers. Any business interested in finding out more information about The Partnership can call 1-888-USA-JOB1 or visit The Partnership's website at www.welfareto-work.org.

For more information contact:

Eric Evans Welfare To Work Partnership 202-955-3005 x319

PAGER # 800-759-8888 Pin 1372256

Adam Goldin Welfare To Work Partnership 202-955-3005 x313



The Welfare to Work PARTNERSHIP

MEMBER SURVEY: PROMOTION AND PARTNERSHIP

TRENDS IN EXECUTIVE OPINIONS MEASURED BY WIRTHLIN WORLDWIDE

1998 SERIES NO. 1

314-952 0299

COMPANIES ARE FINDING POTENTIAL, PROMOTION AND PARTNERSHIP

LESS THAN TWO YEARS after sweeping welfare reform legislation, Welfare to Work Partnership companies have helped hundreds of thousands of former welfare recipients find their way into the workforce. And the numbers keep growing.

In the latest membership survey, the Partnership's nearly 10,000 member companies report having hired an estimated 410,000 people off welfare during 1997 and 1998. This figure is an approximation based on the reported hiring experience by company size among 500 companies randomly surveyed.

In fact, 90% of business partners to date already have hired someone off welfare or expect to do so this year.

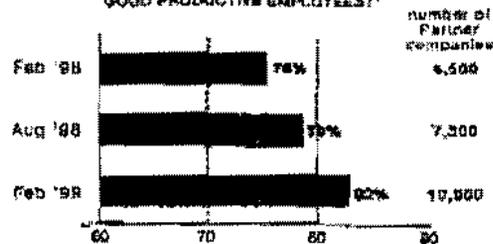
Furthermore, while the partnership has doubled in size over the past year, old and new business partners alike continue to hire employees off welfare at the same or greater rate.

This continued demand for welfare hires has not left a shrinking pool of potential hires in the eyes of executives. Though welfare rolls have dropped, 67% of these businesses still believe they can "continue to find and hire good employees off welfare now and into the future."

As thousands more employees are being hired off welfare by these companies, executives are more likely now than in any previous study to report that these hires end up being good, productive employees (76% in February 1998, 79% in August 1998, and 82% in February 1999).

TRACKING PRODUCTIVITY

IN GENERAL, WOULD YOU SAY THAT THE FORMER WELFARE RECIPIENTS HIRED BY YOUR COMPANY HAVE TURNED OUT TO BE GOOD PRODUCTIVE EMPLOYEES?



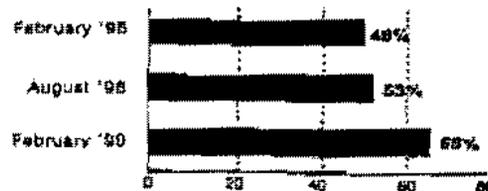
*productivity question asked only of those companies who have hired someone off welfare

Once again, this positive perception is consistent regardless of the number of hires or types of positions hired to fill. In fact, 90% of companies who joined the Partnership in 1998 and have hired someone off welfare report hiring good, productive employees.

Not only are these hires recognized as significant contributors, they are also increasingly likely to retain their jobs at the same or higher rates than are standard-hire employees. This percentage increased from 48% in February 1998, to 53% in August 1998, and to 65% in February 1999.

RETENTION RATES INCREASING

PERCENT WHO SAY RETENTION RATE IS SAME OR HIGHER FOR WELFARE AS FOR NON-WELFARE HIRES



HIGHLIGHTS

1
SHRINKING POOL?
Executives say NO

1
RETENTION
Companies report rates increasing

2
PROMOTION DRIVERS
Formal, one-on-one attention, & partnerships are key

3
WORK READINESS
Companies say they need help addressing this area

4
COMMUNITY PARTNERSHIPS
Expanding promotion potential for welfare hires

4
TOP BARRIERS
Companies work through most hiring barriers



CURRENT TRENDS FOR WELFARE HIRES

As indicators of higher performance and retention rates, we need only look at what companies report as trends in the development of their welfare hires.

First, we see an increase in hiring former welfare recipients for salaried positions, up from 19% in August 1998 to 27% currently (72% are full-time jobs with full medical benefits). Second, 91% of Partnership companies report providing welfare to work hires additional training that could lead to promotion. Third, welfare hires are being promoted at the same rate as are standard hires among member companies. Six in ten (60%) report some promotion of welfare hires with an average rate of 22.3% promoted over the last year.

Another sign of a trend toward mobility is that 60% of those businesses who have hired former welfare recipients say an average of one in five (20.5%) already have moved on to a job with another company.

While these findings attest to the ability of former welfare recipients to succeed in the workforce, they also show the commitment of business partners to provide training and promotion opportunities that can lead to success.

MENTORING LEADS TO PROMOTION WHEN IT IS FORMAL AND UTILIZES PARTNERSHIPS

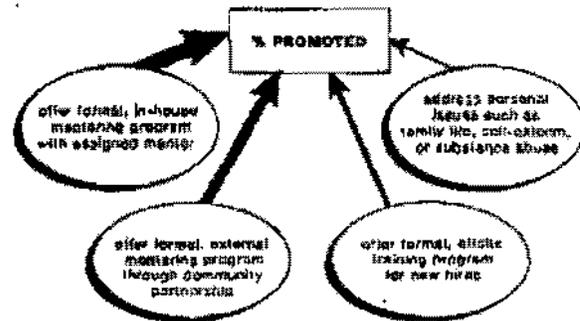
Companies hiring welfare recipients see the need for mentoring, but address this need in a variety of ways.

At this time, 63% of business partners either offer now, or expect to offer soon, some type of mentoring service. Most of these companies (67%) have formally assigned mentors for new welfare hires, while 40% use more informal efforts where employees are simply encouraged to mentor new hires. Notably, close to one-quarter (23%) report having entered into partnerships with community-based organizations for assistance with mentoring services.

Regardless of the approach to mentoring a company takes, advanced statistical analysis of the data shows there are four key drivers of higher promotion rates among employees hired off of welfare.

As shown in the following model, the availability of a formal program which assigns a mentor to a new hire is the greatest predictor of whether that welfare to work employee will be promoted. Another prac-

POSITIVE DRIVERS OF PROMOTION FOR NEW HIRES OFF WELFARE



Results from regression analysis; thickness of arrow indicates strength of correlation.

tice highly correlated with welfare hire promotions is forming a partnership with a community-based organization to help assist new employees with personal or transitional issues that may arise. Finally, although somewhat less significant, offering formal off-site training and placing a premium on having mentors address personal issues such as family and self-esteem are also key practices that are likely to lead to promotion.

Any of these four practices is a driver toward promotion by itself—but they are not all applicable to every company or circumstance. The important observation is that the most successful mentoring initiatives are formally recognized by the company and are likely to involve partnerships with outside agencies. In fact, the only practice significantly correlated with lower promotion rates is no mentoring program at all.

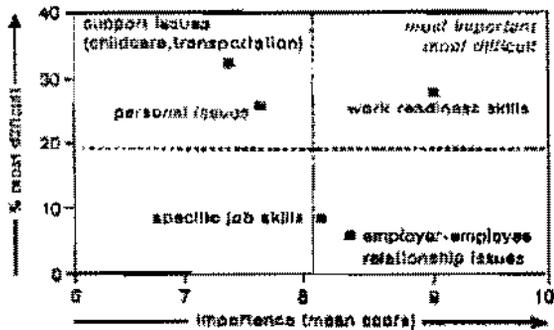
From their own experience, companies offering mentoring report their greatest success has been on-the-job training through one-on-one attention. Nearly half (47%) volunteer this as their most successful practice.

While companies readily acknowledge the benefit of offering welfare hires some form of mentoring, they need assistance in helping welfare hires to address work-readiness skills such as dress codes, work ethic, and punctuality in order to help move their hires to the next level.

As shown on the following graph, companies find work-readiness the most important issue that needs to be addressed (9.1) through mentoring, yet it is among the most difficult for them to provide (27%). Additionally, companies find job skills and employer-

employee relationships less important, but much easier to provide. Finally, support issues such as child care and transportation are seen as the most difficult to provide (33%), while personal issues are seen as slightly more important (7.7) and still quite difficult to address (25%).

KEY MENTORING ISSUES
WHICH ARE MOST IMPORTANT?
WHICH ARE MOST DIFFICULT?



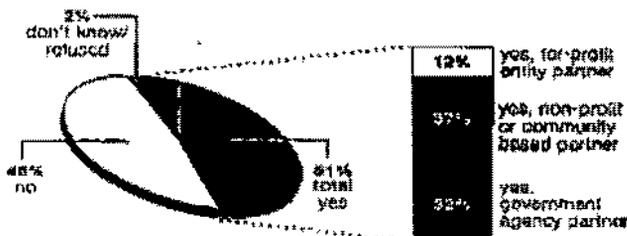
In short, formal, one-on-one mentoring programs are proven practices that lead to promotion—but as companies make such efforts they need help with these important, yet difficult to address, issues involving work-readiness.

PARTNERSHIPS ARE GROWING

More companies are turning to organizations in the community to improve their efforts to hire off welfare. In February 1998, only 25% of partner businesses who had hired looked to community-based organizations for help in finding people to hire. This has climbed to 48% currently. Additionally, more than half (51%) of all partner businesses say they

PARTNERSHIPS FORMED

IN HIRING AND RETAINING NEW EMPLOYEES OFF WELFARE, HAVE YOU FORMED ANY FORMAL OR INFORMAL PARTNERSHIPS WITH OUTSIDE AGENCIES?



have entered into partnership with government, non-profit, and/or for-profit agencies in their area.

Most companies entering partnerships do so to help them find and screen potential job candidates off of welfare. Only a few, however, realize the benefits such partnerships can have in addressing the more difficult challenges with mentoring and retention.

In practice, most use outside organizations to either locate potential hires (61%) or to screen them (17%). Only 18% utilize agencies to provide training, 8% for mentoring and 4% for child care and/or transportation assistance. Hence, companies of all sizes are missing an opportunity to receive help in addressing the most difficult issues they face in mentoring.

At present, there is no generally acknowledged, formal process through which companies hiring former welfare recipients can readily identify potential partners to assist in their efforts. Most frequently, these partnerships are initiated through passive efforts such as outside agencies contacting the companies themselves (19%), networking (14%), word of mouth (9%) or through existing relationships (8%).

As a result, the Welfare to Work Partnership is in a position to help facilitate a formal process that will connect companies with agencies in their community.

LOOKING AHEAD: MORE HIRES, MORE SAVINGS IN 1999

As the Partnership prepares to move into the next millennium, executives are clearly optimistic about the future. A solid majority of business partner executives perceive the economy moving in the right direction (86%) and believe welfare reform, too, is headed in the right direction (83%). Further, they perceive corporate America's commitment to making welfare reform work is increasing (5.4 in February 1998 to 5.7 in February 1999 on a 10-point scale).

From an economic perspective, most business partners are not finding it cost prohibitive to hire off welfare. In fact, 16% of companies have seen a cost savings, while 65% report seeing no change at all in the cost to the company since hiring people off welfare.

With this optimistic outlook, Partnership businesses expect to hire even more people off welfare in 1999 than they did in 1998. And the hiring expectation is equally strong among small companies (those that are able to hire just one to five people) and

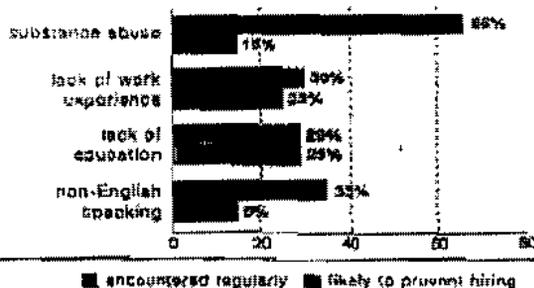
COMPANIES WORK THROUGH MOST BARRIERS TO EMPLOYMENT

While child care, transportation, and work ethic issues remain the top challenges after former welfare recipients are hired, business partners report the largest barriers to employment among this pool of candidates are a lack of education, a lack of work experience, and substance abuse problems.

Specifically, just under half of companies hiring off welfare say they have come across a lack of education (49%), no job or work history (48%), or substance abuse problems (41%) as barriers to employment among the job applicants they've seen.

But, of these three barriers, most companies report being able to work through the education and work experience issues through training and mentoring. That is, only 29% say a lack of education would prevent them from hiring someone and just 30% say the same regarding a lack of work experience. However, most (66%) agree substance abuse is a problem they cannot overlook when making a decision to hire someone off welfare.

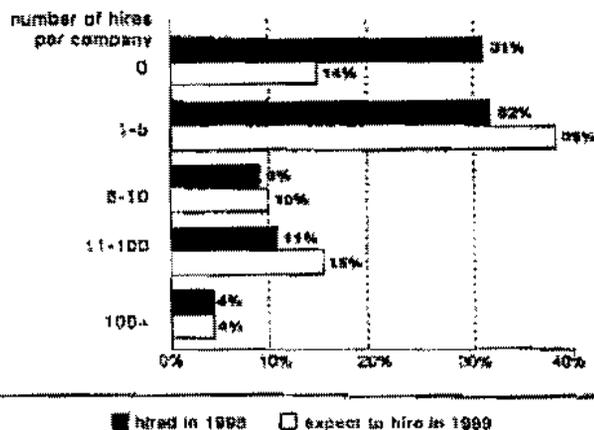
BARRIERS TO HIRING OFF WELFARE



The good news, however, is that only 15% of those actively hiring off welfare report coming across substance abuse frequently among applicants, as seen above. A lack of education (29%) and no work history (25%) are the two barriers seen most frequently.

Business partners surveyed also buck a commonly held perception in some parts of the country that people moving off welfare can not speak English. In fact, although 35% say this would prevent them from hiring someone, only 6% report frequently encountering this problem. And less than one in four (24%) say they have ever encountered this barrier among potential job applicants. ■

HIRING EXPECTATION IS STRONG



larger companies (those that are able to hire up to 100 people or more).

All indications point to continued success in helping more Americans move from welfare to work into the next century. With assistance in addressing child care and transportation issues, and an increased commitment from companies toward one-on-one mentoring and forming partnerships with outside agencies, more people will move off welfare and into meaningful, long-term careers. ■

ABOUT THE MEMBER SURVEY

The Welfare to Work Partnership is a nonpartisan, nationwide effort designed to encourage and assist businesses with hiring people on public assistance. The Partnership, formed in May 1997, has now grown to nearly 10,000 businesses.

The membership survey is an ongoing national study designed to track attitudes and practices of Partnership companies. The project was started in February 1998, with subsequent surveys conducted in August 1998 and January 1999.

For this survey, 500 business executives (CEOs, owners, vice presidents, managers, directors, and HR executives) from member companies were interviewed by Wirthlin Worldwide. The sample was stratified by company size and region to represent the Partnership's current membership. Telephone interviews were conducted Jan. 27 - Feb. 6, 1999.

The Welfare to Work
PARTNERSHIP
(202) 965-3008
www.welfaretowork.org

WIRTHLIN WORLDWIDE
(703) 556-0001
www.wirthlin.com

ECONOMY

Marriott Tightens Job Program Screening

Welfare-to-Work Plan to Seek More-Stable Workers

By DANA MILBANK

Staff Reporter of THE WALL STREET JOURNAL
Marriott International Inc., which operates one of the country's most successful welfare-to-work programs, said it has curtailed an effort to target more-disadvantaged welfare recipients begun in Washington, D.C., last fall.

As a result of a sharply lower success rate with the harder cases, Marriott changed the wording of its contract with the nonprofit group supplying the trainees to tighten screening standards to admit more stable participants. In the future, Marriott said, it will admit a maximum of four difficult cases per group of 16 participants, and most likely fewer.

Working with the tougher welfare population requires more intensive personal involvement "and we just can't do that," says Janet Tully, who runs Marriott's program, called Pathways to Independence.

The decision by the hotel giant suggests that corporate welfare-to-work efforts can expect to encounter difficulty employing the more-troubled welfare recipients. Though caseloads have fallen sharply as welfare recipients go to work under the threat of losing benefits, employers may find it less appealing to hire those with more severe problems such as homelessness, substance abuse, and domestic violence.

Still, the Bethesda, Md.-based hotel and food-services chain said it will double the number of welfare recipients in its program, training and placing 800 welfare recipients over the next 18 months. Marriott has trained 700 recipients in its program over the last five years. In addition, Marriott says it plans to expand the program to San Antonio, Boston, New York, San Francisco, Pittsburgh, Cleveland, Baltimore, Richmond, Va., and Raleigh/Durham, N.C. It had already operated the program in New Orleans, Atlanta, Los Angeles, Washington, Philadelphia, Denver and Chicago.

The Pathways program was the subject of a Page One story in The Wall Street Journal on Oct. 31, 1996.

Marriott said 300 of the 700 Pathways trainees remain with the company today, a retention rate the company called a "good bit better" than its retention rate for ordinary employees. It said 77% of Pathways participants remain on the job for one year. In a study of three Pathways groups that trained in Washington in 1995, Marriott said, the company found that the former welfare recipients had a retention rate of 71% after two years compared with 60% of a random sample of Marriott employees.

Last fall, however, the hospitality company attempted to recruit more-troubled welfare recipients for two six-week training groups, called "cycles," of the Pathways program in the Washington area, but it found that retention rates were much lower. The two cycles, of a total of more than 70 cycles Marriott has run overall, trained 31 people, many of whom lived in shelters and were recovering addicts. Previously, Marriott had only admitted such problem participants in smaller numbers. In one group, where 10 of the 15 were homeless, 14 people graduated but only six remain employed now. In the other cycle, 14 of the 16 were living in homeless shelters. Twelve of the 16 graduated from Pathways, and 7 of them remain employed.

Most of the trainees in Marriott's experiment were brought down by poor attendance, the result of unreliable child care and other personal problems. Some recipients returned to drugs, and others

Please Turn to Page A12, Column 3

Continued From Page A2

had difficulty with abusive husbands or boyfriends. Some of those who remain on the job continue to have problems with lateness and absences. "These people are really coming from a different place," said Ms. Tully. "In dealing with the homeless population we've found they have a whole set of problems beyond being on welfare. These folks need more preparation."

Specifically, Marriott plans to require trainees to have child care, transportation and housing arranged before they participate. It also plans to add a follow-up drug test; currently, participants receive only one, at the beginning of training. Marriott also plans eventually to run background checks on Pathways participants, but only when such checks can be run on all prospective hires. Marriott hadn't attempted to work with the homeless in any city but Washington and, other than a few cases in New York, it is not training any homeless participants at the moment.

WR -
help to
work
Relationship



The Welfare to Work
PARTNERSHIP
AGENDA

The Welfare to Work Partnership's One Year Anniversary Celebration
The Road to Retention: Next Steps for Successful Welfare to Work Programs

- 8:30 a.m. **Welcome/Overview of Celebration Activities** Crystal Ballroom
Bob MacArthur, Chief Operating Officer, The Welfare to Work Partnership
- 8:45 a.m. **Public Service Announcement Campaign Preview** Crystal Ballroom
Duncan Pollock, President, North America, Ammirati Puris Lintas
- 9:00 a.m. **Overview of Federal Welfare to Work Activities** Crystal Ballroom
Bruce Reed, The White House, Assistant to the President for Policy Development and Director, Domestic Policy Council
- 9:15 a.m. **Panel Discussion** Crystal Ballroom
The Road to Retention: Businesses Share Successful Retention Strategies
Moderator
Lyn Hogan, Vice President of Policy and Planning, The Welfare to Work Partnership
Panelists
C. Shelby Durham, President and CEO, Rehab Options
Bill Endicott, Program Supervisor, New England Electric Systems
Steve Wing, Director, Government Programs, CVS/Pharmacy
- 10:00 a.m. **Working Groups**
The Road to Retention: Next Steps for Successful Welfare to Work Programs
Facilitators
Group 1: Janet Tully, Director, Community Employment & Training Programs Development, Marriott International Crystal Ballroom
Group 2: Ricki Crescenzi, Manager of Employment, Giant Food, Inc. Chandelier Room
Group 3: Joseph Hammill, Manager, Staffing and Strategy, Xerox Business Services Mount Vernon Room
- 11:00 a.m. **Lunch** Crystal Ballroom

The White House, 1600 Pennsylvania Avenue, N.W., Washington, D.C.

- 11:30 a.m. **Walk to East Executive Appointment Gate, The White House**
(East Side of White House between Department of Treasury and White House)
- 11:45 a.m. **Security Clearance at The White House--REMINDER: Bring Photo ID**
- 12:30 p.m. **The Welfare to Work Event**

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USA JOB1

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



The Welfare to Work
P A R T N E R S H I P

FOR IMMEDIATE RELEASE

For more information, contact:
Michael Barbera or Luis Vizcaino
(202) 955-3005 ext. 317 or 322

BUSINESSES FIND HIGHER RETENTION WITH WELFARE TO WORK;
New Partnership report released at White House

WASHINGTON, D.C., May, 27 1998 – One year after its launch, The Welfare to Work Partnership returned to the East Room of the White House today to announce a first of its kind document on the success of welfare to work.

United Airlines CEO and Partnership Chairman Gerald Greenwald was joined by President Clinton, Vice President Gore and Partnership President Eli Segal as he released The Road to Retention, a case history of 16 businesses (including five small businesses) whose retention rates for former welfare recipients are higher than the retention rates for non-welfare to work hires.

The Partnership, which has grown to more than 5,000 companies, will also unveil its television PSA campaign, two thirty-second ads featuring welfare to work success stories. One of those success stories, Rhonda Costa, a 34-year-old mother of two whom is now an administrative assistant at Salomon Smith Barney, introduced the President at the White House event. The PSAs will be shown exclusively this week on the Time-Warner television networks and cable systems, including CNN, TNT, TBS, and the WB Network.

The Road to Retention highlights several leading companies with successful programs, including industry leaders United Airlines, UPS, Sprint, Salomon Smith Barney, Marriott, and TJX (the parent company for the TJMaxx and Marshall's retail chains).

"This document proves what we have been saying all along – that welfare to work is a smart solution for business," said Greenwald. "This report will be a roadmap that any company can use to structure a welfare to work program that succeeds over the long haul."

The Road to Retention points out several keys to a successful welfare to work program, including:

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USA JOB1

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

- Public-private partnerships: companies with high retention rates have formed effective relationships with a service provider or government agency that serve a variety of functions – including screening and job referrals. Other services provided could include child care, transportation, mentoring and counseling.
- Training: businesses that succeed at welfare to work provide a solid training program for their employees. Some companies provide training in-house, either pre-employment or on the job. Others work with service providers or a government agency to structure a training program, thereby splitting the time and the costs.
- Varied benefits: successful companies offer employees a variety of benefits, including health care, dental coverage, retirement plans and non-traditional benefits that could include child care referrals, help with transportation and mentoring. A rich benefit plan can help individuals make the transition to the world of work.
- High standards: companies that are successful at welfare to work treat their welfare to work employees very much the same as other entry-level employees. Welfare to work employees are subject to the same rules and standards as all other employees. The companies in The Road to Retention did not compromise their quality standards in any way in their welfare to work program.

The Partnership, a nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector, was officially launched at the White House on May 20, 1997. Five companies – United Airlines, Burger King, Monsanto, Sprint and UPS – joined to form The Partnership. At its launch last May, The Partnership numbered 105 businesses dedicated to hiring and retaining former welfare recipients without displacing existing workers. The Partnership now has more than 5,000 companies, known as Business Partners.

Statistics show that these companies are making good on their welfare to work pledge. The 3,200 companies that were members of The Partnership in 1997 combined to hire more than 135,000 former welfare recipients. The Road to Retention is one of several informational resources The Partnership provides to businesses across the country.

“If a business has hired or pledges to hire former welfare recipients, than it deserves the resources to help it succeed,” said Segal. “The Road to Retention is another example of how business can learn from what’s working at other businesses around the country.”

The Partnership's national print and television PSA campaign is designed to dispel the myths about former welfare recipients. The ads were produced by the New York advertising firm Ammirati Puris Lintas, and are sponsored by the Advertising Council.

"This campaign is helping to overcome the biggest obstacle in integrating welfare recipients into the workforce by transforming negative images of welfare recipients into images of hard-working, committed employees," said Ad Council President Ruth Wooden.

Along with The Road to Retention, all Partnership Business Partners receive a Blueprint for Business, a how-to guide for businesses interested in welfare to work. The Partnership also provides a toll-free number (1-888-USA-JOB1), a web-page www.welfaretowork.org, a national service provider database and a toll-free tax credit hotline for small businesses. Business Partners receive a quarterly newsletter, Weekly News Updates, and regular policy briefings on key issues like transportation, child care, and tax credits.

#####

Key Points for Business Forum

AGENCY REPRESENTATIVES ATTENDING:

HHS Olivia Golden
DOL Ray Uhalde
DOT Nuria Fernandez
HUD Paul Leonard/John Bohm
SBA Betsy Myers
Treasury: Michael Barr/Karl Scholz

Where we've come from:

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. Waivers to 43 states.
- **Historic caseload declines.**

Our key initiatives to make WR succeed

- **Private sector is critical.** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Astounding successes since then in hiring and retention. You serve as example to other businesses around the country.
- **Connecting Small Businesses with New Workers:** SBA is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success to helping former welfare recipients stay in the workforce and succeed. Include groups such as: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA. *Just last week, VP hosted town hall meeting in over 30 sites to link these organizations with small businesses.*
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, we must lead by example. The President asked the VP to oversee Federal government's hiring initiative. Already, the federal

government has hired over 4,811 welfare recipients, 45 percent of its planned 10,000 hires by 2000. *Now we're taking this to next step and encouraging federal contractors to join us and you in hiring welfare recipients.*

- **\$3 Billion to help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs.** These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. DOL provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. *The President will announce the first round of 49 innovative competitive grants today.*
- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits for an additional year.
- **Welfare to Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare to Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to work. President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. We're so pleased that Congress has recognized the importance of welfare to work transportation by authorizing up to \$150 million annually in the ISTEA reauthorization bill.

OTHER KEY FACTORS IN MAKING WR SUCCEED

- **Enforcing Child Support -- 68% Increase in Collections**
- **EITC -- to help make work pay**



ADVERTISING UPDATE

WELFARE TO WORK CAMPAIGN

Volunteer Advertising Agency: Ammirati Puris Lintas

ABOUT THE SPONSOR:

The Welfare to Work Partnership is a national, nonpartisan coalition made up of large and small employers. The mission of The Partnership is to move welfare recipients into private sector jobs. Its role is two-fold: 1) to engage business and encourage their participation, and 2) to serve as a resource to companies who do participate—by guiding them through the process with information on the best and most efficient ways to implement a welfare to work program.

CRITICAL INSIGHT:

Since negative biases will prevent many businesses from considering a welfare recipient for employment, The Partnership is attempting to breakdown stereotypes associated with welfare recipients. The communication needs to reframe the way in which welfare to work candidates are viewed. If Americans loathe a slacker, they love a hero; someone who has triumphed over personal adversity.

TARGET AUDIENCE:

Primarily large and small businesses (Human Resource Directors, C-level management, Proprietors, Managing Directors). Secondly, the PSA effort will be exposed to the general public in order to spur national awareness of The Partnership as a broad-scale effort whose mission ultimately serves to benefit the nation at large.

CORE MESSAGE:

The Welfare to Work Partnership will help your company gain access to a new pool of proud, motivated, and ready-to-work employees. Call the toll-free number, 1-888-USA-JOB1 or visit www.welfaretowork.org, for more information.

FOR MORE INFORMATION, PLEASE CONTACT:

Mr. Michael Barbera
Vice President, Communications
The Welfare to Work Partnership
1250 Connecticut Avenue, NW
Suite 610
Washington, DC 20036
Phone: (202) 955-3005
Fax: (202) 637-9195

OR

Ms. Karen Kawahara
Campaign Manager
The Advertising Council, Inc.
261 Madison Avenue
New York, NY 10016-2303
Phone: (212) 984-1921
Fax: (212) 922-1676

TO ORDER ADDITIONAL CAMPAIGN MATERIALS, PLEASE CONTACT:

Advertising Council, Inc.
Fulfillment Center
c/o Wm. B. Meyer, Inc.
255 Long Beach Blvd.
Stratford, CT 06497
Phone: (800) 933-PSAS (7727)
Fax: (203) 334-2882



The Welfare to Work
P A R T N E R S H I P

**The Welfare to Work Partnership's One Year Anniversary Celebration
New Worker Success Stories**

Appearing in the television public service announcement campaign:

Rhonda Costa
New York, New York
Business: Salomon Smith Barney

Rhonda Costa, age 34, says that she has "gone from rags to a 'little' riches." Rhonda was on public assistance for one year after the birth of her first child in 1983 and returned to welfare in 1994 after the birth of her second child. She lived in an apartment in an area she describes as the "hood." Many nights she heard gun shots and had to move her children from bed to the ground and cover them with her own body to protect them.

In July 1996, after spending two years on assistance, Rhonda decided that she wanted to do more than just "hang in there" and she wanted to move her children to a better neighborhood where they would be safe. She had a lot of experience, including work as a correction officer, work in the mayor of New York's office, and a year of college, but after being out of the workforce, her skills were not updated and it was impossible to find a job paying enough so that she could achieve her goals.

Rhonda, who had become lost and distraught in the job search process, learned about a program at Wildcat Service Corporation and enrolled in their training program. According to Rhonda, Wildcat's training program "prepared (her) for how it really is in the work environment." She was trained on all of the office equipment that she currently uses, as well as on different computer programs. After a four-month job-readiness training, Rhonda began a 16-week internship at Salomon Smith Barney. However, after only three weeks of the internship, she was hired permanently and has been with the company as an administrative assistant for one and a half years. Rhonda started with the company earning \$26,000 a year, and is currently earning \$29,000 a year.

Rhonda has moved from New York City to Irvington, New Jersey, where her daughters, ages 14½ and five years, are attending better schools and living in a better neighborhood. She is giving her girls everything she had always hoped to give them. Both children attend school and Rhonda's oldest daughter picks up her younger sister after school to go home. She wants to send a message to other single mothers that if they really try and push hard to make changes, there are a lot of opportunities in the world.

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USA JOB1

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

Appearing in the television public service announcement campaign:

Lou Ann Cataneo
New York, New York
Business: Marriott

Lou Ann Cataneo's long-term goal is to run a hotel. She is getting closer to achieving that goal after completing Marriott's Pathways to Independence program and becoming a hotel operator at Marriott in New York City.

In 1994 Lou Ann found herself homeless, fighting a drug and alcohol problem, separated from her daughter who was in foster kinship care with Lou Ann's parents, and estranged from her family. Lou Ann was determined, however, to begin to take care of herself and her daughter and to find the necessary support so that she could achieve her goals. She began taking advantage of the public assistance system so that she could eventually get off it—she participated in all of the education and vocational training that was available to her. She lived in a homeless shelter for a number of months, and then lived in a halfway house for two years while attending a drug and alcohol day treatment facility.

Over the next three years, Lou Ann reunited with her daughter and her parents, found an apartment, stopped abusing drugs and alcohol, and she filled out Pathways to Independence's extensive application. In June 1997, Lou Ann was accepted to the program and in August was hired by Marriott, earning \$25,000 per year. Lou Ann loves her job at Marriott because it is preparing her to run a hotel and to accept challenges she faces. She is being cross-trained in many positions, helping her to develop a diverse set of skills. Lou Ann's life experiences are an open book to her family, and after the release of the television public service announcement, to the entire United States. She says, however, that while disclosure is very difficult, it is for a good cause and will hopefully help other welfare recipients achieve their goals.

It's a message by Tony Evans that is a not-for-profit corporation registered in the State of Colorado.

WELFARE TO WORK
WELFARE IS A
PROGRAM THAT
CREATES
INDEPENDENCE

Photograph by Jonathan Koster

It takes guts for people to get off welfare.

To learn real skills and land real jobs. That's why companies are hiring off welfare. Because when they do, they discover workers who are determined to prove themselves, and are actually motivated to replace a welfare check with a paycheck. To learn how your company can benefit by hiring someone with the persistence to solve their own problems,



call The Welfare to Work Partnership at 1-888-USA-JOB1.

Or visit our website at www.wellfaretowork.org.

Welfare to Work. It works.

**WELFARE
MOTHERS
Make
IRRESPONSIBLE
WORKERS.**

The Welfare to Work Partnership is a project of the Office of Community Development, Department of Social Services, City of New York.

Photograph by Jonathan Kaplan

Here's the fact:

more than two thirds of all women on welfare have recent work experience. They also have the determination to provide stable futures for their families. With new welfare reform laws, many have already proven this by re-emerging into the work force as productive, loyal, and even model employees. Many more would like their chance. To learn how your company can benefit by hiring someone who truly wants to work, call



The Welfare to Work Partnership at 1-888-USA-JOB1.
Or visit us at www.welfaretowork.org.

Welfare to Work. It works.

PEOPLE

ON WELFARE

are just looking

FOR A HANDOUT

WELFARE TO WORK PARTNERSHIP

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

Dept. of Administration

FORM NO. B-62807C

Photograph by Jonathan Kertzer

Most people on welfare want jobs. They want the opportunity to take control of their lives. With new welfare reform laws, last year millions of people demonstrated their tenacity by moving themselves off public welfare rolls and onto private payrolls. And there are millions more who'd like to do the same. To learn how your company can benefit by hiring someone who isn't looking for the easy way out, call The Welfare to Work Partnership at 1-888-USA-1081.



Or visit our website at www.welfaretowork.org

Welfare to Work. It works.



The Welfare to Work
P A R T N E R S H I P

Selected Press Clippings

The New York Times, April 21, 1998

The Los Angeles Times, March 10, 1998

The Indianapolis Star, December 13, 1997

The Boston Globe, December 10, 1997

The Wichita Eagle, November 17, 1997

The Philadelphia Inquirer, September 30, 1997

The Wall Street Journal August 12, 1997

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USAJOB1

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

The New York Times

TUESDAY, APRIL 21, 1998

Welfare-to-Work That Is Working

In the effort to find jobs for welfare recipients, one private group, the Welfare to Work Partnership, led by Eli Segal, is making notable progress. Mr. Segal has signed up more than 3,000 companies that pledge to hire and retain welfare recipients. But he needs thousands more.

Mr. Segal spends about \$4 million a year, raised from corporations and foundations, to help his corporate members recruit and train welfare enrollees for entry-level jobs. He provides members with how-to manuals, connects them to community groups that assist the unemployed, and teaches them how to exploit Federal tax credits and transportation subsidies. The partnership has attracted big names like Time Warner, Burger King, Sprint and United Airlines, though most of his members are small and medium-sized companies.

A survey commissioned by Mr. Segal of his

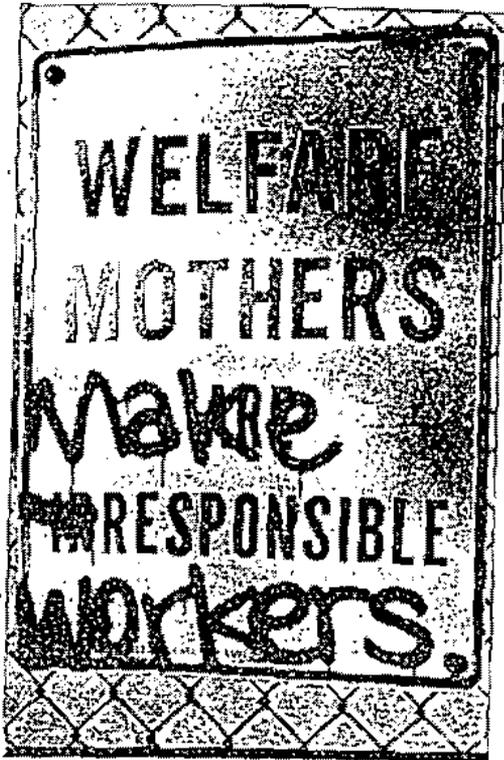
corporate members found they had hired more than 135,000 welfare recipients. Over 70 percent are in full-time jobs, and a similar number receive medical benefits. Most employers deem their welfare hires successful and expect to hire more.

A minority of welfare clients, perhaps 20 percent, are physically or psychologically incapable of holding a steady job. But most have high school degrees, are in their 20's and 30's and have substantial work experience. Their problem is less finding work than holding onto it. That is why support services and mentoring are necessary.

A few thousand jobs will not come close to meeting the need. Perhaps two million women will soon exhaust their benefits under time limits set by the 1996 welfare law. If they are to be rescued, welfare-to-work will need to become a corporate norm rather than an exceptional act of virtue.

Coalition Targets Welfare Stereotypes

Los Angeles Times



AD COUNCIL
Example of an ad from the campaign.

■ **Economy:** Business partnership's ad campaign hopes to capitalize on boom economy and find jobs for recipients who will lose aid under reform.

By CARLA RIVERA
TIMES STAFF WRITER

The economy is humming, help-wanted signs are going up on businesses from coast to coast and new efforts are underway to ensure that welfare recipients—often vilified as shiftless and irresponsible—benefit from the nation's burgeoning economy.

If a new national advertising campaign, launched last month with Los Angeles as a key target, is successful, those welfare stereotypes may begin to break down.

The graphic ads in black and white show long-held misconceptions like "Welfare mothers are irresponsible" deftly edited to become "Welfare mothers make responsible workers."

The campaign, sponsored by the non-profit Welfare-to-Work Partnership, stems from President Clinton's challenge to businesses to hire people now on the dole.

That challenge spawned the Welfare-to-Work Partnership, whose original participants included United Airlines, Sprint, Burger King, Monsanto and UPS.

All promised not just to talk about welfare reform, but to hire recipients. Eli Segal, the partnership's president, said that since the group was formed last May, nearly 3,000 companies have signed on. The budget, raised by private industry, has grown to \$4 million this year.

"We came along at the right time, with the end of welfare as we know it coinciding with a strong economy," he said. "With the [ad] campaign, we can really do good. The basic thing is if we can change attitudes, we can change behavior."

Under federal legislation, most welfare recipients must find work in two years and can receive benefits for no longer than five years during their lifetime. Many states, including California, have begun aggressive welfare-to-work programs.

But stereotypes persist and moving welfare recipients beyond entry-level, low-paying jobs is proving especially difficult. And some advocates for poor people say there is concern about what the jobs picture will be if the economy turns down.

Segal acknowledged the obstacles but contended that there have been more successes than failures. He cites employment surveys suggesting that more than 300,000 welfare recipients have moved into private-sector jobs in the last year and a half. And most of these newly hired employees are staying put, he said.

Los Angeles economists seconded Segal's views, asserting that the booming economy seems to be lifting all boats.

"The job market is so good that businesses are bringing in people who have in the past been discouraged from looking for jobs," said Jack Kyser, chief economist with the Los Angeles Economic Development Corp.

His group recently prepared an economic forecast for the Los Angeles County Board of Supervisors to help officials develop welfare-to-work programs.

Hiring welfare recipients makes good business sense and good social policy—at least for now, Kyser said.

"People know this is something they need to do," he said. "We hired someone in our own office who was in the welfare-to-work program working as a receptionist. She was so motivated that she is now an administrative assistant."

More than 47,000 Los Angeles County welfare recipients got jobs in 1997, according to welfare officials. Most were in retail sales, personal services and clerical positions. But a surprising 18% were in manufacturing, which can require a higher level of skill and pay better wages, Kyser said.

Many companies that have hired welfare recipients are enthusiastic about the experience, although the hiring results have been mixed.

Burger King has hired about 5,100 people from welfare rolls in less than a year and a half and has set a goal of hiring 10,000 annually, company officials said. Most of the jobs are entry level, but the welfare recipients have as much chance to advance as anyone else, officials said. The company is monitoring turnover to determine if mentoring programs would be helpful.

"We find it to be very symbiotic," said Burger King spokeswoman Marion Hoffman. "We need workers and they need jobs."

Sprint has hired 200 people from welfare rolls. Most have been customer service representatives with a starting wage of \$7.10 an hour. The company is working with a local community college to train recipients as telephone operators. Training for more technical jobs is in the works.

"Many of our technical jobs require a college education, and obviously most welfare recipients don't have that," said spokesman Darryll Fortune. "In Denver we have a pole-climbing course for our employees that former welfare recipients can take, and we will be looking at more technical training."

United Parcel Service hired more than 7,200 welfare recipients in 1997, including 63 in Southern California, company officials said.

And United Airlines hired more than 500 people off the rolls and has set a goal of hiring 2,000 welfare recipients by the year 2000.

The program has taken on personal meaning for United Chairman and Chief Executive Officer Gerald Greenwald, who is chairman of the partnership's board. Greenwald

said he and his wife have long been committed to working with economically disadvantaged children.

"It quickly became clear that some of their problems had to do with living in an environment of no work," he said. "Like a few others out there, I realized that welfare reform can never succeed if there are not meaningful jobs—and in the private sector."

Greenwald said employees hired at United from the welfare ranks have a higher retention rate than other employees. And the mentoring program has worked so well that the company is thinking of expanding it to all new hires.

The partnership, he said, will focus on ways to remove

impediments to hiring such as lack of transportation.

"We've been trying to work with local transportation authorities to get new routes, poking around to see if one answer might be financing for low-cost but reliable used cars, maybe even a program that uses confiscated assets," he said.

Greenwald said he is confident that programs like those initiated by the partnership can continue to unite welfare recipients with employers, even in a lagging economy.

"In the last month or so, what I'm finding is corporations are increasingly satisfied there is a population of people coming off welfare who really want to work and who have the basic skills to do it."



AD COUNCIL
The Welfare-to-Work Partnership's national advertising campaign, using images like this, is intended to break down stereotypes.

SATURDAY, DECEMBER 13, 1997

EDITORIALS

*"Let the people know the facts
and the country will be saved."*

ABRAHAM LINCOLN

Welfare to work

Indiana has become one of the more successful states in the country at moving people from welfare into jobs. In 1996, more than 19,000 Indiana public aid recipients found employment.

Getting people into productive work is only half the battle. The real challenge is to keep them working. Many employers have been leery of hiring folks from welfare rolls because they think it's too risky.

The prevailing fear among employers is that former welfare recipients lack motivation, have poor job skills and are likely to come with social needs such as child care and transportation.

Some 350 Indiana employers will gather here Monday to discuss successful programs and plans.

But an association of prominent American businesses, including some of the most successful Fortune 500 companies, believes that is nonsense.

The Welfare to Work Partnership is a group of more than 2,500 private business "partners" across

the country who have committed to recruiting, hiring and retaining former welfare recipients without displacing existing workers.

An advantage for businesses in the partnership is the return on the money they spend in helping former welfare recipients become productive workers. Their initial investment may be higher than it is for other new employees but the retention rates of former welfare recipients recruited by businesses in the Welfare to Work Partnership is running about 60 percent, more than twice the average for comparable positions.

Launched seven months ago by five companies — United Airlines, Burger King, Sprint USA, Monsanto and United Parcel Service — the partnership's main goal is to motivate companies to offer incentives that attract people who have good reason to want to stay off of welfare.

The business partnership wants to avoid job failures caused when a former welfare recipient is placed in a situation that makes it less profitable to continue working than receive public assistance. That has been a huge disincentive to stay on the job.

To its credit, the Welfare to Work Partnership has tried to solve this problem by sponsoring workshops around the country where it recruits and assists business partners in tapping the large welfare labor pool for meaningful jobs.

United Airlines has committed to employing 2,000 former welfare recipients by the year 2000. United has an innovative mentor program for new hires, helping it surpass this year's goal to hire 400 people formerly on welfare.

Representatives from more than 380 Indiana businesses are expected at a Welfare to Work Partnership Conference Monday in Indianapolis at the United Airlines Maintenance Center. Workshops will cover hiring, job retention, financial incentives, child care, health care and transportation.

Gov. Frank O'Bannon, Mayor Stephen Goldsmith, United Senior Vice President James Goodwin and Eli Segal, president and CEO of the partnership, are scheduled to speak.

"One of the things that we view as crucial to our role is not only to motivate companies in saying this is a good thing to do, but to help them do it," said Segal.

The Boston Globe

WEDNESDAY, DECEMBER 10, 1997

Seasonal work

The holiday shopping rush is on, unemployment is low, help-wanted signs are up all over, and the nation is pushing welfare-to-work.

Mix these elements and a local idea emerges: Matchmake Massachusetts retailers and others who need extra help at Christmas with welfare recipients looking for work. It may be late for this year, but there's time to plan for 1998.

Such a system would have to be a step toward, not a distraction from, the vital goal of securing long-term employment. But a holiday matchmaking system could get businesses some of the help they need and supply welfare recipients with résumé-building experiences. A more ambitious program could go further, offering a short workshop that could cover basic marketing and even the customer service practices of specific stores.

This seasonal step could join the national, year-round effort being tracked by the Welfare to Work Partnership. A nonprofit organization, the partnership was founded by United Airlines, UPS, Burger King, Monsanto, and Sprint and was

launched in May by President Clinton at the White House.

The partnership seeks businesses as members. The only requirement of a member is to hire and retain one welfare employee, though many companies far exceed this goal. In addition to technical and networking support, the partnership plans to publish a collection of best practices so employers can learn from one another.

Forty-five Massachusetts companies have signed on, including Shaw's Supermarkets, Citizens Bank and TJX Companies, the corporate parent of T.J. Maxx and Marshalls.

It will take hard years of work to match welfare recipients with jobs. And it will ultimately require the commitment of thousands of companies. Should the political or economic climate change, this new effort could falter. But the immediate success of the partnership is spreading the idea that everyone has something to contribute. Businesses can help fulfill welfare needs, and welfare recipients can help fulfill business needs.

Welfare-to-work can help smaller firms

By Eli J. Segal

Special to The Wichita Eagle

When President Clinton arrives in Wichita today to tour Cessna's landmark training facility at 21st Street, all eyes will be focused on one of the finest private-sector welfare-to-work programs in America.

Cessna's outstanding initiative has won justified praise from government officials and opinion leaders alike. It is important for business leaders to realize, however, that companies do not have to be in the Fortune 500 to succeed at welfare to work. Even the smallest companies are finding that there is a welfare-to-work model that can help them fill their hiring needs.

At The Welfare to Work Partnership, we represent large corporations, like UPS and Burger King, that have been successfully hiring former welfare recipients for years. Yet we also represent many smaller employers who are finding that welfare-to-work makes sense. In fact, more than 70 percent of the 2,200 employers that have joined The Welfare to Work Partnership have fewer than 250 employees. Nearly half of our businesses have less than 25 employees.

Welfare-to-work is a smart solution for businesses of all sizes. Here's why:

■ **A new labor pool.** With the economy growing and more people working than ever before, many industries are facing a shortage of entry level workers. With federal welfare reform legislation setting firm time limits on the receipt of welfare benefits, more and more former welfare recipients will be moving into the workforce — affording businesses access to a new labor force that can help meet their hiring needs.

■ **Work-ready job candidates.** Statistical and anecdotal evidence demonstrate that many welfare recipients are ready to work today. A recent study by the Urban Institute found that more than 58 percent of welfare recipients have completed high school or a higher level of education, and more than two-thirds of women on welfare have had recent work experience. Many companies supplement this experience by working with a service provider that

provides job-training or work-readiness skills. For example, the Wichita Area Chamber of Commerce, in conjunction with area companies, operates two job-training programs that serve welfare recipients.

■ **Financial incentives.** The federal government offers two generous tax credit programs for businesses hiring former welfare recipients. The Work Opportunity Tax Credit and the Welfare to Work Tax Credit each can

substantially reduce a company's tax liability. Contrary to popular belief, these tax credits are relatively easy to administer. A company simply needs to fill out one form per eligible employee for the

year in order to claim the credit.

■ **Higher retention rates.** Companies that make the welfare-to-work commitment find that an effective welfare to work hiring program leads to high retention rates and a more stable workforce. For example, companies as diverse as Smith-Barney, United Airlines, and Marriott have found that retention rates for welfare-to-work employees are actually higher than retention rates for more traditional entry-level workers.

Welfare-to-work is not charity or philanthropy. Businesses are instituting welfare to work programs because they have real hiring needs, and they are sticking with these programs because they work.

In almost any community, there are businesses moving people from welfare-to-work. They may be in a gleaming downtown high-rise, a gritty inner-city factory, or a small Main Street storefront. All of them are helping to build a new job creation system that will change the lives of Americans trapped until now in the shackles of a failed welfare system — and all of them are helping their company at the same time.

Eli J. Segal is president of The Welfare to Work Partnership, a national not-for-profit organization of employers committed to hiring and retaining former welfare recipients. Businesses can call 1-888-USA-JOB1 for more information about The Partnership and welfare-to-work programs.

Welfare-to-work is not charity or philanthropy. Businesses use these programs because they have real hiring needs.

The Wichita Eagle

NOVEMBER 17, 1997

What businesses are doing

UPS provides job training and outside support systems

By Marvin Stewart

United Parcel Service (UPS) began operations in the Philadelphia metro area almost 60 years ago and now operates seven facilities employing more than 9,000 men and women. The newest facility was opened in 1989 at the Philadelphia International Airport. Initial projections called for the creation of 2,700 jobs within the first five years.

This hub now employs more than 3,300 people — sorting and delivering more than 256,000 packages daily. Not only is it the largest UPS facility in the area but it is one of our welfare-to-work models. To fulfill its employment needs here, UPS launched its welfare-to-work initiative more than 25 years ago.

UPS, the Pennsylvania Department of Public Welfare in Philadelphia and Chester, Pa., and the Camden County Family Development and Job Resources Center have helped welfare recipients obtain part-time positions in UPS's regional air hub in Philadelphia. Today, more than 180 employees here came to us through these partnerships.

In addition to a starting hourly wage of \$8, individuals receive health-care benefits. Each new employee is assigned a trainer, and a full-time manager coordinates the program. These new hires also receive job training as necessary and are offered additional support through outside organizations. They can enroll in supplemental reading and computer classes.

UPS also started a job-share program more than a year ago, with guidance from the Delaware County Transportation Management Association. Employees split their work time between UPS and partners such as PNC Bank, Hertz, U.S. Airways, Enterprise Rent-A-Car and Marriott. By combining two part-time jobs, the program helps fulfill local employment needs, while giving people the chance to work eight hours a day and earn medical and other benefits.

Along with Burger King, Monsanto, Sprint USA and United Airlines, UPS is a founding member of the Welfare to Work Partnership, a nonpartisan, nationwide effort designed to encourage and assist private sector businesses with hiring people on public assistance. We are often asked how we measure our success in this area. If, by providing individuals with the opportunity to obtain employment and further their education, we allow them a chance to fully participate in society and feel good about that, we have been successful.

Marvin Stewart is east-central region employee relations manager for UPS.

Rehab Options Inc. addresses needs of PHA's young and old

By Erika M. Hedden

Rehab Options Inc. is a company owned by an African American woman, and from its inception, programs such as equal employment opportunity and affirmative action have figured prominently in hiring.

This is one company exploring many routes to hiring people previously on public assistance. For example, Rehab Options is a charter member of the Welfare to Work Partnership. Founder and president/CEO C. Shelby Durham, along with her husband, executive vice president Melvin T. Jackson, attended the October 1996 Democratic Business Forum in Stamford, Conn. During the forum, President Clinton introduced them and other business leaders to his new Welfare to Work program.

Durham and Jackson already had hired Jeanette Poro, a young woman previously receiving public assistance, and she has remained a loyal employee for three years. The question was how to design a more formalized program for such hiring.

Rehab Options' new program came about in response to a request for a proposal from the Philadelphia Housing Authority (PHA). The executive director of PHA, John F. White Jr., was looking for a way to provide comprehensive health care to PHA's senior citizens while offering job training and employment opportunities to younger residents.

The result was the Geri-PERK program, which offers training for home health and rehabilitation aides. Once applicants have passed an entry test, they are given 40 to 80 hours of classroom instruction. They are tested again at the end of the course. If the participants pass the exams, they are offered the first available positions with Rehab Options but are also free to pursue employment elsewhere. The company will even serve as a referral source for applicants to other health-care providers such as Allegheny Hospitals and Mercy-Douglass Human Services Corp. As with all employees, those hired under this program have a three-month probationary period.

Geri-PERK job descriptions are also sent to the Training and Employment Division of the Resident Affairs Department of PHA.

Although this program is still in its infancy, all participants have expressed great hope for its success, offering those on public assistance an opportunity for professional achievement.

Erika M. Hedden is director of marketing and public relations for Rehab Options Inc.

The Philadelphia Inquirer

Campaign Buffs Image of Welfare Recipient as Worker

By ROSELENE SHARPE

Staff Reporter of THE WALL STREET JOURNAL

Welfare recipients start getting a political makeover today.

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



Eli Segal

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

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

But Mr. Segal and President Clinton

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

Smith Barney's Experience

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

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

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

Different Views

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

Since early 1995, 952 former welfare recipients have become security guards in New York City and 571 of them are still on

Welfare to Work

Corporate Interest in Joining Welfare to Work Partnership:

Extremely interested	1%
Very interested	14
Somewhat interested	59
Not interested at all	12

Major reasons of those with high interest:

Good source of workers	59%
Good for community	55
Helps welfare recipients	45

Major concerns of those with high interest:

Motivation and willingness to work	36%
Involvement with government bureaucracy	23

Source: Wirtzlin Worldwide

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

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

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

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

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

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

Segal's Role

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

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

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

BusinessWeek

JUNE 1, 1998 / THE MCGRAW-HILL COMPANIES

\$3.95

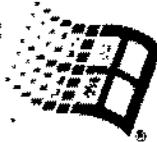
ASIA

The global impact



The Feds vs. MICROSOFT

How the suit will shape the industry



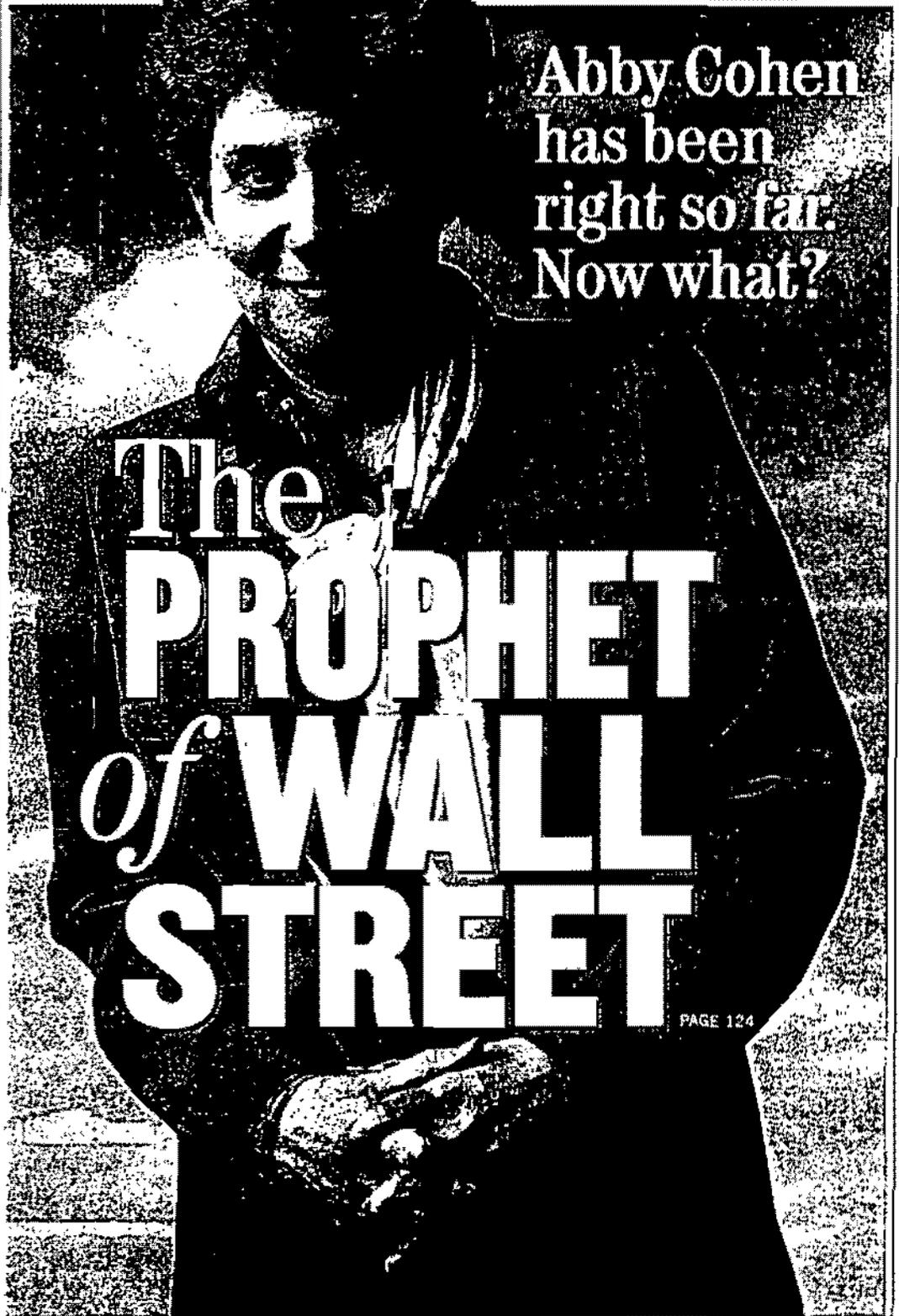
Hot Growth COMPANIES

The 100 best small corporations

IBM



Can it really achieve double-digit growth?



Abby Cohen has been right so far. Now what?

The PROPHET of WALL STREET

PAGE 124



THE WORKPLACE

WELFARE-TO-WORK: A GOOD START



federal tax credits of up to \$8,500, in addition to state and local incentives, for each welfare recipient they hire. Most companies, moreover, find that welfare graduates stay in jobs longer than non-welfare counterparts. "Even when there's not full employment, these folks represent a good source of employees," says Gerald Greenwald, CEO of CAL Corp., which has hired 753 recipients as reservations agents, counter reps, and the like.

Analysts aren't sure what to make of high retention rates, though: While implying greater stability, they also could signal that participants just don't have

WORKING THE PHONE:
California welfare recipients hunt for jobs

the skills to leave for better work. They're concerned that most state and employer programs focus on getting recipients quickly into jobs, rather than on providing training that could help workers escape the low-skill, low-pay syndrome.

That jobs-first strategy looks good as long as workers receive welfare payments to augment low wages. But when benefits run out after five years—or sooner, in many states—many recipients could be left hanging.

Wider Opportunities for Women, a research group, estimates that a single adult supporting three children will face a gap of \$17.47 an hour between basic expenses and a typical \$7.70 hourly wage.

BENEFITS GAP. At the same time, more welfare people in jobs will intensify demands on limited child-care and transportation resources. Mass transit systems don't get workers easily to the

suburbs, where the jobs are. And even with higher federal funding, most states don't offer child-care subsidies to all poor families who qualify, according to the Children's Defense Fund. That's why many parents seek informal care with friends or relatives—arrangements that could fray as recipients work longer hours

to counter benefits cuts. Sustainable welfare-to-work strategies must tackle these concerns. Working with government and nonprofit groups, business will have to invent

The caseload has fallen, but the 1996 reform hasn't truly been tested yet. Here's how three companies are doing

This much we know: Since 1994, and especially in the past 18 months, the nation's welfare caseload has plummeted. Some 3.5 million families received aid in September, down 30% in four years. The rolls almost certainly have thinned since.

So is reform paying off? It's still not clear. The Personal Responsibility & Work Opportunity Reconciliation Act of 1996 created strong inducements for welfare recipients to find work, setting a five-year lifetime limit on benefits and requiring most people to land jobs within two years. Yet "no one really knows how many are leaving the rolls to get work and how many are leaving because they're pushed off," says Amy Brown, senior operations associate at Manpower Research Demonstration Corp., which studies poverty issues.

At the same time, the robust economy, evinced by April's 4.3% unemployment rate, has created strong demand for entry-level workers, muddying the effect of reform and prompting glum speculation about what happens when growth tails off. "That will be known when we go into recession," says Robert Haveman, an economics professor at the University of Wisconsin.

For now, the jobs are flowing freely. The Welfare to Work Partnership, whose first anniversary the White House will fete on May 27, has enlisted 4,800 companies. Some 73% of members surveyed expect to hire from welfare rolls this year, averaging \$1 workers per company. After decades of government-centered welfare strategies, "we think we've made business part of the discussion and part of the solution," says Eli J. Segal, the Partnership's president.

It hasn't hurt that employers can get

IS IT REFORM, OR THE ECONOMY?

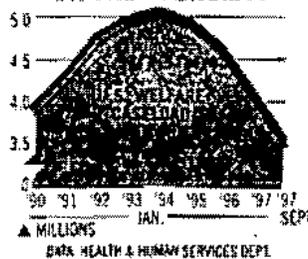


PHOTO: SCOTT BY TARK; BY RICARDO ESCOBAR; CHART BY LINCOLN HARRIS FOR

Social Issues

small-scale, locally oriented programs that address child care, housing, transportation, and training. BUSINESS WEEK assessed three companies—UPS, Cessna Aircraft, and Casenda Engineering—that are headed that way already.

By Keith H. Hammonds
in New York

UPS'S PACKAGE DEAL FOR WORKERS

United Parcel Service of America Inc. has long struggled to find part-timers willing to work odd hours at its distribution center near Philadelphia International Airport. Even so, UPS was wary when, in late 1996, welfare officials in depressed Camden, N.J., offered an almost unlimited supply of labor. Executives wondered whether welfare recipients were worth hiring. And if they were, how could they get from Camden to the remote UPS operation?

A six-month test program answered the first question: UPS retained 88% of its welfare employees, compared with its 60% average in Philadelphia, and it saw no decline in productivity. "I have been pleasantly surprised," says Chairman James P. Kelly.

Transportation, though, remained a quandary. At the start, UPS hired two school buses to ferry workers. Then came a grander solution. UPS asked two public bus systems to extend routes directly to its terminal, promising to subsidize any bus that didn't break even. Now, 53 buses make the trips around the clock, all of them profitable.

The point, for UPS, is to do whatever it takes to keep workers on the job. Tiffany Smith, a 21-year-old sorter, relies on the buses to travel from southwestern Philadelphia. On-site, she meets regularly with a welfare caseworker, brought to the airport by UPS, to find subsidized housing; other workers get similar help for a range of nonwork problems. Smith also takes classes for her general equivalency diploma, taught at the airport by local college professors and paid for by UPS. Smith plans to work toward a nursing degree.

Not all such programs fly. For instance, UPS helps its workers augment their part-time earnings by arranging complementary shifts at KFC, PNC Bank, Hertz, and other jobs nearby. But some welfare recipients can't afford to work more than 20 hours per week, given the child-care costs required. "I would like a second job, but I need someone to look after my sons."



says Marlene Fuggs, a 27-year-old mother of two from North Philadelphia.

Indeed, Fuggs and other welfare workers at UPS worry about what will happen when their assistance comes to an end. Fuggs makes about \$700 a month from UPS and collects \$210 in food stamps. When food stamps run out,

she'll need to work full-time, which will strain her relatives' ability to care for the kids. Yet Fuggs can't pay for professional care and still make the rent.

UPS, which has hired 9,500 welfare recipients nationwide, will have to address such tensions, especially as participants work longer hours to satisfy the law's requirements. For now, it doesn't pay for child care, and the costs of its transit scheme have been nominal. As welfare reform toughens, UPS's role may grow more complex—and more expensive.

By Roy Furchgott in Philadelphia

CESSNA'S ROUTE TO A BETTER LIFE

Here was an all-too-familiar story—a single mother of five kids who had known nothing but life on welfare. Then last year, facing the threat of benefits cuts, 30-year-old Anna Berry entered the training program at Cessna Aircraft Co. Berry says the interviews,

UNITED PARCEL SERVICE

Philadelphia

- ▶ WELFARE HIRES: 790
- ▶ STARTING PAY: \$8.50/hour
- ▶ Delivery giant coordinates a public transportation network for workers

Package handler Tiffany Smith takes the bus from southwestern Philadelphia

testing, attendance requirements, and course work were "real scary and hard all the way." But nearing graduation and a \$9.98-an-hour job at Cessna's jet assembly plant across town, her smile is broad: "This program saved me."

Cessna opened its training facility eight years ago in Wichita's depressed 21st Street

corridor essentially to showcase corporate citizenship. "We wanted to create opportunities for people with no skills," says Chairman Russell W. Meyer Jr. It has since produced 214 graduates, of whom 71% still work at Cessna or other local employers. Along the way, through trial and error and a lot of bucks, the company has discovered it takes more than just job offers to turn welfare recipients with chaotic lives into productive manufacturing workers.

TEMPORARY HOUSING. From the onset, Cessna relied on state social-service agencies to screen applicants and on federal training grants to pay 50% of wages for the first six months. In that time, participants learn about budgeting and about cooperating with peers and supervisors, as well as the technical skills they'll need to make airplanes. Cessna's guarantee: All assembly-line graduates get a job starting at \$9.98 an hour, plus benefits.

Simply providing training, though, did not keep low-income workers on the job. So Cessna began offering graduates counseling and peer mentoring. In the spark-

Social Issues

ling facility that opened last October, a day-care center takes up to 40 kids, including one of Berry's. And on June 1, the company is set to unveil temporary housing for six families with acute problems such as homelessness or domestic violence. Employees pay 30% of gross income to stay up to six months.

FEAR OF FAILURE. Cessna won't say how much it all costs, but "in pure financial terms, this is not a good proposition," concedes John E. Moore, senior vice-president for human resources. The infrastructure requires heavy investment, and training is time- and labor-intensive. "We can't just herd them through," says Johnnie Cartledge, the program's manager, "because they'll be working on \$15 million business jets, not flipping hamburgers."

Even then, Cessna loses a few. Some 24% of entrants don't graduate, typically those with little education or a poor work history. Strong candidates, too, find it difficult. Chanté Bowser, 25, recalls she "broke down and cried [during training] over trouble with the blueprints and my fear I was going to fail." Now, though, Bowser makes \$13.58 an hour assembling jet fuselages and has just bought a home. "I'm on the cusp of middle income," she beams. And she's off welfare, perhaps, for good.

By Richard A. Melcher in Wichita

FROM THE FRYING PAN TO THE FACTORY

How do unskilled workers escape dead-end jobs? It's the most difficult problem facing welfare reformers. In Grand Rapids, Mich., Cascade Engineering Inc. and Burger King of West Michigan have devised a modest but compelling solution—a ladder of opportunity from the French fryer to the factory floor.

Their program, dubbed "work-to-work," is just getting under way. Welfare recipients will toil six months for \$6 to \$7 an hour at a Burger King, where they'll pick up basic work habits. At the same time, they may take community college night classes in remedial reading and technical skills. Then they'll start on the night shift at one of Cascade's factories, making plastic parts for cars and furniture. They will make \$7 an hour to start, with the opportunity to move up to \$12.50, or \$26,000 a year.



CESSNA AIRCRAFT

Wichita

- ▶ WELFARE HIRES: 214
- ▶ STARTING PAY: \$9.98/hour
- ▶ Planemaker supports workers with training, child care, and housing

Anna Berry, playing with her daughter Kenya, 5, found initial job demands "hard all the way"

Cascade, with 700 employees and \$140 million in revenues, has been hiring low-income workers for four years. Some 60% stay with the company longer than six months. Many, such as 33-year-old Rodney Decker, had scraped along for years at the bottom of the economic ladder. Unemployed for months, Decker survived by taking food handouts at the Salvation Army and relying on friends for a place to sleep. "Now I'm starting to roll," he says, on a break from packing plastic foam. "I'm going to get my own apartment, I'm putting money in the bank, and I'm fixing on getting a car."

Despite such successes, Cascade Chief Executive Frederick P. Keller was frustrated that 60% of prospective workers flunked the company's entrance exam, which requires 10th grade reading proficiency. Keller shared his gripe with Stuart P. Ray, chairman of Burger King of West Michigan, which owns 41 franchised restaurants. Ray had a problem of his own: simply attracting workers in an area with 2.6% unemployment. "Then it dawned on us that we could help each other," recalls Keller. "Stuart said: 'We can give people a vision of what they could be doing—that they could go from low-wage jobs to a high-paying career.'"

The Michigan Family Independence Agency, which oversees welfare in the state, provided 120 applicants to inter-

view for 30 jobs. State and federal training funds will pay up to half of workers' initial salary. And Cascade and Burger King will share federal tax credits for employing welfare recipients. To get participants to their midnight shifts—after city buses have stopped running—the companies have helped finance Angel Wings, a church-run shuttle-van service.

Local welfare officials applaud the initiative—"a model we hope other businesses will emulate," says Margaret Gavins of the Family Independence Agency. In time, the program may provide something more lasting than just jobs: a clear path toward self-reliance.

By Keith Naughton in Grand Rapids



CASCADE ENGINEERING

Grand Rapids

- ▶ WELFARE HIRES: 30
- ▶ STARTING PAY: \$7/hour
- ▶ Participants work at a local Burger King while getting technical training

Michael Raab, recently out of jail, learns how to make plastic parts for Buick Park Avenues



The Welfare to Work P A R T N E R S H I P

Federal Welfare to Work Legislation Update

Housing

President Clinton's Fiscal Year 1999 Housing and Urban Development's (HUD) budget proposal includes the creation of 50,000 rental housing vouchers awarded competitively to public housing agencies for people moving from welfare to work. These vouchers would allow families to move closer to a job to reduce an extremely long commute; move from unstable housing to improve attendance or performance at work; or relocate to an area with better employment prospects. For example, families living in rural areas would use the vouchers to move to a city or even to another state with job opportunities. The U.S. Senate and House of Representatives Appropriations Committees will initiate action on HUD's Fiscal Year 1999 Appropriations bills in June.

Transportation

The U.S. Senate and House of Representatives are considering, as part of the ISTEA legislation to reauthorize federal highway and transit programs, welfare to work transportation grants to assist states and local communities in implementing comprehensive transportation services for individuals moving from welfare to work. Proposed legislation would address helping those in rural and urban areas find transportation to jobs; helping workers in second and third-shift jobs find transportation during those off-hours; and helping parents with small children find transportation to their jobs *and* to child care providers. Both the House of Representatives and Senate legislation include the Access to Jobs proposal as a six-year, \$150 million-a-year initiative.

Welfare to Work Funding

The Balanced Budget Act of 1997 authorized the U.S. Department of Labor to provide \$3 billion in grants to states and local communities who are committed to provide employment services to move hard-to-place welfare recipients into jobs. Twenty-five percent of the Welfare to Work Grants are being allocated by competitive grants to private industry councils, local governments and private entities, including community-based agencies, community development corporations, faith-based organizations, colleges and universities, and businesses. The deadline for the second funding cycle—approximately \$184 million in grants—is July 14, 1998. The other 75 percent of the Welfare to Work Grants are being allocated to the states. To date, plans for the following states have been approved by the U.S. Department of Labor: Alabama, Georgia, Delaware, Arkansas, Kentucky, Tennessee, Missouri, Hawaii, Kansas, Minnesota, Massachusetts, South Carolina, Illinois, Louisiana, Michigan, Nebraska, and Nevada.

Child Care

The President's budget proposal for Fiscal Year 1999 includes \$21.7 billion over five years for child care. Congressional Republicans have submitted a child care plan, which also addresses the needs of families with stay-at-home parents. Key components to both the President's plan and the Republican's plan include the expansion of the Dependent Care Tax Credit, which allows working families to deduct a portion of their annual child care expenses. In addition, the plans would increase funding to the states for child care for working-poor families through the Child Care and Development Block Grant. Businesses would be provided a tax credit for child services offered to employees.

1250 Connecticut Avenue, NW Suite 610 Washington, D.C. 20036-2603
Telephone 202 955 3005 Fax 202 955 1087 Email info@welfaretowork.org Web Site www.welfaretowork.org
Toll free for interested businesses 1 888 USA JOB1

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

Work Opportunity and Welfare to Work Tax Credits

Two federal income tax credits—the Work Opportunity Tax Credit and the Welfare to Work Tax Credit—are available to encourage businesses to hire job seekers moving from welfare to work, as well as to encourage the hiring of other targeted groups that may experience barriers to employment. The Taxpayer Relief Act, passed in August 1997, extended the Work Opportunity Tax Credit (WOTC) to June 30, 1998 and created the Welfare to Work Tax Credit to encourage businesses to *hire* and *retain* individuals who have been on assistance for a longer period of time. The Welfare to Work Tax Credit is due to expire on April 30, 1999. President Clinton's Fiscal Year 1999 budget proposes the extension of these programs until April 30, 2000. Legislation to extend the tax credits has been introduced in the U.S. House of Representatives and the U.S. Senate legislation may be introduced in early June.

Workforce Legislation

The U.S. Senate and House of Representatives have approved legislation that would combine job training, vocational and adult education programs into block grants to states and localities. State and local governments would receive flexibility in designing programs for job training and vocational and adult education. These systems would feature "one-stop" centers that would serve as a single entry point for job training programs and would offer information on available jobs. The legislation also seeks to improve performance of training programs by monitoring earning and job placement and retention rates. A Conference Committee of members of the U.S. Senate and House of Representatives will be convened to reconcile the two versions of the legislation.

PEOPLE

WELFARE

Just looking

for a hand out

PEOPLE

Div. of Communication

PGC. NO. R-5289WCI

 **The Welfare to Work**
PARTNERSHIP

welfare
to work
it works!

"We have found that most welfare recipients are eager to leave the welfare rolls in favor of gaining valuable skills and employment."

—George Stinson
President
General Converters and
Assemblers, Inc.

"Our UPS welfare to work program has existed for the last 25 years for a simple reason: we need dedicated, reliable people. We've found that recruiting welfare recipients is good for them and good for our communities — and we're a better company because of it."

—James Kelly
Chairman and CEO
United Parcel Service

"It is important to remember in all of this that hiring workers off the welfare rolls is not an act of charity. It is a sound business decision."

—Jonathan Tisch
President and CEO
Loews Hotels

"People always told me I was a social worker. But I didn't start Rachel's Bus Company as social work. I thought it could make a profit and it has. We've done well while doing good."

—E. Rachel Hubka
Owner and Operator
Rachel's Bus Company

Dear Business Leader,

As a fellow business leader, I would like to tell you about an opportunity to help your business find dedicated, work-ready employees.

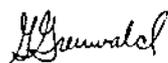
Since January of 1997, United Airlines has hired more than 600 former welfare recipients, and our company is stronger because of it. I've seen firsthand the positive impact our welfare to work program has on the bottom line, and I'm excited to announce that United Airlines has committed to hiring 2,000 former welfare recipients by the end of the year 2000.

In a growing economy, businesses of all sizes in dozens of industries need entry-level workers. Welfare to work programs can help meet that need. The Welfare to Work Partnership is a non-profit, independent effort of the American business community to help move former welfare recipients into jobs. It was created by five companies — United, Burger King, UPS, Sprint and Monsanto — to help businesses like yours. The Partnership can provide the resources to help your welfare to work program succeed.

Involvement in welfare to work is much more than a goodwill gesture — it is a smart solution for business.

As Chairman of The Welfare to Work Partnership, I encourage you to join us. If your business has hired a former welfare recipient or plans to in the future, you deserve the resources to help you succeed. Working together, we can help our companies and communities by making welfare to work a success.

Sincerely,



Gerald Greenwald
Chairman and CEO
United Airlines



The Welfare to Work
PARTNERSHIP

1250 Connecticut Avenue, NW
Suite 610
Washington, D.C. 20036

board of directors

benefits for your business

did you know?

The Welfare to Work Partnership can provide the resources to help you succeed.

Mr. Gerald Greenwald, Chairman
United Airlines

Ben Cammarata
The TJX Companies, Inc.

Barry Corona
Production Products

Kenneth Dear
Chevron Corporation

James Dimon
Salomon Smith Barney
Travelers Group

William Esrey
Sprint Corporation

Mitchell Fromstein
Manpower, Inc.

Richard Huber
Actna, Inc.

Rachel Hubka
Rachel's Bus Company

James Kelly
United Parcel Service of America, Inc.

Gerald Levin
Time Warner

Carol Pary
The Chase Manhattan Bank

Desmit Malamatas
Burger King Corporation

J.W. Marriott, Jr.
Marriott International

John McIlwain
Fannie Mae Foundation

Duncan Pollock
Aminiran Paris Linras

Robert Shapiro
Monsanto Company

George Stinson
General Converters & Assemblers, Inc.

Carolyn Stradley
C & S Paving

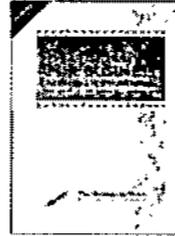
Jonathan Tisch
Loews Hotels

Barbara Turner
Boscart Construction

Les Wexner
The Limited

Blueprint for Business

The Blueprint is a step by step guide for hiring and retaining former welfare recipients. It contains information on how to find workers, how to utilize service providers and how to access tax credits. It also offers case studies of successful welfare to work programs at companies of all sizes. Businesses across the country describe it as a critical tool towards making welfare to work a success.



National Database of Service Providers

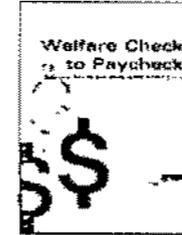
Service providers are the critical link to connect businesses who need employees with welfare recipients who want to work. The Partnership has a national database of organizations ready to provide your business with dedicated, work-ready employees.

Toll-Free Tax Credit Hotline

There is "easy money" available through tax credits and other incentives for businesses that hire former welfare recipients. The Partnership and the National Employment Opportunity Network are offering Business Partners with 250 employees or less, a free hotline to receive information on federal tax credits.

State-by-State Financial Incentives Guide

Published by the American Public Welfare Association, this book describes not only the federal incentives, but a wide assortment of state programs as well. You may be surprised at what incentives are available for businesses that hire former welfare recipients.



Other Informational Resources

The Partnership provides Weekly News Updates, a quarterly newsletter and regular policy briefings on important welfare to work issues. We also sponsor seminars and conferences to teach businesses how to get started with welfare to work.

■ 58 percent of adult welfare recipients have completed high school or a higher level of education.

■ Two of every three women on welfare have recent work experience.

■ More than two of every five families on welfare have been on the rolls for less than two years.

■ Only six percent of welfare recipients are in their teens. The vast majority are in their twenties and thirties.

"These are Americans who have been trapped in the welfare system for too long. They want what any of us want — the dignity that comes from a decent job."

Eli Segal
President and CEO
The Welfare to Work Partnership

Join The Welfare to Work Partnership!
There is no fee to join

- I have hired a welfare recipient. Please send me more information and include me in your national information network.
- I am willing to hire a welfare recipient. Please send me more information and include me in your national information network.

Name _____ Title _____
Business _____
Address _____
City _____ State _____ Zip _____
Phone _____ Fax _____
E-mail _____
Web _____
Number of employees _____ Industry _____
Signed _____ Date _____

Please mail or fax to 202.955-1087 or call toll-free 1-888-USA-JOB1



e) Call Center

Companies as diverse as Salomon Smith Barney, Marriott, Rehab Options and Burger King find that their retention rates for welfare to work employees are actually higher than retention rates for more traditional entry level employees.

For example, the retention rate for former welfare recipients at Sprint's 18th and Vine Call Center in Kansas City, Missouri is more than 80 percent. The retention rate for non-welfare to work hires is only 20 percent.

"One of our biggest challenges is keeping the talented workers that we hire. The fact that former welfare recipients have become loyal and dedicated workers is a significant secret to our success."

—William T. Esrey
Chairman and CEO
Sprint Corporation

**The Welfare to Work
PARTNERSHIP**

1-888-USA-JOB1
www.welfaretowork.org

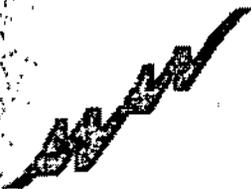


Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.



The Welfare to Work PARTNERSHIP

MEMBER SURVEY: EXECUTIVES SPEAK OUT

TRENDS IN EXECUTIVE OPINIONS MEASURED BY WIRTHLIN WORLDWIDE

1998 SERIES NO. 1

PARTNERSHIP AND PROMISE: BUSINESS LEADERS SUPPORT WELFARE TO WORK

Among the most trumpeted achievements of President Clinton and the Congress in 1996 was the passage of welfare reform legislation designed to change forever the role of the government in supporting those without permanent employment.

But passage of a law does not guarantee its success, as the nation has learned time and time again.

In this case success depends upon businesses providing opportunities for employment to welfare recipients. Now, more than ever, the nation's employers are in a position to make or break welfare reform efforts. With their cooperation, welfare recipients can make the transition to self-sufficiency on a large scale basis.

To that end, the Welfare to Work Partnership was organized last year to assist businesses with hiring people off public assistance.

Today the Partnership's more than 4,500 member businesses are leading the way in tackling this significant challenge. A recent study conducted by Wirthlin Worldwide, a McLean, Virginia-based strategic research and consulting firm, sheds light on the Partnership's efforts and member businesses' experiences to date. The detailed findings from this national telephone survey of 400 randomly selected Partnership member businesses are the focus of this newsletter. In essence, through this research, the "collective voice" of these pioneering executives regarding their opinions and hiring experience to date is heard for the first time.

Above all, the survey reveals that most member businesses are optimistic

about welfare to work programs' prospects for success.

In fact, the more experience companies have in hiring welfare recipients, the more optimistic they are about the potential to make this effort successful—and most (86%) have either already hired or expect to hire someone off welfare this year.

In addition, virtually all (92%) of the senior executives and upper management who participated in the study agree that, in general, the country is heading in the right direction "to address welfare issues and get people off welfare."

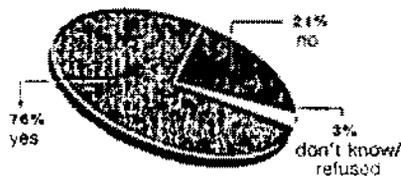
WHY MEMBER BUSINESSES ARE BECOMING INVOLVED

Executives have seen that hiring welfare recipients makes good business sense by providing them an untapped resource of employees.

In fact, most (71%) Partnership businesses say their company or industry now faces a labor shortage. And the vast majority of those surveyed (76%) say that former welfare recipients have turned out to be "good, productive employees" in their organizations. Just 21% have found this not to be the case.

EMPLOYEE SUCCESS RATES

IN GENERAL, WOULD YOU SAY THAT FORMER WELFARE RECIPIENTS HIRED BY YOUR COMPANY HAVE TURNED OUT TO BE GOOD, PRODUCTIVE EMPLOYEES?



In addition, half of companies interviewed (48%) say that their welfare hires have the same or higher retention rates than those hired through standard chan-

HIGHLIGHTS

1
WELFARE TO WORK
A win-win situation

2
FOCUS: TRANSPORTATION
Members comment on problems and solutions

2
MAKING IT HAPPEN
Businesses report what they have accomplished

3
PERCEPTIONS FROM MEMBER BUSINESSES
How do executives view those on welfare?

3
ONGOING CHALLENGES
Evaluating the obstacles of hiring off welfare

4
FOCUS: TAX CREDITS
Perks for participating member businesses



FOCUS: TRANSPORTATION

As respondents to this study attest, transportation is among the most-mentioned immediate need for many former welfare recipients as they enter the workforce.

Obviously the need for transportation varies by region, city, and locale. Typically, urban areas are better served by public transportation than their rural counterparts, but even strong public transport systems present costs too high for former welfare recipients to absorb.

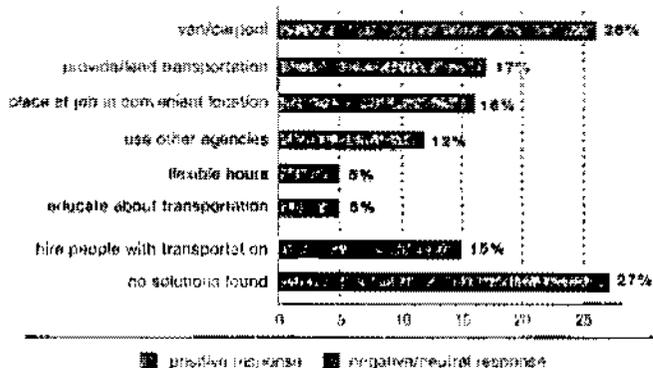
Just how serious a problem is transportation in hiring someone off welfare? On a 10-point scale where 1 is not at all a problem and 10 is a very serious problem, just over half (51%) rate it decidedly on the "problem" side with scores of 6 or higher. More than one-third (33%) gauge its severity with ratings of 8, 9, or 10.

Of the Partnership businesses who say transportation definitely presents a problem (rating it 6 or higher on the 10-point scale), there are a number of dimensions to the issue. When asked what specifically presents the greatest problem, respondents cite the following:

PROBLEM	PERCENTAGE
New hires cannot afford a reliable vehicle or car insurance	51%
Public transportation does not run near my workplace	24%
Public transportation does not operate during hours needed for our jobs	18%
Company site is in a difficult / hard-to-reach location	11%
Lack of / poor public transportation	9%
New hires live in cities, while jobs are in suburbs	3%
No driver's license	3%
Cost / can't afford transportation	2%

Many of the Partnership businesses have already instituted creative solutions to the transportation problem. The top solutions are presented in the following chart. ■

ADDRESSING TRANSPORTATION PROBLEMS



uels, bucking perceptions that those coming off of welfare will not stay on the job very long.

A smart solution for business, members' involvement in the Partnership has typically been initiated at very high levels within a company or organization: 61% say that the primary initiative for getting involved came from CEOs, owners, presidents or other senior management. In another 23% of organizations, the initiative came largely from middle management.

Given this vested interest from high-level personnel within member businesses, it is not surprising to find that most say their companies are quite strongly committed to hiring welfare recipients. On a ten-point scale where 1 means management is not at all committed and 10 means management is extremely committed to hiring welfare recipients, the average commitment rating for Partnership businesses is a solid 7.9. A strong majority (63%) rate themselves with an 8, 9, or 10 on the scale, while just 3% give ratings of 1, 2, or 3.

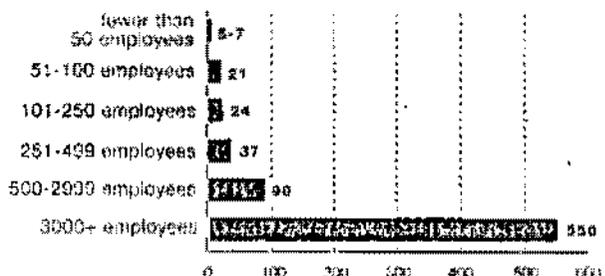
MAKING IT HAPPEN

What have businesses involved in the Welfare to Work Partnership accomplished?

According to those surveyed, the mean number of people hired per organization was an astounding 56.7 in 1997. Specifically, 252 of the 400 companies surveyed report having hired nearly 20,000 people off welfare last year alone. When projected across the Partnership's current membership, the total hires off welfare last year by member businesses is nearly 135,000 Americans.

Obviously, this number is somewhat deceptive, as smaller companies typically hire fewer employees off welfare, while large employers generally can bring many more onto the payroll; each business contributes according to its hiring needs and capabilities.

AVERAGE NUMBER OF FORMER WELFARE RECIPIENTS HIRED PER COMPANY BY COMPANY SIZE



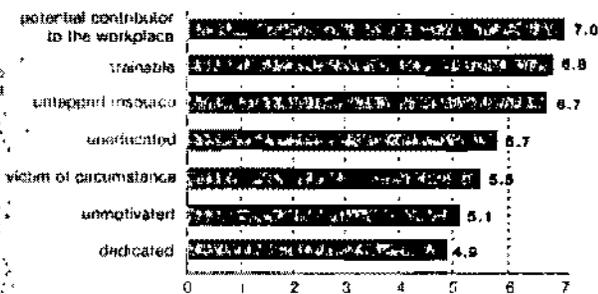
When respondents are asked to project how many people their organization plans to hire off welfare in 1998, we find very optimistic figures. The mean number of expected hires jumps to 31. In fact, just 4% of member businesses expect still to have not hired anyone off welfare by the end of the year, while 10% are not sure.

A critical measure of the long term impact of this effort, fully 72% of those businesses hiring people off welfare in 1997 offered full-time positions, and most (72%) provided health benefits as well. This information confirms that these efforts are truly opening doors toward economic viability for many who may not have had such opportunities in the past.

PARTNER PERCEPTIONS OF WELFARE RECIPIENTS

On the whole, study participants feel there is great potential for welfare recipients to become productive members of the workforce. When asked how well various traits and characteristics describe people on welfare, executives give higher scores to those attributes which suggest this positive potential. The following chart illustrates mean scores for various attributes measured on a 10-point scale where 1 means the attribute does not describe welfare recipients at all and 10 means it describes them extremely well.

ATTRIBUTES OF WELFARE RECIPIENTS



"Potential contributors," "trainable," and "untapped resource" definitely express a belief that welfare recipients constitute a valuable labor pool. There is also a sense, from these scores, that some frequent stereotypes of welfare recipients do not hold true, as we see in extremely moderated ratings for concepts like "uneducated," "a victim of circumstance," and "unmotivated."

When asked for primary sources of potential employees to hire off welfare, nearly half (48%) men-

SOURCE	FIRST MENTION	TOTAL MENTIONS
Government social service offices	44%	48%
Community-based organizations	17%	25%
Temporary placement services	8%	12%
Ads	8%	10%
Word of mouth	7%	8%
Walk-ins	8%	8%
We locate them	3%	4%
Schools/colleges	2%	3%
Job service/state employment office	2%	2%
Church	2%	2%
Other	5%	6%

tion government social services offices. Another 25% cite community-based organizations.

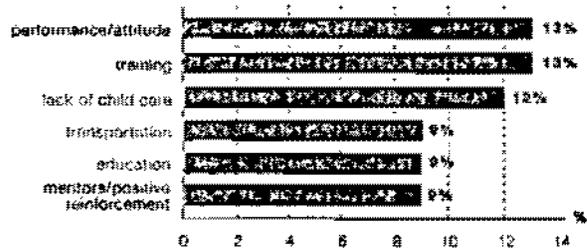
Many executives expressed a need for help in identifying and pooling potential hires off of the welfare rolls, just one of several challenges facing companies seeking to hire people off welfare.

ONGOING CHALLENGES

It is no secret that there are specific challenges facing prospective employers and welfare recipients in welfare to work. Top specific mentions include transportation for prospective employees (19%), workers' lack of technical skills to meet job tasks (16%), employee motivation (14%), workers' lack of educational background (12%) and job-readiness skills (10%), providing day-care for workers (10%), and a key antecedent to any of these obstacles: difficulty locating job applicants in the first place (9%).

While the majority of obstacles in hiring focus on the employee, when we ask respondents what is the number one need that former welfare recipients have after being hired by their companies, the nature of responses differs. Here the primary concerns have to do with what the employer or outside services might offer to facilitate the employment situation, as the following chart shows.

TOP NEEDS OF FORMER WELFARE RECIPIENTS UPON BEING HIRED



While all of these items can present formidable challenges for individuals making the transition from welfare to work, some are fortunate enough to find

FOCUS: TAX CREDITS

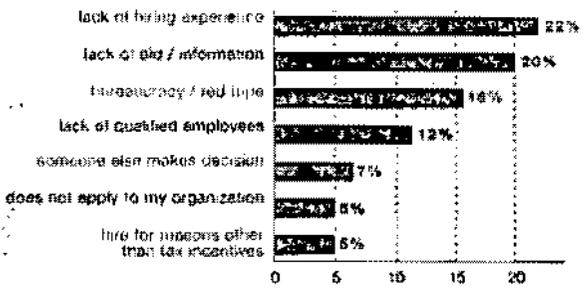
In an effort to encourage private businesses to join welfare-to-work initiatives, the federal government has established several types of tax credits which companies can take advantage of for each former welfare recipient hired.

Despite these incentives, less than one-quarter (22%) of survey participants say their organization has ever accessed either the Work Opportunity Tax Credit (WOTC) or the Welfare to Work Tax Credit.

Approximately half (51%) are aware of the credits but never accessed them, while as many as 18% say they have not heard of the credits.

Partnership businesses who have not accessed the WOTC or Welfare to Work Tax Credit give a number of reasons why they have not participated, which are illustrated in the chart below.

ASSESSING TAX CREDITS

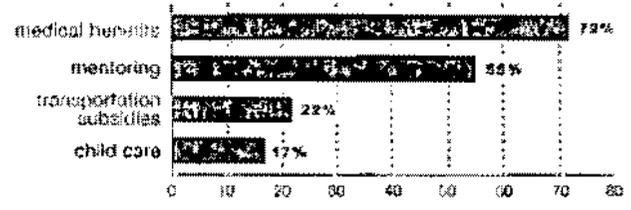


When we ask this group what would motivate them to take advantage of the available tax credits, responses center around three key barriers:

- **Information.** More than one quarter (27%) say they need more information about the tax credits generally, information about how to identify eligible potential employees, and information about how to determine whether they qualify for the credits.
- **Hiring Employees Who Qualify.** Nearly one in five (19%) cite primary barriers in finding and hiring people who qualify as well as retaining people long enough to become eligible for the credits.
- **Red Tape / Procedures.** There is a definite perception that qualifying for and processing the tax credits involves a complicated procedure, as expressed by the 11% who say simplifying the procedure would be a prime motivation for taking advantage of the credits. ■

employers who offer programs which help address these needs. According to study participants, medical benefits and mentoring are services offered by a majority of the Partnership member organizations.

SERVICES OFFERED TO FORMER WELFARE RECIPIENTS



On the other hand, relatively few offer assistance with child care or transportation subsidies which are less traditional but equally important to finding economic self-sufficiency in the workplace.

Significantly, 41% say they provide these services directly. However, 18% primarily rely on another agency for the services, while 39% use some combination of direct and agency-supported efforts.

In short, this benchmark research points to a highly optimistic group of executives who are pioneering the effort to provide jobs for thousands of Americans moving off welfare, but who remain realistic about the challenges involved and the partnership needed between the private and public sector. ■

ABOUT THE MEMBER SURVEY

The Welfare to Work Partnership is a nonpartisan, nationwide effort designed to encourage and assist businesses with hiring people on public assistance.

The primary objective of this study is to establish a benchmark of Partner businesses' perceptions of welfare to work and welfare recipients, as well as their experience to date in hiring welfare recipients.

Out of the total sample of 400 member businesses, 196 interviews were conducted among senior executives, CEOs, and owners, and 204 interviews were conducted among other vice presidents, managers, directors, and human resource executives. In addition, the sample was stratified to represent current Partnership membership by company size.

Interviews were gathered from across the United States and collected between February 11-24, 1998.

The Welfare to Work
PARTNERSHIP
(202) 555-3005
www.welfareto-work.org

WIRTHLIN WORLDWIDE
(703) 556-0001
www.wirthlin.com



The Welfare to Work PARTNERSHIP

Below are brief description of the welfare to work efforts of some of today's attendees.

Associations

These associations work with The Welfare to Work Partnership to promote welfare to work to their membership.

American Society of Association Executives

Council of Growing Companies

National Employment Opportunities Network

National Retail Federation

Business Partners

Aetna

Aetna hired 26 welfare recipients in 1997 and has hired 17 so far this year for jobs , paying between \$15,000 and \$23,000 per year.

A.G. Edwards

A.G. Edwards is in active partnership with various community organizations that work with the unemployed or disadvantaged populations. In addition, A.G. Edwards participates in a government initiative designed to encourage businesses to train, hire and retain welfare recipients.

Ammirati Puris Lintas

Advertising agency Ammirati Puris Lintas produced The Partnership's print and television PSA campaign, donating its time and more than \$360,000 of creative fees to The Partnership.

Bank of America

Bank of America has recently launched welfare recruitment and retention programs in Dallas, Seattle, Spokane, Chicago, Phoenix and San Francisco. Each program has been specifically designed to meet the needs of the business and community.

Beverly Healthcare-Manhattan

Beverly Healthcare-Manhattan hired 28 welfare recipients in 1997 and plans to hire an additional 40 in 1998. Beverly's welfare to work retention rate is identical to its non-welfare retention rate.

Borg-Warner Protective Services

Borg-Warner Protective Services hired 1,026 welfare recipients in 1997 and plans to hire 1,000 more in 1998. Borg-Warner's 60 percent welfare to work retention rate easily exceeds the industry average.

Boscart Construction, Inc.

Boscart has been actively involved in seeking, training and retaining former welfare recipients since joining The Partnership. Boscart has employed 10 former welfare recipients as laborers, receptionists and apprentices. Boscart is currently working with several churches in the Anacostia area of Washington, D.C. to pursue resources that will allow them to engage in training and development of potential workers.

Burger King

Burger King's company owned restaurants have hired 6,200 welfare recipients since October 1996. Welfare to work hires have a higher retention rate than all other employees. Burger King has committed to hire 10,000 welfare recipients annually in franchise and company owned restaurants.

Cal Insurance

Cal Insurance hired and retained two welfare recipients in 1997 for jobs paying \$24,000 per year.

Cessna Aircraft Company

Over 200 of Cessna's employees are former welfare recipients. This year Cessna opened its 21st Street Training Facility that houses its welfare to work program, as well as an on-site child care facility and housing units for employees.

Chambers Associates

Chambers Associates worked to coordinate the development of a toll-free tax credit hotline for small businesses. The Partnership and the National Employment Opportunities Network (NEON) developed the hotline.

The Chase Manhattan Corporation

The Chase Transitions program seeks to create an employment pipeline of qualified candidates by recruiting and retaining people on public assistance. The first year goal for the program is to hire 100 welfare recipients as branch tellers, call center customer service representatives and staff for operations functions. Chase will partner with not-for-profit employment training organizations to develop training programs tailored to the requirements of each business unit.

Citibank

Citibank has undertaken hiring programs in many of its business locations in the U.S. Citibank works with for-profit and not-for-profit service providers, as well as with local colleges and community colleges that provide training for entry-level jobs.

C & S Paving

C & S Paving works extensively to provide employment opportunities for parolees. To help ease transportation burdens, C & S provides a vanpool to take employees from their homes to the job site. In addition, C & S offers training to employees which allows them to progress to higher paying, higher skill jobs. C & S has hired dozens of parolees, including four in 1997.

CVS

CVS hired 1,133 welfare recipients in 1997 and plans to hire 1,500 more in 1998. CVS's 65 percent welfare to work retention rates stands in stark contrast to the 100 percent *turnover* rate for non-welfare employees.

F&B Transportation

F&B Transportation provides welfare recipients with rides to and from work, job interviews and day care providers. The company has hired four welfare recipients and has retained them all. F&B founder Eloise Blackmon is herself a former welfare recipient.

General Converters & Assemblers, Inc.

GCA has hired over 1,200 welfare recipients since the mid-1980's, and currently employs over 100. GCA has begun construction on an on-site child care facility for its employees.

Gloucester Co., Inc.

Gloucester's Temp-to-Perm program allows welfare recipients to obtain temporary placements that can lead to permanent positions with the company. Gloucester plans to hire four welfare recipients in 1998.

Hyatt

Hyatt hired more than 200 welfare recipients in 1997 and plans to hire an additional 500 in 1998. Hyatt maintains a 58 percent welfare to work retention rate. Hyatt is also partnering with CIC Enterprises and The Partnership to develop a service provider guide for the Washington, D.C. area.

Hygienic Service Systems

Hygienic Service System's welfare to work program boasts a one-year retention rate of approximately 70 percent. That rate easily exceeds the company's non-welfare retention rate. Hygienic plans to hire another 12 to 15 welfare recipients in 1998.

Just Nails with a Gentleman's Touch

Just Nails, an independently owned beauty salon, hired six welfare recipients in 1997, retaining them all. Just Nail's works with Howard University and an area beauty school to identify and train potential employees.

Kirkwood Insurance Services Company

Kirkwood hired three welfare recipients last year and has retained them all. Kirkwood plans to hire another welfare recipient in 1998.

Loews Hotels

Loews Hotels and the Greater Miami Hotel Association will lead an effort of nearly 40 hotels to hire 800 welfare recipients by the year 2000, and plans to use this programs as a model for other cities.

Manpower, Inc.

Manpower provides temporary placement and free training to thousands of welfare recipients. Manpower recently began a program to open offices in impoverished areas and recruit residents as employees.

Marriott International

Through its welfare to work program, Pathways to Independence, Marriott has hired more than 1,000 welfare recipients. Welfare to work hires maintain a one-year retention rate of close to 70 percent, which easily exceeds Marriott's non-welfare retention rate.

Monsanto

Monsanto, a founding member of The Partnership, will hold a service provider training session in Chicago on May 28. Nearly 300 service providers will learn ways to improve the services they offer to Chicago area businesses.

Nationwide Laundry

Nationwide Laundry partners with America Works to place welfare recipients in jobs with the company. Nationwide has hired four welfare recipients, all of whom are still on the job. Nationwide plans to hire between ten and 15 welfare recipients in 1998.

New England Electric System

New England Electric System works with a local service provider to provide training and work experience to welfare recipients. NEES hired 11 welfare recipients in 1997 and has retained them all. NEES has also provided internships that have led to jobs with other companies to a number of other welfare recipients.

Pacific Bell

Pacific Bell hired 99 welfare recipients in 1997 and has hired 20 more this year. Pacific Bell's 61 percent welfare to work retention rate is nearly identical to its non-welfare retention rate.

Production Products

Production Products is an active member of the Mid-Tec Consortium, a non-profit organization that provides industry specific job training to welfare recipients seeking entry into the manufacturing industry. Production Products has been engaged in

hiring welfare recipients for many years and has hired more than 800 former welfare recipients.

Rachel's Bus Company

Rachel's Bus Company works with community-based organizations to extend job opportunities to welfare recipients through job training, job skills and work experience. In 1997, Rachel's has hired ten welfare recipients, retaining five as full-time office staff and school bus drivers. Rachel's founder Rachel Hubka has recently opened another bus company and plans to utilize welfare to work employees to fill new positions.

Rehab Options

Rehab Options hired five welfare recipients in 1997 and has retained them all. Rehab works with area service providers to screen potential employees. Rehab expects to hire two more welfare recipients in 1998.

Salomon Smith Barney

Salomon Smith Barney hired 52 welfare recipients in 1997 and plans to hire 65 more in 1998. The 92 percent retention rate for welfare to work hires exceeds the non-welfare retention rate. Salomon Smith Barney partners with Wildcat Service Corporation to provide training and work experience to former welfare recipients.

Time Warner

Time Warner will be the sole media outlet airing The Partnership's television PSA campaign until mid-June, 1998. Time Warner also established its own welfare to work program this year.

The TJX Companies, Inc.

TJX has hired more than 3,000 welfare recipients and plans to hire 5,000 by the year 2000. The company's 52 percent welfare to work retention rate easily exceeds the company's non-welfare retention rate.

United Airlines

United Airlines hired 535 welfare recipients in 1997 and has pledged to hire 2,000 by the end of the year 2000. United's 68 percent welfare to work retention rate is more than double its non-welfare retention rate.

United Parcel Service of America, Inc.

UPS hired more than 11,000 welfare recipients in the last 17 months. Part-time employees start with full medical benefits and job sharing options. The welfare to work retention rate exceeds that of non-welfare hires.

Wal-Mart

Wal-Mart hired 35,941 welfare recipients in 1997 and plans to hire 37,000 in 1998. Wal-Mart works with local service providers to source applicants. Wal-Mart assigns sponsors to all new welfare to work employees.

Xerox Business Services

XBS hired 105 welfare recipients and in 1998 they plan to move 300 welfare recipients into the workforce. Welfare to work hires maintain a 90 percent retention rate at Xerox.

Service Providers

America Works

America Works placed more than 1,400 welfare recipients in jobs in 1997. Average salary for America Works clients is \$9/hour. The company's three-year retention rate is 82 percent.

Caliper Human Strategies

In addition to working with companies to successfully match welfare recipients with jobs, Caliper hired and retained one welfare recipient in 1997.

Chicagoland Business Partners

Chicagoland Business Partners works to centralize and coordinate the business connections for hiring welfare recipients. Business Partners worked with The Partnership and Sears, Roebuck and Co. to develop a comprehensive guide to service providers in the Chicago area.

Goodwill Industries International

Goodwill operates welfare to work programs in location across the country and has helped thousands of welfare recipients find employment.

San Francisco Works

San Francisco Works helps San Francisco area businesses implement welfare to work programs. San Francisco Works plans to move 600 welfare recipients into the workforce in 1998. Currently, their welfare to work retention rate is approximately 90 percent.

Washington Works

Washington Works is a non-profit group that works to move families from welfare to wages. The organization provides job-readiness training and placement for TANF recipients. Washington Works has hired three welfare recipients in their own office.

Wildcat Service Corporation

Wildcat is a white-collar employment service for welfare recipients. In 1997, Wildcat placed 600 welfare recipients in jobs with salaries ranging from \$18,000 to \$30,000 per year. Welfare to work retention rates average between 78 and 94 percent.

•
•
•

The Welfare to Work Partnership Business Partner Profile

Welfare to Work Event

May 27, 1998

• • • • • • • •

•
•
•

Key Profile Information

- 5050 Business Partners representing almost 10 million employees nationwide.
- Business Partners are from all 50 states.
- 86% of Partners have already hired or plan to hire in the coming year.
- 76% of Partners who have hired found new hires to be good, productive employees.
- 135,000 former welfare recipients were hired by Business Partners in 1997.

• • • • • • • •

•
•
•

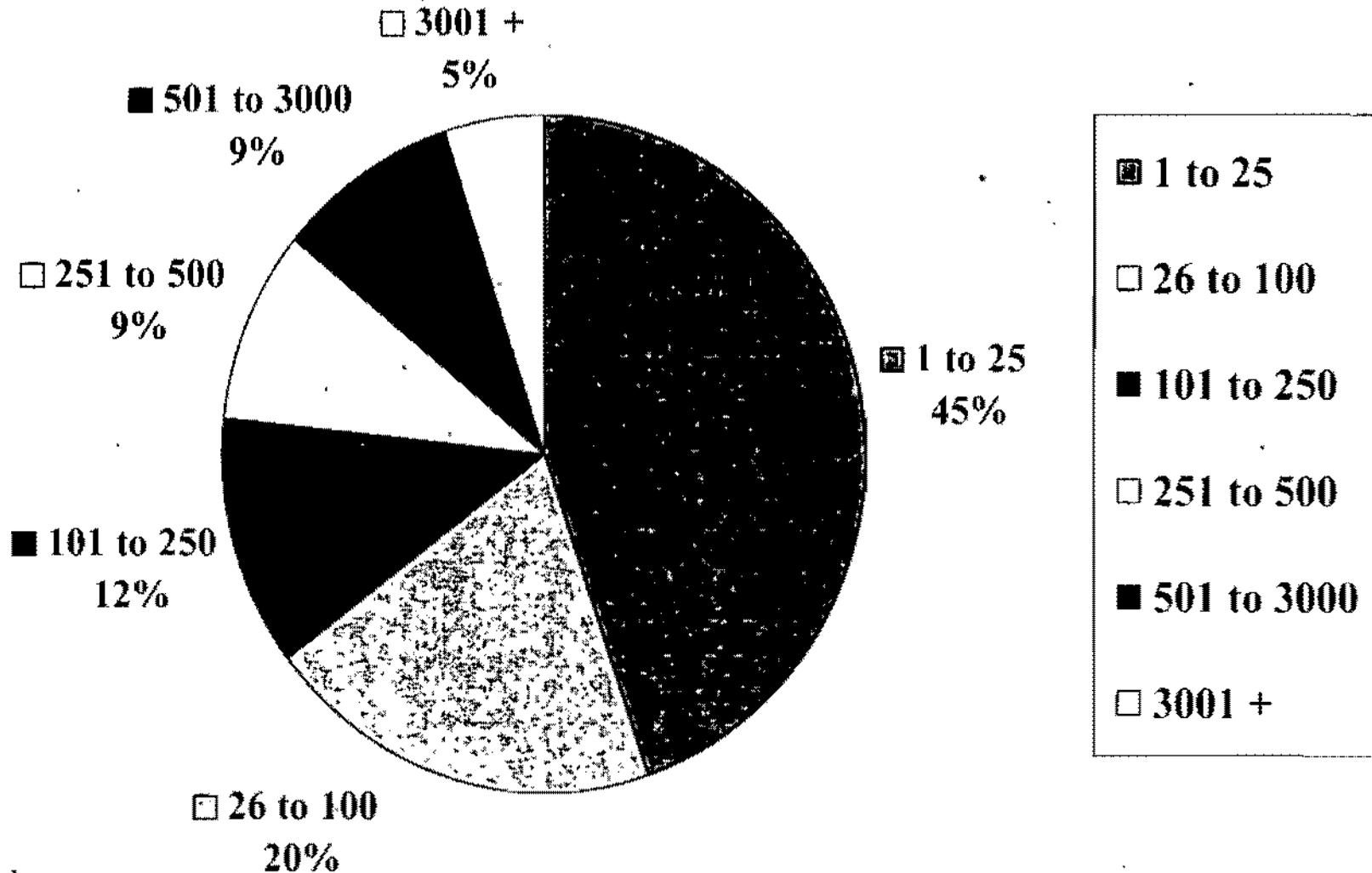
Key Profile Information

- 72% of Partners have fewer than 250 employees. 45% have fewer than 25 employees.
- 72% of Partners offer full-time benefits for their welfare to work hires.
- 72% of Partners offer medical benefits for their welfare to work hires.
- The leading industries for hiring include the service industry, temporary staffing, manufacturing, health care, and retail.
- The Partnership represents **38** Fortune 100 companies.
- The Partnership has **26** Governors on its Advisory Council.

• • • • • • • •

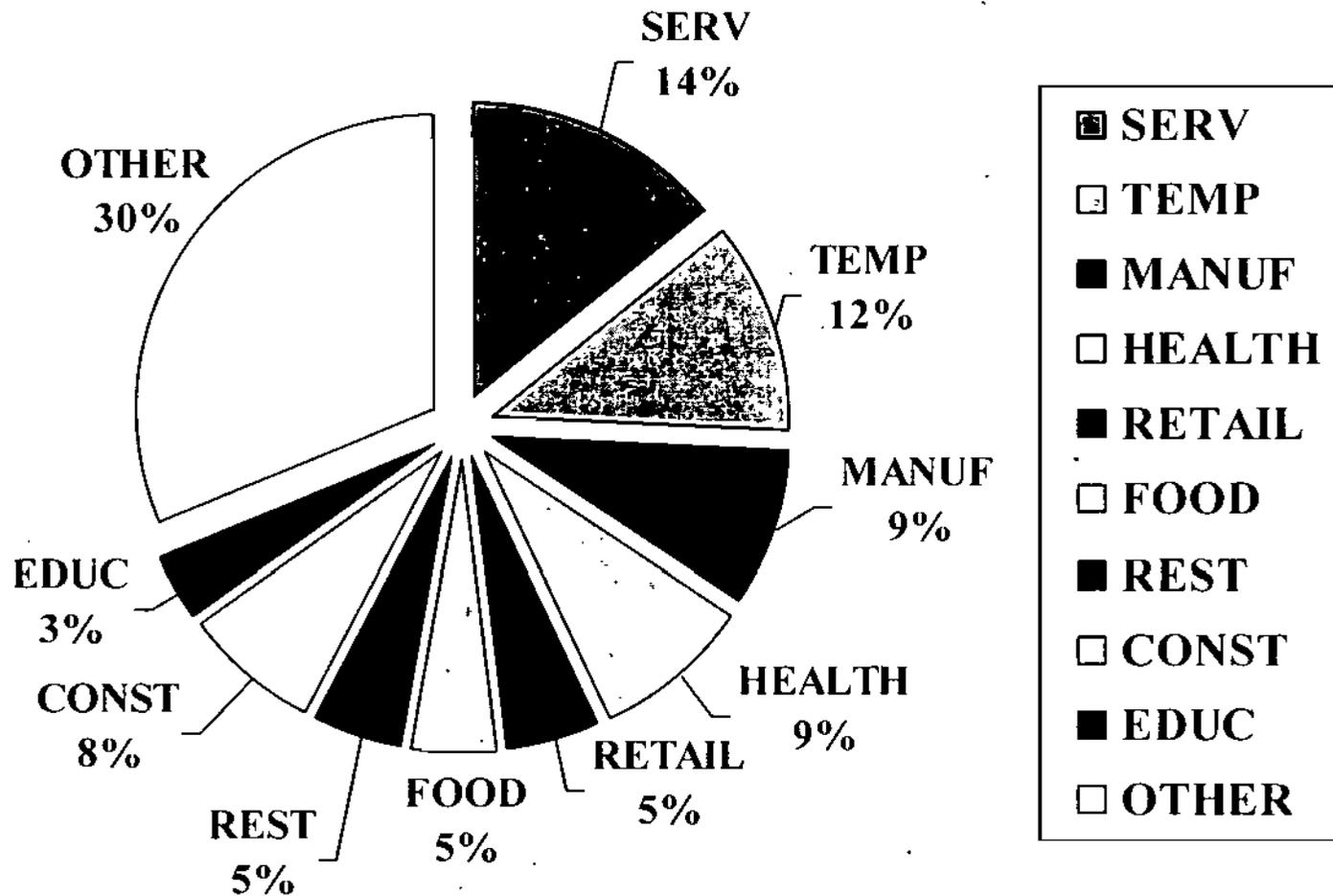
•
•
•

72% of all Partners have fewer than 250 employees. 45% have fewer than 25.



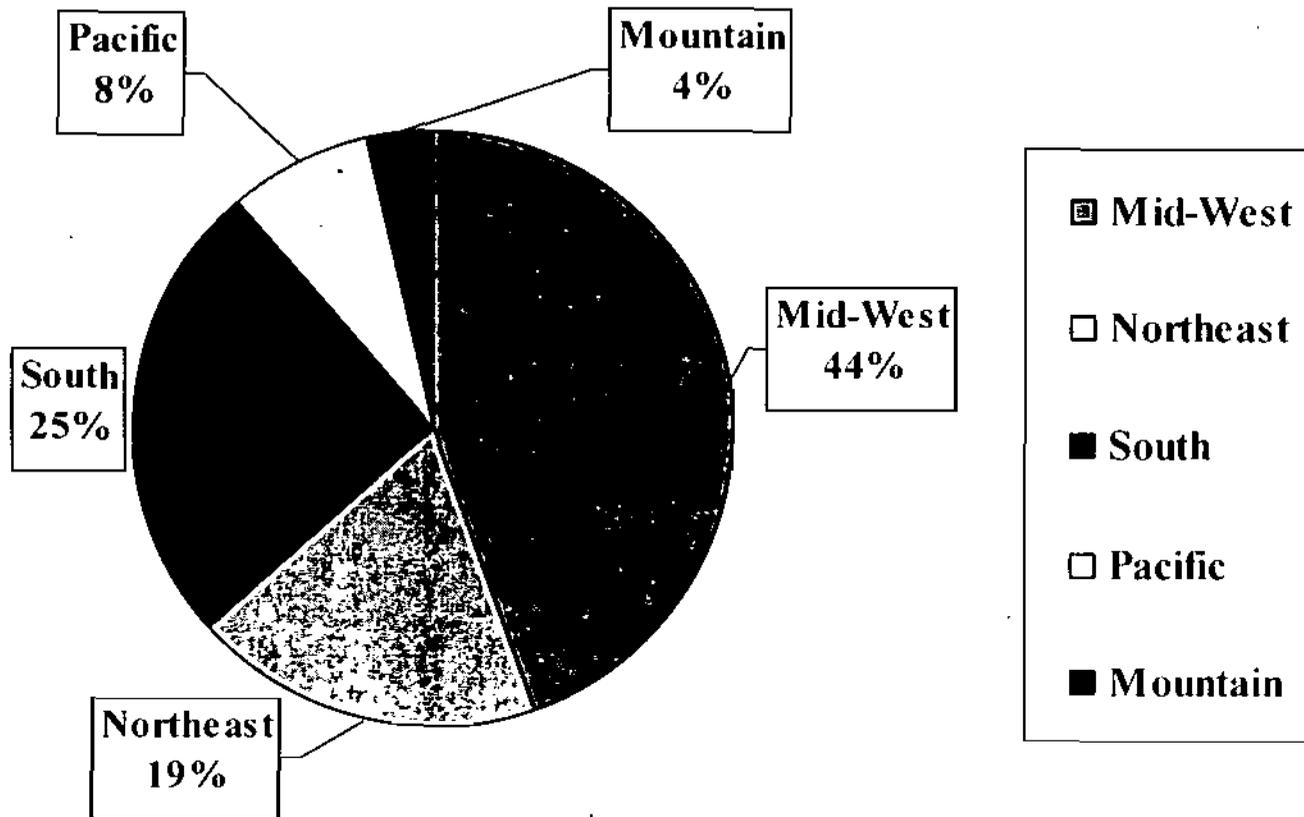
•
•
•

The leading industries for hiring include service industry; temporary staffing; manufacturing; health care; and retail.



The Partnership is represented in all 50 states

Note: Mid-West area includes Indiana, Missouri, Wisconsin and Illinois, where The Partnership has held major business events.

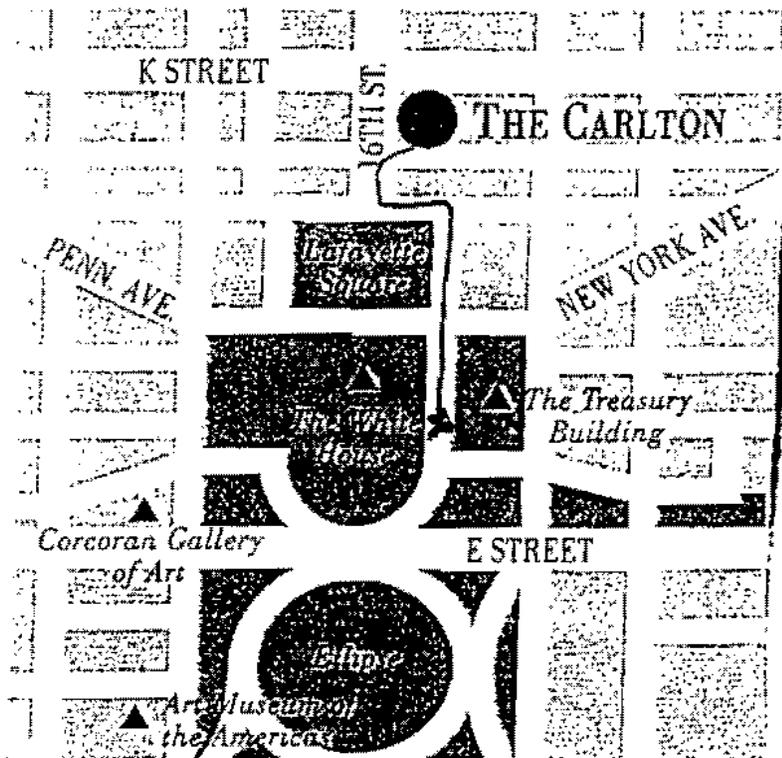


The White House Event

At the conclusion of the Carlton Hotel pre-event, please proceed by foot to the White House, East Executive entrance. At the entrance, you will be asked to present photo I.D. and you will be cleared into the East Room of the White House. The White House event will begin promptly at 12:30 p.m.

Proceed down 16th Street, N.W. toward E Street, veering left around Lafayette Square Park. Pass the park walking toward the White House. The East Executive entrance to the White House is across from the Treasury building before E Street, N.W.

Following is a map:



***Board members enter at the Northwest Gate of the White House—please see Welfare to Work Partnership staff for directions.**