

Lisa Brown 69089

In 1979 interagency committee made
recommendation / report

8/79

2/27/1980

final rule

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 4, 1999

REMARKS BY THE PRESIDENT
AT DISABILITY EMPLOYMENT AWARDS CEREMONY

The East Room

3:05 P.M. EDT

THE PRESIDENT: Thank you very much, Jill. Secretary Hermann; Chairman Coehlo; Mr. Dart; to Janice LaChance, head of our Office of Personnel Management; ladies and gentlemen. I have looked forward to this day, and I am delighted to see you all here. I'll have more to say about the others who are up here with me in a moment.

This is my only opportunity to appear before the press today, so I hope you will also indulge me if I say a few words about the recent developments in Kosovo. For 72 days now we have been engaged with our allies in a difficult but just and necessary military campaign, with three simple goals: the return of over 800,000 innocent Kosovar refugees to their homes, with safety and self-government; the withdrawal of Serb forces; and the deployment of an international security force, with NATO at its core, to protect all the people of that shattered land.

Yesterday, the Serbian authorities indicated they would accept those conditions. Russian Special Envoy Chernomyrdin and Finnish President Ahtisaari played instrumental and courageous roles in making this possible. I am grateful to them, and so should all Americans be.

Tomorrow, military officials from NATO and Serbia will meet to work out the details of the withdrawal of Serbian forces from Kosovo. This is the next necessary step for implementation of our conditions. I'm pleased that it will take place, and I hope the talks will proceed professionally and expeditiously.

As I said yesterday, our diplomatic and military efforts will continue until we see Serb forces begin to withdraw in a full-scale manner. Our experience in the Balkans teaches us that true peace can only come when progress in discussions is followed by progress on the ground.

At the same time, there is an enormous opportunity to be seized here, a chance to shift our focus from defeating something evil to building something good; a chance to work with our allies to bring a stable and prosperous and democratic southeastern Europe, in which people are never again singled out for destruction simply because of their religious faith, or their ethnic origin. This is a goal that has been worth fighting for over the last weeks, a goal which must be uppermost in our minds as we make sure our conditions are met; a goal we must work for with steadfast determination in the months and in the years to come.

And I believe that the overwhelming majority of Americans share this goal. We do not want our children to grow up in a world which is dominated by people who believe they can kill innocent civilians because of the way they worship God, or the way they were born.

Fifty years ago, Harry Truman, the very first President to present the awards that we present today, set a goal for our nation. I'd like to repeat it: to give every American with a disability the chance to play their full part in strengthening our nation and sharing the greatest satisfaction of American life, to be independent and self-supporting.

Today, we gather to honor three Americans whose efforts to bring more and more people with disabilities into the world of work have moved us closer to that great and just goal. Since the founding of our nation, work has been at the heart of the American Dream. Because millions of Americans have had the opportunity to work and to build better lives for themselves and their families, our nation is enjoying historic strength and prosperity. Through work, we reinforce the values that hold us together as a society -- the values of responsibility, perseverance, striving for the future.

And in so many ways, we define ourselves as Americans not only by our families and our hometowns, but by our work. Often, the first question Americans ask each other is not, who are your parents, or, where do you live -- but, what do you do. Today, still, there are too many Americans with disabilities who've never had the chance to answer that question. Even as we celebrate more than 18 million new jobs and a nationwide unemployment rate of 4.2 percent, the lowest in a generation, as the Secretary has said, 75 percent of Americans with disabilities remain unemployed. And of that number, 72 percent, almost three-quarters, say they want to go to work.

This is not just a missed opportunity for Americans with disabilities. It's a missed opportunity for America. This is an era now of labor shortages, where companies go begging for employees they need to stay competitive in the global economy. And we simply cannot afford to ignore the potential of millions of potential workers simply because they have a disability.

One of the things I have spent a great deal of time on in the last year, particularly, is trying to work with my economic advisors on issues that only peripherally involve the disability community, but that you are a central part of resolving. And it is this: how can we continue to grow this economy and lift the standards of living of our people until we embrace everybody who has not participated in the recovery; keep the recovery going, which is already the longest peacetime recovery in history, and not have an explosion of inflation.

There are -- if you think about it, there are only, I would argue to you, three possible answers to that. You either have to get more workers who are unemployed, generally, in the society, into the work force so that they not only are helping themselves, but helping the rest of us by becoming consumers and taxpayers and growing the economy; you have to go to those discreet areas where whole areas have been left out of our economic growth; or you have to find more customers for America's goods and services around the world.

Therefore, I have continued to push the idea of the expansion of trade on fair and just terms. I have promoted the empowerment zones that the Vice President has so ably led our efforts in for the last six and a half years, and this New Markets Initiative, to reach into the rural areas, the urban communities, the Native American reservations where there has been almost no economic growth. We have cut the welfare rolls almost in half, trying to move able-bodied people from welfare to work.

The last big chunk of people in this country who could keep the economy going for all of us, with low inflation, are the Americans with disabilities -- who want to work, who can work, and who are not in the work force. Every American citizen should have a selfish interest in the pursuit of this goal in the most aggressive possible way. (Applause.)

As everybody here knows -- and Secretary Hermann already

mentioned it -- one of the very largest obstacles to employment for Americans with disabilities is the fear that they'll lose their health insurance once they take a job -- that which is provided by the federal government. Not so very long ago, I went in February to New Hampshire and had a roundtable about this, where people were explicitly discussing this in graphic terms, giving -- through the press to the American people -- dollars-and-cents reports on what the consequences of this would be.

Under current law, many people with disabilities simply can't work and keep Medicare or Medicaid. For many Americans, medical bills literally cost thousands of dollars beyond what is typically covered by an employer's private insurance. For many Americans, their medical bills would be greater than their entire salary.

Therefore, we keep a lot of people out of the work force. But we don't save the federal government any money, because they're spending the money anyway, on the health care. So we deny opportunities to millions; we prevent the American economy from reaching its full potential; we don't save the Federal Treasury one red cent, because the health care money is being spent anyway.

Today, as a country, it is time to say that no American should have to choose between going to work and paying the medical bills. Last summer, and in the State of the Union, I asked Congress to free our fellow Americans from this unfair burden. The Work Incentive Improvement Act, sponsored by Senators Jeffords and Kennedy, Senators Roth and Moynihan, and a wide group of sponsors in both houses, from both parties, will do just that. There are, at last count, over 70 members of the Senate who have signed on to the bill.

There has been a lot of commentary lately about how hard it is to get legislation through the Congress, with the partisan divide. Well, there are a lot of issues on which Republicans and Democrats have honest disagreements. Thank goodness this is not one of them. (Applause.)

Because it is not one of them, because we already have over 70 people who say they will vote for this if they can just get a chance to vote for it on the floor of the Senate, I am confident that we can work together to pass the work incentives bill by

July the 26th of this year, the 9th anniversary of the Americans with Disabilities Act. (Applause.)

We can celebrate that great, historic, bipartisan landmark by opening the doors of opportunity for millions of people even wider -- enabling more Americans with disabilities to join the proud ranks of working citizens.

There is more, I would argue, that we should do. In my balanced budget presented to the Congress, I proposed a \$1,000 tax credit to help people with disabilities afford special transportation technology, which you've already heard about, or personal assistance needed to make the transition to work. And we must double our efforts to make assistive technology, such as voice recognition software, mobile telephones, braille translators, more widely available. So I ask Congress to move forward with both of these proposals in my budget.

And today I am taking immediate action to give more Americans with disabilities the opportunity to become part of the largest work force in America. On Monday, the First Lady, the Vice President and Mrs. Gore and I will be hosting a White House conference on mental health -- an area that has been a special concern, as I'm sure many of you know, to Mrs. Gore for many years. One of our goals is to help more Americans understand that mental illness is not a character flaw. It is a disability.

That is why today I am using my executive authority as President to strip away outdated barriers that keep people with psychiatric disabilities from serving America in our federal government, directing all federal agencies to provide applicants with mental illnesses the same opportunities as other applicants with disabilities to work for the United States of America. (Applause.)

As you know, and as we see here today, not only the government, but individual citizens can take action and make an enormous difference. The three citizens we honor today are proof of the difference one person can make, and I am proud to present these awards to each of them.

First, to Joyce Bender. Fifteen years ago, as Joyce lay in a hospital trauma unit, recovering from a near-fatal cerebral hemorrhage, she made a vow to give something back to the patients who were not so lucky. Through Bender Consulting Services, she's used her own expertise as a professional headhunter to place

people with disabilities in high-wage, high-tech jobs.

She knows the demand for high-skill workers will only continue to grow, and she is determined to make sure people with disabilities will be ready to meet it. She's founded a new program to train even more people with disabilities in the high-tech skills that are the ticket to the world of the 21st century.

It's an honor to present this award to Joyce Bender. Joyce.
(Applause.) (The award was presented.)

Next, to James Click, Jr. Over more than 30 years as a car dealer in California and Arizona, Jim Click has become an undisputed leader in his field. But he's also unrivalled in his commitment to extending opportunity to people with disabilities.

A few years ago, he discovered he could encourage more businesses to follow his lead by making it easier for them to find workers with the right skills. So he founded Linkages, which brings Tucson businesses and rehabilitation programs together to match qualified workers with disabilities to jobs in the private sector.

In a little over a year, more than 170 people have found work through Linkages. It's an honor to present this award to Jim Click, and hope others will follow his lead in every community in the country. (Applause.) (The award was presented.)

Finally, to Laura Hershey. Laura has said, "Disability is not a tragedy. It is powerful."

By speaking her mind, and using her gifts as a writer to point out the shortcomings and the possibilities of our society, Laura has found the power to make the world a better place for people with disabilities. As head of a variety of disability organizations, and as a private citizen, she has fought to reform our Social Security, housing and transportation systems to better serve Americans living with disabilities.

Economic freedom and self-sufficiency for Americans with disabilities is her goal. I am confident she will not rest until she achieves it. And I am proud to present this third and final award to Laura Hershey. (Applause.) (The award was

presented.)

So there you have them: a high-tech headhunter from Pittsburgh, a car dealer from Tucson, an activist from Denver. Now, if you didn't see them you might think, just by those descriptions, that these people have little in common. But they are bound together by their remarkable passion for empowering Americans with disabilities and helping all Americans to live closer to the ideal of equal opportunity for all. Each is, therefore, a true patriot.

President Truman once said, "We love our country ... because it offers us the chance to lead useful lives and to do what we can for those around us."

I thank each of you for reminding us that, really, those two things are two sides of the same coin. We cannot truly lead useful lives unless we also do what we can for those around us. This is a good day for America.

Thank you. God bless you. (Applause.)

END

3:20 P.M. EDT



Cynthia A. Rice

06/07/99 06:28:24 PM

Record Type: Record

To: Lisa M. Brown/OVP, J. Eric Gould/OPD/EOP

cc:

Subject: 1 more q & a on EO

from OPM to help answer a press question "won't this mean people with violent tendencies will be given preference for federal employment?"

----- Forwarded by Cynthia A. Rice/OPD/EOP on 06/07/99 06:28 PM -----



"Strand, Mary" <MASTRAND@opm.gov>

06/07/99 06:16:22 PM

=====

Q. Does this mean that people with violent tendencies will receive an appointment?

There is a major misperception that has hindered the employment of people with psychiatric disabilities for many years. Due in part to stereotypes of psychiatric illness, like those found on television and in film, and media reports on a small number of cases, the public associates psychiatric illness with violent behavior. In reality, most people with psychiatric illnesses are not predisposed to violence.

This executive order does not change the manner in which an applicant for a Federal job is considered for appointment.

Since 1883, the Federal Government has used suitability requirements to evaluate Federal job applicants. ANYONE who is being considered for a permanent Federal job in the competitive service, regardless of the appointment, must meet suitability requirements - character, reputation, trustworthiness, and fitness - to perform the work of the position. If the individual does not meet these requirements, he or she will not be appointed.

For positions in the excepted service, each agency establishes standards clarifying what may disqualify an applicant from appointment. Applicants are evaluated based on these standards.

In addition, the Equal Employment Opportunity Commission (EEOC), uses a publication called EEOC Enforcement Guidance: The Americans with Disabilities Act and Psychiatric Disabilities, to advise employers about the appropriate factors to be considered when hiring individuals with a history of violence or threats of violence.

The executive order does not change this.

Also, Federal agencies are not required to excuse a violation of their standards of conduct just because an employee has, or claims to have, a disability. Agencies can discipline or dismiss such an employee in exactly the same way they would any other employee acting violently in the workplace.



- att1.unk

**PRESIDENT CLINTON AND VICE PRESIDENT GORE:
EXPANDING EMPLOYMENT FOR PEOPLE WITH DISABILITIES**

June 4, 1999

"Seventy-five percent of Americans with disabilities remain unemployed, and of those, 72% say they want to go to work. This is not just a missed opportunity for Americans with disabilities -- it is a missed opportunity for America."

President Bill Clinton
June 4, 1999

Today, at the White House, President Clinton signed an executive order ensuring that the federal government has the same hiring and promotion standards for people with psychiatric disabilities as it has for people with other disabilities. The President also challenged Congress to pass the historic, bipartisan Work Incentives Improvement Act by July 26, the ninth anniversary of the Americans with Disabilities Act.

EXPANDING HIRING OPPORTUNITIES FOR PEOPLE WITH PSYCHIATRIC DISABILITIES. In January, Tipper Gore announced that the Office of Personnel Management would explore measures to eliminate the stricter standards that are currently applied to job applicants with psychiatric disabilities. At a ceremony to bestow the President's Award of the Committee on Employment of People With Disabilities, President Clinton responded to this issue by signing an executive order ensuring that the federal government's hiring and promotion standards are the same for people with psychiatric disabilities as they are for people with other disabilities. The executive order:

- Ensures that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities are covered by the same hiring rules and authority used for individuals with other disabilities; and
- Permits people with psychiatric disabilities the same opportunity to acquire competitive civil service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

CHALLENGING CONGRESS TO PASS THE WORK INCENTIVES IMPROVEMENT ACT. One of the biggest barriers to entering the workplace for people with disabilities is that, under current law, they often become ineligible for Medicaid or Medicare if they work, forcing them to choose between health care coverage and employment. The Work Incentives Improvement Act removes significant work barriers for people with disabilities by:

- improving access to health care through Medicaid;
- extending Medicare coverage for people with disabilities who return to work; and
- creating a new Medicaid buy-in demonstration to help people without medical assistance who have a specific physical or mental impairment that is expected to lead to a severe disability.

This historic new legislation has received overwhelming bipartisan support in both the House and the Senate under the leadership of Senators Jeffords, Kennedy, Roth, and Moynihan, and Representatives Lazio, Waxman, Bliley, and Dingell. The President urged Congress to move swiftly to pass this important and long overdue legislation by July 26, the ninth anniversary of the passage of the Americans with Disabilities Act.

REMOVING BARRIERS TO EMPLOYMENT. Since the beginning of the Clinton-Gore Administration, the American economy has added more than 18 million new jobs, and unemployment is at a 29-year low of 4.3 percent. Yet, over 75 percent of individuals with psychiatric disabilities remain unemployed. The President's executive order, together with the Work Incentives Improvement Act, will help to eliminate the institutional barriers that prevent individuals with psychiatric disabilities from bringing their enormous energy and talent to the workforce.

EXECUTIVE ORDER FOR THOSE WITH PSYCHIATRIC DISABILITIES

Additional Questions and Answers

- Q. Why are we giving people with psychiatric disabilities a special advantage?
- A. **We are not giving these people a special advantage. Instead, we are helping them overcome a special disadvantage – the stigma attached to mental illness in our society. The social, economic, and employment barriers these individuals face are formidable, and even the record of a psychiatric disability, from which an individual has completely recovered, is often a barrier to even consideration for employment. The Executive order simply levels the playing field for people with psychiatric disabilities.**

The fact is almost 75 percent of working-age Americans with disabilities are unemployed, but that does not mean they are unemployable, nor does it mean that they have nothing to offer our society.

The Federal Government recruits widely to find qualified applicants – often using nontraditional methods to reach candidates who, while qualified, might not otherwise apply because of social, economic, or other conditions. For example,

agencies use student employment programs to introduce college students to the Federal Government and give them hands-on experience in their chosen career fields.

With the enormous talent pool of people with disabilities, it is important that the Federal Government be a leader in creating an environment that promotes the ability of these individuals to be contributing members of our nation's workforce. Individuals with psychiatric disabilities must still be able to do the job. We are simply giving them the chance to show that they can do the job - a chance often denied them in the past.

Q. Can a job candidate become eligible for positions under this new authority simply by claiming to having a psychiatric disability?

A. No. The Office of Personnel Management will set specific certification criteria that applicants will have to meet to be considered for these positions. These criteria will be similar to those used for individuals with mental retardation or severe physical disabilities. Applicants who cannot meet these certification criteria will not be considered.



● June Shih

06/04/99 11:06:31 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: final draft

Revised Draft 6/4/99 10:30 am

Shih

PRESIDENT WILLIAM J. CLINTON

REMARKS FOR PRESIDENT'S COMMITTEE ON

THE EMPLOYMENT OF PEOPLE WITH

DISABILITIES AWARDS

THE WHITE HOUSE

JUNE 4, 1999

—
Lachance
Herman

Acknowledgments: Sec. Hermann; Janice La
Chance. OPM; Tony Coehlo, Chair, President's
Committee on Employment of People with Disabilities;
Justin Dart; Jill Rickgauer, employee.

Fifty years ago, President Harry Truman, the very
first President to present these awards, set a goal for our
nation: To give every American with a disability the
chance – and I quote -- “to play their full part in

strengthening our nation ... [and] share in the greatest satisfaction of American life – to be independent and self-supporting.”

Today, we gather to honor three Americans whose efforts to bring more and more people with disabilities into the world of work have moved America closer to that great -- and just – goal.

Since the founding of our nation, work has been at the heart of the American Dream. Because millions of Americans have had the opportunity to work and build better lives for themselves and their families, our nation

is strong and prosperous. Through work, we reinforce the values that hold our society together – the values of responsibility, perseverance, striving for the future.

And in so many ways, we Americans define ourselves not only by our families and hometowns, but by our work.

Often, the first question Americans ask each other is not “Who are your parents?” or “Where do you live?” but “What do you do?”

Today, there are still too many Americans with disabilities who have never had the chance to answer that question. Even as we celebrate more than 18 million new jobs and a nationwide unemployment rate of 4.3

percent -- the lowest unemployment in a generation -- 75 percent of Americans with disabilities remain unemployed. And of those unemployed, 72 percent say they want to go to work.

This is not just a missed opportunity for Americans with disabilities. It is a missed opportunity for America. In an era of labor shortages, when companies go begging for the employees they need to stay competitive in our global economy, we cannot afford to ignore millions of potential workers simply because they have a disability. Think of the loss to American industry, the economy, and even our Treasury. Tony Coehlo often likes to say

that he represents the only group in America that actually wants to pay more taxes. If we are to sustain and build our prosperity, if we are to uphold our highest ideal of opportunity for all, then we as a nation must work harder to give all Americans the chance to experience the pride of going to work and earning a paycheck.

Today, one of the biggest obstacles to employment for Americans with disabilities is the fear that they will lose their federal health insurance once they take a job. As many of you know, under current law, people with

disabilities cannot work and keep Medicaid or Medicare coverage at the same time. For many Americans with disabilities, medical bills cost thousands of dollars beyond what is typically covered by an employer's private insurance. They have no choice but to stay out of the workforce, dependent on federal assistance.

This system denies opportunity to millions who are willing to take the responsibility to work and become full-fledged members of our American community. It is time to change this system.

Last summer and in my State of the Union, I called on Congress to free our fellow Americans from this unfair choice between going to work and keeping health

insurance. Today, the bipartisan Work Incentives Improvement Act, sponsored by Senators Jeffords, Kennedy, Roth and Moynihan; and Reps. Lazio, Waxman, Bliley and Dingell, promises to do just that. And I have proposed funds in my balanced budget to support this legislation.

We know that this summer there will be issues where Democrats and Republicans will have genuine disagreements. But giving Americans with disabilities the opportunity to go to work without losing health insurance is one principle we can agree on.

This is an issue where we can set aside our partisan instincts and get something done for the American

people. I pledge to work with Congress to pass the Jeffords-Kennedy bill right away. Next month, we will mark the ninth anniversary of the Americans with Disabilities Act. The best way we can celebrate the bipartisan landmark legislation that literally widened the doors of opportunity for millions is to work together across party lines to open those doors even wider -- so that more Americans with disabilities can join the proud ranks of working citizens.

But there is even more we can do.

In my balanced budget, I am proposing a \$1,000 tax credit to help people with disabilities afford the special transportation, technology, or personal assistance they need to make a successful transition to work. And we must double our efforts to make “assistive technologies” such as voice recognition software, mobile telephones, Braille translators, more widely available. I ask Congress to move forward with these proposals.

And today, I am taking immediate action to give more Americans with disabilities the opportunity to become a part of the largest workforce in America. On Monday, the First Lady, the Vice President and Mrs. Gore and I will be hosting a White House Conference on

Mental Health.

One of our goals is to help more Americans understand that mental illness is not a character flaw, but a disability. That is why today, I am using my executive authority as President to strip away the outdated barriers that keep people with psychiatric disabilities from serving America in the federal government. I am directing all federal agencies to provide applicants with mental illnesses the same opportunities as other applicants with disabilities.

Government must do its part to widen the circle of opportunity to even more Americans with disabilities.

But Americans as individuals can also take action.

The three citizens we honor today are proof of the difference one person can make. I am proud to present these awards to each of them.

First, to Joyce Bender. Fifteen years ago, as Joyce Bender lay in a hospital trauma unit, recovering from a near-fatal cerebral hemorrhage, she made a vow to give something back to the patients who were not so lucky.

Through Bender Consulting Services, she has used her own expertise as a professional head-hunter to place people with disabilities in high-wage, high-tech jobs.

Joyce knows that the demand for high-skilled workers will only continue to grow – and she is determined to

make sure more people with disabilities will be ready to meet it.

She has founded a new program to train even more people with disabilities in the high-tech skills that are the ticket to the world of work in the 21st Century. It is an honor to present this award to Joyce Bender.

Next, to James H. Click, Jr. Over more than 30 years as a car dealer in California and Arizona, Jim Click has become an undisputed leader in his field. But he is also unrivaled in his commitment to extending opportunity to people with disabilities. A few years ago, Jim discovered that he could encourage more businesses

to follow his lead by making it easier for them to find workers with the right skills.

He founded LINKAGES, which brings Tucson businesses and rehabilitation programs together to match qualified workers with disabilities to jobs in the private sector. In a little over a year, more than 170 people have found work through LINKAGES. It is an honor to present this award to Jim Click.

Finally, to Laura Hershey. Laura has said that “disability is not a tragedy... It is powerful.” By speaking her mind, and using her gifts as a writer to point out the

shortcomings and possibilities of our society, Laura has found the power to make the world a better place for people with disabilities.

As the head of a variety of disability organizations and as a private citizen, she has fought to reform our Social Security, housing, and transportation systems to better serve Americans living with disabilities. Economic freedom and self-sufficiency for Americans with disabilities is her goal. I am confident she will not rest until she achieves it. I am proud to present this final award to Laura Hershey.

A high-tech head hunter from Pittsburgh, a car

dealer from Tucson, an activist from Denver – our awardees seem to have little in common.

But they are bound by their remarkable passion for empowering Americans with disabilities and helping America live closer to the ideal of “equal opportunity for all.”

Each one of you is a true patriot. Harry Truman once said, “we love our country ... because it offers us the chance to lead useful lives and to do what we can for those around us.” I thank each of you for working to give our fellow Americans with disabilities the chance to lead useful lives and share in the promise of our nation.

Most of all, I thank you for strengthening the ties that
bind us all together in love and loyalty to our country.

Congratulations.

Message Sent To:

Christopher C. Jennings/OPD/EOP
Devorah R. Adler/OPD/EOP
Cynthia A. Rice/OPD/EOP
Loretta M. Ucelli/WHO/EOP
Joshua S. Gottheimer/WHO/EOP

Q&A on Disability Employment Executive Order
June 4, 1999

Q: What is the Executive Order the President is signing today?

A: Today, the President will sign an executive order changing federal employment rules so that the same standards apply to people with psychiatric disabilities as to people with other disabilities. The President took this action after Mrs. Gore called attention earlier this year to the use of stricter standards for people with psychiatric disabilities under current law. The executive order will:

- Ensure that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities will be covered by the same hiring rules and authority used for individuals with other disabilities.
- Permit people with psychiatric disabilities the same opportunity to acquire competitive civil service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

This action was recommended by Mrs. Gore as well as the President's Task Force on Employment of Adults with Disabilities under the leadership of Labor Secretary Alexis Herman, chair, Tony Coelho, vice chair, and OPM Director Janice R. Lachance, who chairs the Task Force's Committee on the Federal Government as a Model Employer.

Q: Why is this action important?

A: Mental illness is a disability like any other disability -- and helping Americans understand that is one of the goals of the White House Conference on Mental Health that the President, First Lady, Vice President and Mrs. Gore are hosting on Monday. With this action, the President is ensuring the federal government -- our nation's largest employer -- leads by example.

Q: How many persons with disabilities are currently employed by within the federal government?

A: As of September 30, 1998, there were 124,139 employees with disabilities in the executive branch (excluding postal workers), or 7.1 percent of the workforce.

Note: This is the number of people who voluntarily identified themselves as having a disability. Source: Office of Personnel Management.

THE CLINTON-GORE ADMINISTRATION TAKES NEW STEPS TO INCREASE THE EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES

Today, at the ceremony to give the President's Award of the Committee on Employment of People With Disabilities, President Clinton responded to an issue highlighted by Mrs. Gore earlier this year by signing an executive order ensuring that the federal government's has the same hiring and promotion standards for people with psychiatric disabilities as it has for people with other disabilities. He also challenged the Congress to pass the historic, bipartisan Work Incentives Improvement Act by July 26, the ninth anniversary of the Americans with Disabilities Act (ADA).

Since the beginning of the Clinton-Gore Administration, the American economy has added more than 18 million new jobs, and unemployment is at a 29-year low of 4.3 percent. Yet over 75 percent of individuals with psychiatric disabilities remain unemployed. The President's action, together with the new provisions in the Work Incentives Improvement Act will help to eliminate the institutional barriers that prevent individuals with psychiatric disabilities from bringing their enormous energy and talent to the workforce. Today, the President:

Signed an Executive Order Expanding Hiring Opportunities for People with Psychiatric Disabilities. In January, Tipper Gore announced that the Office of Personnel Management (OPM) would explore measures to eliminate the stricter standards that are currently applied to job applicants who have psychiatric disabilities. Today, the President will sign an executive order that:

Ensures that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities are covered by the same hiring rules and authority used for individuals with other disabilities.

Permits people with psychiatric disabilities the same opportunity to acquire competitive civil service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

Challenged Congress to Pass the Historic, Bipartisan Work Incentives Improvement Act. This historic new legislation, which has received overwhelming bipartisan support in both the House and the Senate under the leadership of Senators Jeffords, Kennedy, Roth, and Moynihan and Representatives Lazio, Waxman, Bliley, and Dingell removes significant barriers to work for people with disabilities by improving access to health care through Medicaid; extending Medicare coverage for people with disabilities who return to work; and creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that is expected to lead to a severe disability without medical assistance. One of the biggest barriers to entering the workplace for individuals with disabilities is that, under current law, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing them to choose between health care coverage and employment. Today, the President urged Congress to move swiftly to pass this important and long overdue legislation by July 26, the ninth anniversary of the ADA.

June 3, 1999

**PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES
PRESIDENT'S AWARD CEREMONY**

DATE: June 4, 1999
LOCATION: East Room
BRIEFING TIME: 2:00pm – 2:30pm
EVENT TIME: 2:40pm – 3:15pm
FROM: Mary Beth Cahill, Bruce Reed

PURPOSE

To present the President's Committee on Employment of People with Disabilities (PCEPD) President's Award; to call on Congress to pass the Jeffords-Kennedy legislation by the July anniversary of the American with Disabilities Act; and to announce an executive order to ensure that the same federal hiring standards apply to people with psychiatric disabilities as to people with other disabilities.

BACKGROUND

Established in 1947 by President Harry Truman, the President's Committee on Employment of People with Disabilities is a small federal agency that reports to the President on progress and problems related to disability employment issues. Under the leadership of Chairman Tony Coelho, some 300 members promote public and private efforts to enhance the employment of individuals with disabilities. The Committee provides information, training, and technical assistance to America's business leaders, organized labor, rehabilitation and service providers, advocacy organizations, families, and individuals with disabilities. Among the Committee's services are the Job Accommodation Network, the Business Leadership Network, High School/High Tech, Project EMPLOY and the Workforce Recruitment Program for College Students with Disabilities, which during the past year placed 300 people with disabilities in private and public sector jobs.

The President's Award is America's highest honor for achievement in furthering the employment and empowerment of people with disabilities. An annual recipient is selected from a national slate of nominees. Honorees have demonstrated outstanding achievements in the world of work and made significant contributions to increase public awareness about Americans with disabilities in the workforce. Since 1947, the award has been presented only six times at the White House, three of those times by you.

Today you will present awards to the following honorees:

Joyce Bender is the president of Bender Consulting Services (BCS), which actively recruits and hires people with disabilities who have expertise in information technologies. BCS contracts these employees as consultants to client companies throughout the Pittsburgh, Pennsylvania and Wilmington, Delaware areas. In 1985, Ms. Bender sustained a life-threatening epileptic attack that caused an intracranial hemorrhage requiring brain surgery. She returned to work with a seizure disorder, a 40 percent hearing loss in one ear and a renewed respect for the attitudinal obstacles faced by individuals with disabilities. Employment of people with disabilities has become her life's work.

James H. Click, Jr. founded the non-profit LINKAGES program in Tucson, Arizona, as a one-stop shop for employers who want to hire people with disabilities. A LINKAGES liaison works with local rehabilitation agencies to identify qualified candidates for every position. Since 1998, some 80 employers have hired more than 170 people with disabilities through the program. As president of the Jim Click Automotive Team, Mr. Click is also a LINKAGES employer. Approximately 35 individuals with disabilities are working in his car dealership franchises throughout Arizona and California. His dream is to take LINKAGES throughout the country.

Laura Hershey is a grass roots leader who has tirelessly advocated for reform in the Social Security system, housing, transportation and other areas affecting the livelihood of Americans with disabilities. She is best known for mobilizing the PASS Participants Rights Campaign to fight for the rights of adults with severe disabilities to pursue employment and maintain their eligibility for Medicaid coverage. Ms. Hershey has served as interim executive director of the Denver Disability Center for Independent Living and is a former director of the Denver Commission for People with Disabilities. She consults and writes frequently on disability issues.

Today you will also:

Announce the Signing of an Executive Order Expanding Hiring Opportunities for People with Psychiatric Disabilities. In January, Tipper Gore announced that the Office of Personnel Management (OPM) would explore measures to eliminate the stricter standards that are currently applied for people with psychiatric disabilities. Today, you will sign an executive order that:

Ensures that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities are covered by the same hiring rules and authority used for individuals with other disabilities.

Permits people with psychiatric disabilities the same opportunity to acquire competitive civil

service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

Challenged Congress to Pass the Historic, Bipartisan Work Incentives Improvement Act. This historic new legislation, which has received overwhelming bipartisan support in both the House and the Senate under the leadership of Senators Jeffords, Kennedy, Roth, and Moynihan and Representatives Lazio, Waxman, Bliley, and Dingell removes significant barriers to work for people with disabilities by improving access to health care through Medicaid; extending Medicare coverage for people with disabilities who return to work; and creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that is expected to lead to a severe disability without medical assistance. One of the biggest barriers to entering the workplace for individuals with disabilities is that, under current law, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing them to choose between health care coverage and employment. Today, you will urge Congress to pass this important and long overdue legislation by July 26, the ninth anniversary of the ADA.

PARTICIPANTS

Briefing Participants:

Mary Beth Cahill
Bruce Reed
Chris Jennings
Janet Murguia
Jonathan Young
June Shih

Stage Participants:

Joyce Bender
James H. Click, Jr.
Laura Hershey

Program Participants:

Secretary Alexis Herman
Jill Rickgauer

Jill Rickgauer is currently employed as a switchboard receptionist for a large automotive dealer in Tuscon, Arizona, the Jim Click Automotive Group. Soon after becoming blind in 1991, Ms. Rickgauer lost her job as a career planner for college students due to downsizing. With assistance from the Arizona Vocational Rehabilitation Department, Mrs. Rickgauer learned to navigate daily living as a blind person and use assistive technology. Despite her solid resume and new skills, she faced extensive discrimination from employers, who offered many interviews but no jobs. Ms. Rickgauer identified and successfully obtained her current position through Jim Click's LINKAGES program.

PRESS PLAN

Open Press.

SEQUENCE OF EVENTS

YOU will greet the award winners and their families in the Blue Room.

YOU will be announced, accompanied by Secretary Alexis Herman, Joyce

Bender, James Click, Laura Hershey, and Jill Rickgauer, into the East Room.

Secretary Herman will make remarks and introduce Jill Rickgauer.

Jill Rickgauer will make remarks and introduce **YOU**.

YOU will make remarks, present the President's Awards, and depart.

VI. REMARKS

To be provided by speechwriting.

A Good Health Care Bill

IN THE budget he sent to Congress earlier this year, President Clinton embraced a bill by Senate Labor and Human Resources Committee Chairman James Jeffords and the panel's ranking Democrat, Edward M. Kennedy, to make it easier for disabled people to go to work. The measure would let the disabled keep their government health insurance—Medicaid or Medicare—if they leave the benefit rolls for jobs. Otherwise the gamble tends to be too great, since almost by definition these are people in serious need of insurance, which, by virtue of their condition, they generally can't get at affordable rates, if at all, in the private market.

The legislation now has 79 Senate co-sponsors. The Congressional Budget Office estimates the cost would be modest, since the government would be saving disability benefits, gaining tax revenues, and not that many people would be able to make the move off the rolls even with the insurance. The Finance Committee, which has jurisdiction, sent the bill to the floor more than two months ago by a vote of 16 to 2.

But there it has languished since. The committee opponents happened to be Majority Leader Trent Lott and Assistant Majority Leader Don Nickles. Among other things, they appear to have been uneasy about expanding Medicaid and Medicare beyond their traditional boundaries. They wanted income ceilings placed on eligibility even to buy into Medicaid, which has been a program for the poor and near-poor. Some fairly high ceilings have now been negotiated, well up in the middle-income range. Mr. Nickles at one point suggested the committee also consider placing such limits on continuing eligibility for Medicare, but Sen. William V.

Roth, one of the bill's sponsors, balked. The committee was not going to venture into the swamp of means-testing Medicare, he said, not in this political season.

Mr. Lott also objected to a small pilot program to extend insurance to people who have degenerative diseases that make it hard for them to get private insurance, but who are not yet disabled. Multiple sclerosis is one example, the virus that leads to AIDS another. "Why should you get insurance before you're disabled?" he asked.

When the leaders finally agreed to bring up a slightly altered version of the bill last week, another objection arose. Sen. Phil Gramm complained about a tightening of the tax code that was being used to cover the cost; Republicans want to use the same provision, having to do with the foreign tax credit, to cover the cost of a tax benefit to help parents pay for private school.

In the end, our guess is that the bill will pass in the Senate, as it should, and in the House as well. But the resistance is interesting as an indicator of where the health care debate is headed. Those like Mr. Kennedy—and Mr. Clinton—who favor universal health insurance have become committed incrementalists. They'll extend coverage to those who currently lack it a group at a time. A couple of Congresses ago it was low-income children; here it's disabled people who want to work.

None of the groups is easy to say no to. The resisters are right that traditional eligibility standards are being breached, and the advocates are likewise right that each of these steps merely puts a face on legitimate need. It's a messy, patchy way to do business, but that's how it's going to be for perhaps quite a while.

Drug Kingpins and the Court

A STRANGELY divided Supreme Court on Tuesday held that a jury must be unanimous—really unanimous—before it can convict somebody, even a drug kingpin. The six-vote majority included the court's right flank—Chief Justice William Rehnquist, and Justices Clarence Thomas and Antonin Scalia—along with the more liberal Justices John Paul Stevens, David Souter and Stephen Breyer, who wrote the opinion. Dissenting were Justices Sandra Day O'Connor and Anthony Kennedy, who are more typically swing votes, along with Ruth Bader Ginsburg.

The court held in essence that when the government accuses someone of "engaging in a continuing criminal enterprise," which requires proving that the accused directed a series of violations of the drug laws, it must do more than convince a jury that such a series of violations existed. Wrote Justice Breyer, the jury "must unanimously agree not only that the defendant committed some 'continuing series of violations' but also that the defendant committed each of the individual 'violations' necessary to make up that 'continuing series.'"

The question at issue in this case masks an important principle: that it is the government's obligation to prove every component of the crime alleged with enough specificity that the

jury convicting a defendant is unanimous about his conduct. As Justice Scalia once pithily wrote, "We would not permit . . . an indictment charging that the defendant assaulted either X on Tuesday or Y on Wednesday." If someone is to be locked up for a long period of time, there can be no question about whether the jury knew what it was doing.

The law at issue mandates stiff sentences for violations of the drug laws by people at the helms of organizations that are involved in a "continuing series" of other drug violations. It can easily be read to erode the principle of jury unanimity. Lower courts had held that it was not essential for the jury to agree on which specific violations constituted the continuing series, as long as it agreed that the defendant had committed at least three. But as Justice Breyer correctly argued, reading the statute that way could "cover-up wide disagreement among the jurors about just what the defendant did, or did not, do."

Justice Breyer's decision is both rigorous and right, though perhaps inconvenient for prosecutors in cases that are indisputably important to antidrug and organized crime efforts. But it is not too much to ask for prosecutors to convince the whole of a jury of the same set of facts. It seems only fair.

Hiring Rules to Change For Mentally Disabled

By **STEPHEN BARR**
Washington Post Staff Writer

President Clinton will issue an executive order today that makes it easier for the federal government to hire people with psychiatric disabilities, officials at the Office of Personnel Management said yesterday.

The executive order will change decades-old civil service rules to give persons with psychiatric problems the same employment opportunities currently provided to persons with severe physical disabilities or mental retardation, the officials said.

Today's announcement comes just days before the White House convenes a conference on mental health to be chaired by Tipper Gore, the vice president's spouse, and follows the recommendations of the administration's Task Force on Employment of Adults with Disabilities.

Currently, federal agencies may use a special hiring authority to offer temporary jobs to persons with psychiatric problems. But those jobs end after two years, usually forcing the employees to leave the government or face competition from other job-seekers when reapplying for federal employment.

The executive order will give agencies the authority to allow persons with psychiatric disabilities to stay in their jobs and join the civil service as permanent employees if they carry out their duties successfully.

Officials said the rule change would "level the playing field," since the rules already permit agencies to use the special hiring authority to permanently hire persons with physical disabilities or mental retardation.

In virtually all cases, the officials said, the initial, two-year appointment would serve as a screening period and allow per-

sons with psychiatric disabilities to demonstrate that they can control their emotional or mental difficulties.

Officials said that when the hiring rules were created more than 20 years ago, attitudes about mental illness were different, resulting in different standards being applied to persons with psychiatric disabilities.

"I believe that by eliminating these hurdles, we will go a long way toward eradicating the stigma associated with mental illness. Our nation can only benefit when all people are given a chance to contribute," OPM Director Janice R. Lachance said in a statement prepared for today's announcement.

Last year, 124,139 executive branch employees voluntarily identified themselves as either physically or mentally disabled—about 7 percent of the government's work force.

Clinton's executive order will direct OPM to draft regulations and allow for a period of public comment before they are issued. OPM officials said they plan to move quickly, once Clinton has signed the order.

Clinton Attacks GOP Budget Priorities

Reuters

President Clinton derided the Republican-controlled Congress's budget plan as a "blueprint for chaos" that would slash spending in critical areas including education, law enforcement and the environment.

Attacking Congress yesterday while lawmakers are on vacation, Clinton blasted the Republicans for drawing up broad budget plans that would force sharp cuts to stay within spending "caps" laid out in

the 1997 balanced-budget agreement.

The White House wants to boost spending in fiscal 2000, which starts on Oct. 1, in a host of areas, notably education, defense and the environment, but aims to stay within the budget caps in part by raising cigarette taxes and other fees.

"Unfortunately, the Republican majority in Congress is moving ahead with a budget plan that in the end may do none of these things," Clinton told reporters. "It fails to extend the solvency of Social Secu-

rity and Medicare. It requires deep cuts... [and] is simply not realistic. It is a blueprint for chaos, and we can do better."

Speaking to reporters in the Rose Garden, Clinton argued that such budget cuts were so unrealistic that Congress has been unable to pass any of the 13 annual spending bills needed to fund the government.

Congress is struggling to write these appropriations bills to fit under a \$538 billion limit that requires cutting spending more than \$20 billion from last year's levels.

THE CLINTON-GORE ADMINISTRATION TAKES NEW STEPS TO INCREASE THE EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES

Today, at the award ceremony for the President's Award for the Committee on Employment of People With Disabilities, President Clinton signed an executive order eliminating the federal government's stricter hiring and promotion standards for psychiatric disabilities, an issue highlighted by Mrs. Gore earlier this year. He also challenged the Congress to pass the historic, bipartisan Work Incentives Improvement Act by July 26, the 9th anniversary of the Americans with Disabilities Act. Since the beginning of the Clinton-Gore Administration, the American economy has added more than 18 million new jobs, and unemployment is at a 29 year low of 4.3 percent. However, over 75 percent of individuals with psychiatric disabilities are unemployed. This new action, together with the new provisions in the Work Incentives Improvement Act will level the playing field for individuals with psychiatric disabilities who are seeking employment and eliminate the institutional barriers that prevent them from bringing their enormous energy and talent to the workforce.

Today, the President:

Signed an Executive Order Expanding Hiring Opportunities for People with Psychiatric Disabilities. In January, Tipper Gore announced that the Office of Personnel Management (OPM) would explore measures to eliminate the stricter standards applied to federal hiring practices for people with psychiatric disabilities. Today, the President will sign an executive order modernizing these twenty two year-old rules which:

Ensure that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities will be covered by the same kind of appointing authority as used for individuals with other disabilities.

Permits people with psychiatric disabilities the same opportunity to acquire competitive civil service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

This action was recommended by Tipper Gore and the President's Task Force on Employment of Adults with Disabilities under the leadership, Labor Secretary Alexis Herman, chair, and Tony Coelho, vice-chair, as well as by OPM Director Janice R. Lachance, who chairs the Task Force's Committee on the Federal Government as a Model Employer.

Challenged Congress to Pass the Historic, Bipartisan Work Incentives Improvement Act. This historic new legislation, which has received overwhelming bipartisan support in both the House and Senate under the leadership of Senators Roth, Moynihan, Jeffords, and Kennedy and Representatives Lazio, Waxman, Dingell, and Bliley, removes significant barriers to work for people with disabilities by improving access to health care through Medicaid; extending Medicare coverage for people with disabilities who return to work; and creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that is expected to lead to a severe disability without medical assistance. One of the biggest barriers to entering the workplace for individuals with disabilities is that, under current law, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing them to choose between health care coverage and employment. Today, the President urged Congress to move swiftly to pass this important and long overdue legislation.



**United States
Office of
Personnel
Management**

**FAX
TRANSMITTAL
SHEET**

**OFFICE OF THE DIRECTOR
1900 E STREET, NW., ROOM 5H09
WASHINGTON, DC 20415-0001**

Date:	6/2
Number of Pages	7 7

**Please
Deliver
To:**

Name: <i>Cynthia Rice</i>	
Office:	Room:
Telephone:	

From:

Name: Mary Strand	
Office: OPM	Room:
Telephone: (202) 606-1000	FAX Number: (202) 606-2183

Remarks

*Here's our DRAFT press Release
on EO + (Q+A's)*

EXECUTIVE ORDER FOR THOSE WITH PSYCHIATRIC DISABILITIES

Questions and Answers

Q. What is the purpose of today's announcement?

- **The Federal Government, as an employer, has an obligation to serve as a model for the successful employment of persons with disabilities.**

The Civil Service Rules governing the appointment of persons with psychiatric disabilities were adopted over twenty years ago, at a time when attitudes about mental illness were different, and as a result, people with mental illness were treated differently under these Rules than people with mental retardation or severe physical disabilities. They faced stricter standards.

That is why President Clinton issued an Executive order today calling upon the US Office of Personnel Management to ensure that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The Civil Service Rules will be changed so that people with psychiatric disabilities are covered by the same kind of appointing authority used for individuals with other disabilities.

Q. What's significant about the Executive order?

A. **It will help people with psychiatric disabilities gain meaningful employment and reach their full potential as productive members of our society.**

Our nation must have a workforce with the skills and competencies needed to succeed in the 21st century, so we cannot afford to let any sector of our society be excluded from contributing to our future success.

Q. Aren't you favoring people with psychiatric disabilities over other individuals?

A. **No. The Executive order simply levels the playing field for people with psychiatric disabilities – people who may have spent their whole lives dealing with the stigma of mental illness. By modernizing the 20 year old Civil Service Rules to give these people the same employment opportunities as those with mental retardation or severe physical disabilities, we are helping them to achieve their full potential as productive members of our society.**

Q. Why hasn't the Administration done this sooner?

A. Empowering people with disabilities has always been a priority for this Administration. President Clinton formed a Task Force on Employment of Adults with Disabilities to look at this complex issue and make recommendations for achieving a more inclusive workforce.

With the release of the Task Force's findings, the President moved quickly to implement changes that facilitated greater hiring opportunities for the disabled. This Executive order is only the most recent example.

Q. How many persons with disabilities are currently employed by the Federal Government?

A. As of September 30, 1998, there were 124,139 employees * with disabilities in the non-postal Federal executive branch, or 7.1 percent of the workforce.

[* this is the number of people who voluntarily identified themselves as disabled.]

Q. Are drug and alcohol dependent people covered, and if so, why?

A. Individuals suffering from alcoholism so that it affects their ability to perform a job will be considered to have a disability if:

- **They provided sufficient medical documentation to meet the statutory definition of an individual with a disability;**
- **The disability substantially limits one or more major life activities; and**
- **The agency determines that the individual can perform the essential functions of the job with, or without, reasonable accommodation.**

Federal employees who are currently engaging in the illegal use of drugs do not, by law, meet the definition of disability, and therefore are not eligible for this appointment.

Q. Is there a reason why persons with psychiatric disabilities were appointed differently than those with mental retardation or physical disabilities?

A. **When the appointing authority for psychiatric disabilities was created 20 years ago, attitudes about mental illness were different.**

This led to different standards being applied to those with psychiatric disabilities than for persons with mental retardation or severe physical disabilities.

This Executive order, and the implementing regulations, will resolve these differences.

Q. Was an Executive order necessary to give people with psychiatric disabilities the same hiring standards as other disabled individuals?

A. **Yes. In order to convert these excepted appointments to the competitive service, an Executive order (or legislation) was required.**

OPM NEWS

R | E | L | E | A | S | E

For Immediate Release
Embargoed until June 4, 1999

DRAFT

Contact: Mary Ann Maloney
(202) 606-2402 or mamalone@opm.gov

PRESIDENT CLINTON ISSUES EXECUTIVE ORDER EXPANDING HIRING AUTHORITY OF ADULTS WITH PSYCHIATRIC DISABILITIES

Washington, D.C. – Today President Clinton issued an Executive Order to broaden the ability of the federal government to more easily hire people with psychiatric disabilities. The presidential action is a result of the administration's commitment to develop strategies to encourage more opportunities for people with mental illness.

In January, President Clinton directed the U.S. Office of Personnel Management to explore measures in federal hiring which would resolve the differences in hiring standards between people with psychiatric disabilities and those with other types of disabilities.

President Clinton noted that OPM was in a unique position to serve as a model for other employers, since the federal government is the largest employer in the United States, and because OPM provides federal agencies with policy leadership in hiring.

In response to the Executive Order, OPM Director Janice R. Lachance, a member of the Presidential Task Force on Employment of Adults with Disabilities, will create a new hiring authority to allow people with psychiatric disabilities to noncompetitively acquire civil service status. Currently only employees with mental retardation and severe physical disabilities are able to acquire competitive civil service status after two years of successful service.

The Executive Order amends the civil service rules to ensure that people with psychiatric disabilities will be given the same hiring opportunities as persons with severe physical disabilities or mental retardation.

OPM Director Lachance said, "I believe that by eliminating these hurdles, we will go a long way toward eradicating the stigma associated with mental illness. Our nation can only benefit when all people are given a chance to contribute," said Director Lachance.

-END-

*Won't be
issued*



United States
Office of
Personnel
Management

Office of
Communications

Theodore Roosevelt Building
1900 E Street, NW
Room 5F12
Washington, DC 20415-0001

(202) 606-1800
FAX: (202) 606-2264

Lisa M. Brown @ OVP

06/03/99 06:59:52 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc:
bcc:
Subject: Re: Q&A from OPM

Other than wordiness, here are my comments:

Q re: Whats significant about EO: shouldn't the answer focus on the federal govt and govt as model employer?

Q re: favoring people with psych disabilities: shouldn't we address why there are special appointing authorities for people with disabilities at all? Ie, why they are favored over people without disabilities?

change "the disabled" to "people with disabilities" throughout

The answer to the final question strikes me as non-responsive

Cynthia A. Rice@EOP



Cynthia A. Rice@EOP

06/03/99 04:44:16 PM

Record Type: Record

To: Devorah R. Adler/OPD/EOP@EOP, Lisa M. Brown/OVP@OVP
cc: J. Eric Gould/OPD/EOP@EOP
Subject: Q&A from OPM

----- Forwarded by Cynthia A. Rice/OPD/EOP on 06/03/99 04:47 PM -----

Andrea Kane

06/03/99 03:58:56 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc: Mastrand @ opm.gov @ inet
Subject: File for Cynthia Rice

June Shih

06/03/99 06:45:58 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: draft remarks

Draft 6/3/99 6:50 pm

Shih

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR PRESIDENT'S COMMITTEE ON
THE EMPLOYMENT OF PEOPLE WITH DISABILITIES AWARDS
THE WHITE HOUSE
JUNE 4, 1999**

Fifty years ago, President Harry Truman, the very first President to present these awards, set a goal for our nation: To give every American with a disability the chance – and I quote -- “to play their full part in strengthening our nation... [and]to share in the greatest satisfaction of American life – to be independent and self-supporting.”

Today, we gather to honor three Americans whose efforts to bring thousands of men and women with disabilities into the world of work have moved America ever closer to that great --and just – goal.

Since the founding of our nation, work has been at the heart of the American Dream. Because millions of Americans have had the opportunity to work and build better lives for themselves and their families, our nation is strong and prosperous. Through work, we reinforce the values that hold our society together – the values of responsibility, perseverance, striving for the future. And in so many ways, we Americans define ourselves, not only by our families and hometowns, but by our work. Often, the first question we ask each other is not “Who are your parents?” or “Where do you live?” but “What do you do?”

Today, there are still too many disabled Americans who have never been allowed to answer that question, who have never had the chance to participate in that essential component of the American Dream. Even as we celebrate more than 18 million new jobs and a nationwide unemployment rate of x percent -- the lowest unemployment in a generation -- 75 percent of Americans with disabilities remain unemployed. And of those unemployed, 72 percent say they want to go to work.

This is not just a missed opportunity for the disabled. It is a missed opportunity for America. In an era of labor shortages, when companies go begging to fill positions they need

to stay competitive in our global economy, we cannot afford to ignore millions of potential workers simply because they have a disability. Think of the loss to American industry, the economy, and even our Treasury. Tony Coehlo often likes to say that he represents the only group in America that actually wants to pay more taxes. If we are to sustain and build our prosperity, if we are to uphold our highest ideal of opportunity for all, then we as a nation must work harder to give all Americans the chance to experience the pride of going to work and earning a paycheck.

Today, one of the biggest obstacles to employment for many Americans with disabilities is the fear that they will lose their federal health insurance once they take a job. As many of you know, under current law, people with disabilities cannot work and keep Medicaid or Medicare coverage at the same time. For many disabled Americans, medical bills cost thousands of dollars beyond what is typically covered by an employer's private insurance. They have no choice but to stay out of the workforce, dependent on federal assistance.

This is not what America is about. This system denies opportunity to millions who are willing to take on the responsibility of work and become full-fledged members of our American community. And we must change it.

Last summer, I called on Congress to free our fellow Americans from this unfair choice between going to work and keeping health insurance. Today, Congress is considering landmark bipartisan legislation to do just that. The Work Incentives Improvement Act, sponsored by Senators Jeffords and Kennedy, has awaited passage in the Senate and the House for months. With more than 75 Senate co-sponsors from both parties, there is no good reason why it should take this long to pass. I have proposed funds in my balanced budget to support this legislation. So I challenge Congress to pass the Jeffords-Kennedy bill right away. Next month, we will mark the ninth anniversary of the Americans with Disabilities Act. The best way we can celebrate the landmark legislation that literally widened the doors of opportunity for millions is to throw open those doors even wider so that more Americans with disabilities can join the proud ranks of working citizens.

There is much more we can do. In my balanced budget, I am also proposing a \$1,000 tax credit to help people with disabilities afford the specialized transportation, technology, or personal assistance they need to make a successful transition to work. And we must double our efforts to make "assistive technologies" such as voice recognition software, mobile telephones, Braille translators, more widely available to disabled Americans. I challenge Congress to move forward with these proposals.

And today, I am taking immediate action to give more Americans with disabilities the opportunity to become a part of the largest workforce in America. As some of you may know, on Monday, the First Lady, the Vice President and Mrs. Gore and I will be hosting a White House Conference on Mental Health. One of our goals is to help more Americans understand that mental illness is not a character flaw, but a disability. That is why today, I am using my executive authority as President to strip away the outdated barriers that keep people with psychiatric disabilities from serving our nation in the federal government. I am directing all

federal agencies to provide applicants with mental illnesses the same opportunities as other applicants with disabilities.

Government must do its part to widen the circle of opportunity to even more Americans with disabilities. But Americans as individuals can also take action. The three citizens we honor today are proof of the difference a single individual can make. I am proud to present these awards to each of them.

First, to Joyce Bender. Fifteen years ago, as Joyce Bender lay in a hospital trauma unit, recovering from a near-fatal cerebral hemorrhage, she made a vow to give something back to the patients who were not so lucky. Through Bender Consulting Services, she has used her own expertise as a professional head-hunter to place people with disabilities in high-wage, high-tech jobs. Joyce knows that the demand for high-skilled workers will only continue to grow – and she is determined to make sure more people with disabilities will be ready to meet it. To keep her employee roster full, she founded a new program to train even more disabled people in high-tech skills at a local community college. So it is an honor to present this award to Joyce Bender.

Next, to James H. Click, Jr. As the head of nine car dealerships in California and Arizona, Jim Click is an undisputed leader in his field. But he is also unrivaled in his commitment to hiring and extending opportunity to people with disabilities. A few years ago, Jim recognized that he could encourage more businesses to follow his lead by making it easier for them to find workers with the right skills. So he founded Linkages, an organization that brings Tucson businesses and rehabilitation programs together to match qualified people with disabilities to appropriate jobs in the private sector. In a little over a year, more than 170 people have found work through Linkages. It is an honor present this award to Jim Click.

Finally, to Laura Hershey. Laura once said that “disability is not a tragedy... It is powerful.” By speaking her mind, and using her gifts as a writer to point out the shortcomings and possibilities of our society, Laura has found the power to change the world. As the head of a variety of disability organizations and as a private citizen, she has fought to reform our Social Security, housing, transportation systems and other areas to better serve Americans living with disabilities. Economic freedom and self-sufficiency for Americans with disabilities is her goal. I am confident she will not rest until she achieves it. I am proud to present this final award to Laura Hershey.

A high-tech head hunter from Pittsburgh, a car dealer from Tucson, a writer and activist from Denver – our awardees seem to have little in common. But they are bound by their remarkable passion for empowering the disabled. Most of all, each one of them is a true patriot. Harry Truman once said that “we love our country ... because it offers us the chance to lead useful lives and to do what we can for those around us.” I thank each of you for working to give our fellow Americans with disabilities the chance to work and lead useful lives; and in so doing strengthening the ties that bind us all together in love and loyalty to our country.

Message Sent To:

Christopher C. Jennings/OPD/EOP
Cynthia A. Rice/OPD/EOP
Devorah R. Adler/OPD/EOP
Jonathan M. Young/WHO/EOP
Karin Kullman/OPD/EOP

June Shih

06/03/99 04:48:19 PM

people w/ disabilities

Record Type: Record

To: Christopher C. Jennings/OPD/EOP, Cynthia A. Rice/OPD/EOP, Devorah R. Adler/OPD/EOP

cc:

Subject: draft -- waldman has not yet seen

Draft 6/3/99

Shih

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR PRESIDENT'S COMMITTEE ON
THE EMPLOYMENT OF PEOPLE WITH DISABILITIES AWARDS
THE WHITE HOUSE
JUNE 4, 1999**

In 1951, President Harry Truman, the very first President to present these awards, set a goal for our nation: To give every American with a disability who is willing and able to work the chance "to play their full part in strengthening our nation... [and] to share in the greatest satisfaction of American life - to be independent and self-supporting."

Today, we gather to honor three Americans - Joyce Bender, James Click, Laura Hershey -- whose efforts to bring thousands of men and women with disabilities into the world of work have moved us ever closer to that great --and just - goal.

Since the founding of our nation, work has been at the heart of the American Dream. Because millions of Americans have had the opportunity to work and build better lives for themselves and their families, our nation is strong and prosperous. In so many ways, we Americans define ourselves, not only by our families and hometowns, but by our work. Often, the first question Americans ask each other is not "Who are your parents?" or "Where do you live?" but "What do you do?"

Today, there are still too many disabled Americans who cannot answer that question, who still do not have the opportunity to experience that essential component of the American Dream. Even as we celebrate more than 18 million new jobs and a nationwide unemployment rate of x percent -- the lowest unemployment in a generation -- 75 percent of disabled Americans remain unemployed. And of those unemployed, 72 percent say they want to go to work.

This is not just a missed opportunity for the disabled. It is a missed opportunity for America. In an era of labor shortages, when companies go begging to fill positions they need to stay competitive in our global economy, we cannot afford to ignore millions of potential

workers simply because they have a disability. Think of the loss to American industry, the economy, and even the IRS. Tony Coehlo often likes to say that he represents the only group in America that actually wants to pay more taxes. If we are to sustain and build our prosperity, then we as a nation must work harder to give all Americans the chance to bring their talents to bear in our economy. If we are to uphold our highest ideal of opportunity for all, then we as a nation must work harder to give all Americans the chance to experience the pride and independence of going to work and earning a paycheck.

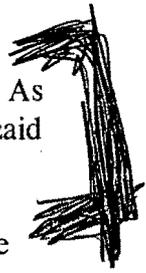
Today, one of the biggest obstacles to employment for many Americans with disabilities is the fear that they will lose their federal health insurance once they take a job. As many of you know, under current law, people with disabilities cannot work and keep Medicaid or Medicare coverage at the same time. For many disabled Americans, medical bills cost thousands of dollars beyond what is typically covered by an employer's private insurance. For them, going to work without Medicaid or Medicare is simply too expensive. They have no choice but to stay out of the workforce, dependent on federal assistance.

This is not what America is about. This system undermines our most cherished values of opportunity, responsibility, and community. It denies millions who are willing to take on the responsibilities of work the opportunity to achieve economic independence and become full-fledged members of our American community.

That is why last summer, I called on Congress to free our fellow Americans from this unfair choice between going to work and keeping health insurance. This year, in my balanced budget, I have proposed funds that will allow Americans with disabilities to go to work without losing their federal health insurance. And this Spring, Congress is considering landmark bipartisan legislation to do just that. The Work Incentives Improvement Act, sponsored by Senators Jeffords and Kennedy, has awaited passage in the Senate and the House for months. With more than 75 Senate co-sponsors from both sides of the aisle, there is no good reason why it should take so long to pass. So today, I challenge Congress to pass the Jeffords-Kennedy bill law by this date: July 28, 1999, the ninth anniversary of the passage of Americans with Disabilities Act. The best way we can celebrate the landmark legislation that literally widened the doors of opportunity for millions is to throw open those doors even wider so that more Americans with disabilities can join the proud ranks of working citizens.

There is much more we can do. In my balanced budget, I am also proposing a \$1,000 tax credit to help people with disabilities afford the specialized transportation, technology, or personal assistance they need to make a successful transition to the world of work. And we must double our efforts to make "assistive technologies" such as voice recognition software, mobile telephones, Braille translators, more widely available to disabled Americans. I challenge Congress to move forward with this work.

And today, I am taking immediate action to give more Americans with disabilities the opportunity to become a part of the largest workforce in America. As some of you may know, on Monday, the First Lady, the Vice President and Mrs. Gore and I will be hosting a White House Conference on Mental Health. One of our goals is to help more Americans understand



Tom Moynihan, Carlos Vasquez
Dingell
Staley

people w/ psychiatric disabilities the same opportunities given to
that mental illness is no different from any other disability. That is why today, I am also using ^{power} my executive authority to eliminate the outdated stricter standards that currently apply to hiring ~~adults~~ with psychiatric disabilities. I am directing all federal agencies to ~~treat people~~ ^{provide} with mental illnesses ~~the same way they would treat any other applicants with disabilities.~~ ^{w/ all}

People

the same opportunities given to

the disabled

Government must do its part to widen the circle of opportunity to more Americans with disabilities. But Americans as individuals can and must take action. We need look no further than the three men and women we honor today for proof of the difference a single individual can make in the lives of thousands. It is an honor to present these Presidential awards to each of them.

First, to Joyce Bender. Fifteen years ago, as Joyce Bender lay in a hospital trauma unit, recovering from a near-fatal cerebral hemorrhage, she made a vow to give something back to the patients who were not so lucky. Through Bender Consulting Services, she has used her own experience as a professional head-hunter to help place people with disabilities in high-wage, high-tech jobs. Joyce once told a reporter that the motto of her firm is "No pity." Anyone who works with a Bender consultant knows the truth of that motto, as pity for a worker's disability quickly dissolves into admiration for his or her skills and professionalism. Joyce knows that the demand for high-skilled workers will only continue to grow - and she is determined to make sure more people with disabilities will be ready to meet it. To keep her employee roster full, she founded a new program to train even more disabled people in the high tech skills at a local community college. So it is an honor to present this award to Joyce Bender.

Next, to James H. Click, Jr. As the head of nine car dealerships in California and Arizona, Jim Click is an undisputed leader in his field. But he is also unrivaled in his commitment to empowering the disabled. Twenty years ago, he hired two young people with disabilities to work at one of his dealerships. And as his business grew, he continued to give even more people with disabilities the chance to work and be part of his dealerships. A few years ago, Jim he could encourage more of his business colleagues to do the same, by making it easier for them to find workers with the right skills. So he founded Linkages, which serves as a one-stop shop for businesses looking to hire people with disabilities. It brings Tucson businesses and rehabilitation programs together to match qualified people with disabilities to appropriate jobs. In a little over a year, more than 170 people have found work through Linkages. Jim hopes to take his good idea across the country, and I challenge communities all across America to make his dream come true.

Finally, to Laura Hershey. Laura once said that "disability is not a tragedy... It is powerful." By speaking her mind, and using her gifts as a writer to point out the shortcomings and possibilities of our society, Laura has found the power to change the world. As the head of a variety of disability organizations and as a private citizen, she has fought to reform our Social Security, housing, transportation and other areas to better serve Americans living with disabilities. Economic freedom and self sufficiency for Americans with disabilities is her goal. And I am confident she will not rest until she achieves it. I am proud to present this final award

to Laura Hershey.

A high-tech head hunter from Pittsburgh, a car dealer from Tucson, a writer and activist from Denver – our awardees seem to have little in common. But they are bound by their passion for empowering the disabled. And most of all, they are patriots. Patriots because they believe so much in the American Dream – and its promise of equal opportunity for all – that they have dedicated their lives to making it real for all Americans with disabilities.

Harry Truman said that “we love our country ... because it offers us the chance to lead useful lives and to do what we can for those around us.” I thank each of you for working to give more of our fellow Americans the chance to lead useful lives; and the chance to live in an America of hope and opportunity.

Karin Kullman

06/03/99 04:29:19 PM

Record Type: Record

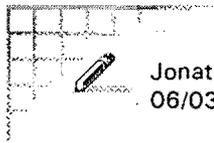
To: Cynthia A. Rice/OPD/EOP

cc:

Subject: Blurb on Jill for program

real person

----- Forwarded by Karin Kullman/OPD/EOP on 06/03/99 04:29 PM -----



Jonathan M. Young
06/03/99 09:25:04 AM

Record Type: Record

To: Jonathan M. Young/WHO/EOP@EOP

cc: Kim B. Widdess/WHO/EOP@EOP, Courtney M. Manning/WHO/EOP@EOP, Dag Vega/WHO/EOP@EOP, Karin Kullman/OPD/EOP@EOP

Subject: Blurb on Jill for program

Jill Rickgauer is currently employed as a switchboard receptionist for a large automotive dealer in Tuscon, Arizona, the Jim Click Automotive Group. After becoming blind in 1991, Ms. Rickgauer lost her job as a career planner for college students. With assistance from the Arizona Vocational Rehalitation Department, Mrs. Rickgauer learned to navigate daily living as a blind person and use assistive technology. Despite her solid resume and new skills, however, she faced extensive discrimination from employers, who offered many interviews but no jobs. Ms. Rickgauer identified and successfully obtained her current position through Jim Click's LINKAGES program.

Karin Kullman

06/03/99 04:29:39 PM

Record Type: Record

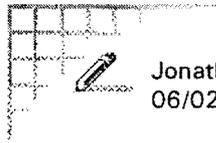
To: Cynthia A. Rice/OPD/EOP

cc:

Subject: Jill info

bio written by real person herself

----- Forwarded by Karin Kullman/OPD/EOP on 06/03/99 04:29 PM -----



Jonathan M. Young
06/02/99 08:15:47 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Jill info

unedited, stuff

----- Forwarded by Jonathan M. Young/WHO/EOP on 06/02/99 08:14 PM -----



Jonathan M. Young
06/02/99 08:10:34 PM

Record Type: Record

To: ogle-becky@dol.gov @ inet

cc:

Subject: Jill info

My name is Jill Rickgauer. I am a successfully employed working age adult. My disability is blindness. I have been blind since 1991. Having been a career-oriented person all of my adult life I wanted to continue to be so. My previous work experience was career planning and job placement for a private business college. I continued at the college for two years after losing my vision, however due to downsizing I found myself unemployed.

At that point I was a successful client with State Vocational Rehabilitation Services. They have been marvelous support help in every way. I was able to enter into excellent training at a specialized center for the blind and visually impaired. Having gone through the program I was asked to work on a part-time basis 5-days a week at the center. This aided

tremendously in raising my confidence and mobility skills. My goal was to find a rewarding full-time position with a solid company. The opportunity to interview with the Jim Click Automotive Group presented itself through Linkages. Linkages is an organization founded by Mr. Jim Click, Jr. designed to match disabled adults with local area employers. The position I applied for was a switchboard receptionist for a very busy 5-Star Dealership. With the support of the Vocational Rehabilitation and the existing staff at the dealership the necessary technology was adapted to the current switchboard system to allow me to perform my job.

I am grateful that I have been able to muster personal perseverance, persistence and professionalism through my job search. The reward is the result of my constant hope and expectation that the outcome could only be good.

Message Sent To:

Karin Kullman/OPD/EOP@EOP
Joshua S. Gottheimer/WHO/EOP@EOP
June Shih/WHO/EOP@EOP
• Kim B. Widdess/WHO/EOP@EOP
Lowell A. Weiss/WHO/EOP@EOP

Signing Executive Order Expanding Hiring Opportunities for People with Psychiatric Disabilities. On January 14th, Tipper Gore announced that the U.S. Office of Personnel Management (OPM) would explore measures to eliminate the stricter standards applied to federal hiring practices for people with psychiatric disabilities. Today, the President will sign an executive order modernizing these twenty-year-old rules which will:

- Ensure that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The civil service rules will be changed to ensure that people with psychiatric disabilities will be covered by the same kind of appointing authority as used for individuals with other disabilities.
- Permits people with psychiatric disabilities the same opportunity to acquire competitive civil service status after two years of successful service. This authority will allow adults with psychiatric disabilities the same opportunity for conversion into the competitive civil service as employees with other disabilities.

This action was recommended by the President's Task Force on Employment of Adults with Disabilities under the leadership of Labor Secretary Alexis Herman, chair, and Tony Coelho, vice chair as well as by OPM Director Janice R. Lachance, who chairs the Task Force's Committee on the Federal Government as a Model Employer.

| Revised |



**United States
Office of
Personnel
Management**

**FAX
TRANSMITTAL
SHEET**

**OFFICE OF THE DIRECTOR
1900 E STREET, NW., ROOM 5H09
WASHINGTON, DC 20415-0001**

Date:

6-3

Number of Pages

2

Please

Name: *Cynthia Rice*

Deliver

Office: *DPC*

Room:

To:

Telephone:

From:

Name: **Mary Strand**Office: **OPM**

Room:

Telephone: **(202) 606-1000**FAX Number: **(202) 606-2183**

Remarks

Also e-mailed.

TALKING POINTS

Executive Order for Those with Psychiatric Disabilities US OFFICE OF PERSONNEL MANAGEMENT

June 3, 1999

- It is the policy of this Administration, and one of the fundamental principles of our American democracy, to promote equal opportunity, full participation, and self-sufficiency for all our people, including people with disabilities.
- The Federal Government, as an employer, has an obligation to serve as a model for the successful employment of persons with disabilities.
- Times have changed. We recognize now that people with psychiatric disabilities have much to contribute to our society, and that they should be given the same opportunities available to people with mental retardation or severe physical disabilities.
- Our nation must have a workforce with the skills and competencies needed to succeed in the 21st century, so we cannot afford to let any sector of our society be excluded from contributing to our future success.
- The Civil Service Rules governing the appointment of persons with psychiatric disabilities were adopted over twenty years ago, at a time when attitudes about mental illness were different, and as a result, people with mental illness were treated differently under these Rules than people with mental retardation or severe physical disabilities. They faced stricter standards.
- That is why I am issuing an executive order today calling upon the US Office of Personnel Management to ensure that individuals with psychiatric disabilities are given the same hiring opportunities as persons with severe physical disabilities or mental retardation. The Civil Service Rules will be changed so that people with psychiatric disabilities are covered by the same kind of appointing authority used for individuals with other disabilities.
- I want to thank OPM Director Janice Lachance for her leadership in this effort. She has helped us find an equitable solution for the Federal Government, people with psychiatric disabilities, and ultimately all the people of our nation, and I am grateful for her efforts.

EXECUTIVE ORDER

AMENDING THE CIVIL SERVICE RULES RELATING TO FEDERAL EMPLOYEES WITH PSYCHIATRIC DISABILITIES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including sections 3301 and 3302 of title 5, United States Code, and in order to give individuals with psychiatric disabilities the same hiring opportunities as persons with severe physical disabilities or mental retardation under the Civil Service Rules, it is hereby ordered as follows:

Section 1. Policy.

It is the policy of this Administration and a goal of the United States to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities. The Federal Government as an employer should serve as a model for the employment of persons with disabilities and utilize the full potential of these talented citizens.

The Civil Service Rules provide that persons with mental retardation, severe physical disabilities or psychiatric disabilities may be hired under excepted appointing authorities. The Civil Service Rules governing appointment of persons with psychiatric disabilities were adopted over 20 years ago when attitudes about mental illness were different, which led to stricter standards for hiring persons with psychiatric disabilities than for persons with mental retardation or severe physical disabilities. Persons with mental retardation or severe physical disabilities could be appointed for more than two years and could convert to competitive status after completion of two years of satisfactory service in their excepted position, while people with psychiatric disabilities could not.

The Office of Personnel Management and the President's Task Force on Employment of Adults with Disabilities believe that the Federal Government could better benefit from the contributions of persons with psychiatric disabilities if they were given the same opportunities available to people with mental retardation or severe physical disabilities.

Section 2. Implementation.

(a) The Director of the Office of Personnel Management shall ensure that persons with psychiatric disabilities have the same hiring opportunities as are given to persons with mental retardation or severe physical disabilities.

(b) Civil Service Rule III (5 CFR Part 3) is amended by adding the following new paragraph to subsection (b) of section 3.1:

“(3) An employee with psychiatric disabilities who completes at least two years of satisfactory service in a position excepted from the competitive service.”

Section 3. The Director of the Office of Personnel Management shall prescribe such regulations as may be necessary to implement this order.

Section 4. This order is effective upon publication in the Federal Register.

THE WHITE HOUSE



**United States
Office of
Personnel
Management**

**FAX
TRANSMITTAL
SHEET**

Date: <i>5-13</i>
Number of Pages <i>5</i>

**OFFICE OF THE DIRECTOR
1900 E STREET, NW., ROOM 5H09
WASHINGTON, DC 20415-0001**

**Please
Deliver
To:**

Name: <i>Cynthia Rice</i>	
Office: <i>DPC</i>	Room:
Telephone:	

From:

Name: Mary Strand	
Office: OPM	Room:
Telephone: (202) 606-1000	FAX Number: (202) 606-2183

Remarks:

*Please see my e-mail. Background on
proposed e.o. on employment of people
with psychiatric disabilities.*

Mary

TITLE OF INITIATIVE

SUMMARY OF PROPOSAL

The President would sign an Executive order to permit Federal agencies to noncompetitively convert excepted service employees with psychiatric disabilities into the competitive service after at least 2 years of satisfactory job performance.

BACKGROUND

Although individuals with disabilities can apply for Federal jobs through an open competitive process, Federal agencies have been authorized, since the early 1960's, to use alternative hiring procedures. Individuals with mental retardation or severe physical disabilities may be appointed to positions in the excepted service and subsequently may qualify for conversion to permanent positions in the competitive service after 2 years of successful performance. This conversion authority was authorized by Executive Order 12125.

In 1980, a new excepted service appointment authority was created for persons with psychiatric disabilities. These appointments are limited to 2 years and do not allow for noncompetitive conversion to the competitive service.

PROPOSAL

OPM has prepared an Executive order to permit the noncompetitive conversion of excepted service employees with psychiatric disabilities to the competitive service. This Executive order would implement a recommendation of the Presidential Task Force on Employment of Adults with Disabilities to provide the same opportunities for noncompetitive conversion of employees with psychiatric disabilities as exist for employees with mental retardation and severe physical disabilities. The proposed Executive order does just that by amending the Civil Service Rules to add employees with psychiatric disabilities to the classes of people who may noncompetitively acquire status.

SUBMITTING AGENCY: U.S. Office of Personnel Management

Initial Recommendations to the President from the Presidential Task Force on Employment of Adults with Disabilities:

The Task Force recommends that: The President direct Office of Personnel Management and other appropriate agencies to explore measures aimed at eliminating the stricter standards currently applied to adults with psychiatric disabilities and to extend to these individuals opportunities currently available to individuals with mental retardation and severe physical disabilities. [page 15]

I. BACKGROUND: Excepted appointing authorities exempt individuals from the competitive appointment process and offer an alternative means to obtain federal employment. The use of excepted appointing authorities can increase the employment opportunities for individuals with disabilities.

There are three primary excepted appointing authorities applicable to individuals with disabilities. Under Schedule A regulations, excepted appointments for positions filled by individuals with mental retardation and individuals with severe physical disabilities were established. Individual hired under these appointing authorities can convert to competitive status in the civil service after completion of two years of satisfactory service in their excepted positions. This conversion authority was authorized by Executive Order 12125. Under Schedule B regulations, agencies are authorized to make appointments of individuals who are at a severe disadvantage because of a psychiatric disability that has caused a significant period of substantially disrupted employment.

The Schedule B appointing authority treats individuals with severe psychiatric disabilities differently from individuals with severe physical disabilities or mental retardation who are eligible for special appointment under Schedule A. First, unlike appointments under Schedule A, these appointments are subject to the basic qualification standards established by OPM. Second, there is a two-year limitation on appointments and no mechanism for conversion to the competitive civil service.

The differences reflect the evolutionary process of developing special Federal employment opportunities for people with disabilities and changing perceptions regarding the nature of what constitutes a permanent disability. For instance, the Schedule A special appointing authorities for persons with disabilities can be traced back to the early 1960's, when Federal agencies were authorized to make temporary limited appointments for the "severely handicapped." In contrast, the Schedule B excepted appointing authority for persons with psychiatric disabilities was established in 1980 to provide persons with past mental illness an opportunity to demonstrate their readiness for employment and to regain recent work experience. This intent was based at least in part upon the belief that individuals who had "recovered" from a psychiatric condition needed only an opportunity to supplement a resume after a period of extended unemployment, and thereafter would be able to compete for employment through the regular competitive process.

Experience has shown, however, that some conditions, such as major depression, from which an individual may appear to have "recovered" can recur in the future, and thus may impose limitations that are as real and life-long as the limitations imposed by physical disabilities. Moreover, even the record of a psychiatric condition from which an individual has in fact recovered may often pose a barrier to employment. Finally, the Rehabilitation Act and the ADA have never distinguished between physical and mental disabilities, but instead recognize that all individuals with disabilities face similar social, economic, and employment barriers.

II. CONCLUSION: Individuals with psychiatric disabilities face many of the same barriers to employment as are encountered by individuals with severe physical disabilities and mental retardation. They, therefore, should be offered the same opportunities, including the opportunity to convert to the competitive service. An executive order (or new legislation) would be needed to make this possible.

5-13-99

DRAFT

EXECUTIVE ORDER

AMENDING THE CIVIL SERVICE RULES RELATING TO COMPETITIVE STATUS FOR FEDERAL EMPLOYEES WITH PSYCHIATRIC DISABILITIES

new

WHEREAS it is the goal of the United States to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for persons with disabilities;

WHEREAS the Federal Government as an employer should serve as a model for the employment of persons with disabilities and utilize the full potential of these talented citizens;

WHEREAS the Office of Personnel Management and the Presidential Task Force on Employment of Adults with Disabilities have identified within the Civil Service Rules an opportunity for the Federal Government to better benefit from the contributions of persons with psychiatric disabilities;

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States of America, including sections 3301 and 3302 of title 5, United States Code, and in order to permit individuals with psychiatric disabilities to obtain civil service competitive status, it is hereby ordered as follows:

Section 1. Civil Service Rule III (5 CFR Part 3) is amended by adding the following new paragraph to subsection (b) of section 3.1:

“(3) An employee with psychiatric disabilities who completes at least two years of satisfactory service in a position excepted from the competitive service.”

Sec. 2. The Director of the Office of Personnel Management shall prescribe such regulations as may be necessary to implement this order.

5-13-99

Sec. 3. This order is effective upon publication in the Federal Register.

THE WHITE HOUSE,

THE WHITE HOUSE

Office of the Vice President

For Immediate Release

January 14, 1999

TIPPER GORE UNVEILS NEW INITIATIVES
TO IMPROVE PREVENTION AND TREATMENT AND FAIRNESS
FOR PEOPLE WITH MENTAL ILLNESSES

DARTMOUTH COLLEGE, NEW HAMPSHIRE -- On behalf of the Administration, Tipper Gore, wife of Vice President Al Gore, announced today historic new initiatives to improve prevention and treatment, and eliminate stigma and discrimination for the tens of millions of Americans with mental illnesses. As Mental Health Policy Advisor to the President, she unveiled these new initiatives in an address before the Psychiatry Grand Rounds of Dartmouth College's Dartmouth-Hitchcock Medical Center, a facility renowned for its research into mental illness. The three major initiatives she unveiled included:

An unprecedented \$70 million increase in the mental health services block grant, a 24 percent increase, totaling \$358 million for FY2000, which will enable states to target particularly-hard-to-reach adults and children with severe mental illnesses, improve school violence abatement programs, help states provide new effective medications for people of mental illnesses, and provide services to older Americans who are reluctant to use mental health services in traditional mental health settings.

A White House Conference on Mental Health to be held this spring which will bring together mental health providers, consumers and state representatives, private sector entities, and foundations from around the nation to develop strategies to eliminate existing stigmas and encourage a healthy environment where people with mental illness can thrive; highlight promising practices to limit discrimination and improve prevention and treatment; and explore next steps public and private sectors can take to help people with mental illnesses.

A Presidential request to the Office of Personnel Management (OPM) to explore measures to eliminate the stricter standards currently applied to federal hiring practices for adults with psychiatric disabilities. Currently, there are excepted appointment authorities that are explicitly designed to encourage hiring individuals with

disabilities by giving more hiring flexibility by exempting individuals from the competitive appointment process. Today, the President asked OPM to examine measures to eliminate the stricter standards currently applied to adults with psychiatric disabilities and extend them opportunities currently available to individuals with mental retardation and severe physical disabilities. He asked that they report back within 90 days on what measures can be taken to limit the stricter hiring practices.

In her remarks, Mrs. Gore commented: "Despite the many advances we have made in science, research, awareness and treatment, mental illness continues to be treated differently from physical illness, leading to more misunderstanding, greater stigma and discrimination, increased reluctance to seek help, and greater disparity in insurance coverage. I believe that our efforts will help bridge the gap that has formed between mental health and whole health and point the way to a greater understanding of how our families, friends and neighbors can truly live healthier, happier lives."

###

An early look at the effects of welfare reform

Richard Bavier

(The author is a policy analyst at the Office of Management and Budget. The views expressed are the author's personal views and do not represent the views of OMB or the Administration.)

The Current Population Survey (CPS) from March 1998,¹ released by the Bureau of the Census in September, provided the first national household survey data covering periods after July 1, 1997. This was the deadline imposed in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 by which States were to replace their Aid to Families with Dependent Children (AFDC) entitlement programs with programs under the new Temporary Assistance for Needy Families (TANF) block grant.² This paper presents descriptive statistics from the March CPS, a major source of data, but only one of many that will help us understand declining welfare caseloads and the effects of welfare reform so far.

When did welfare reform begin?

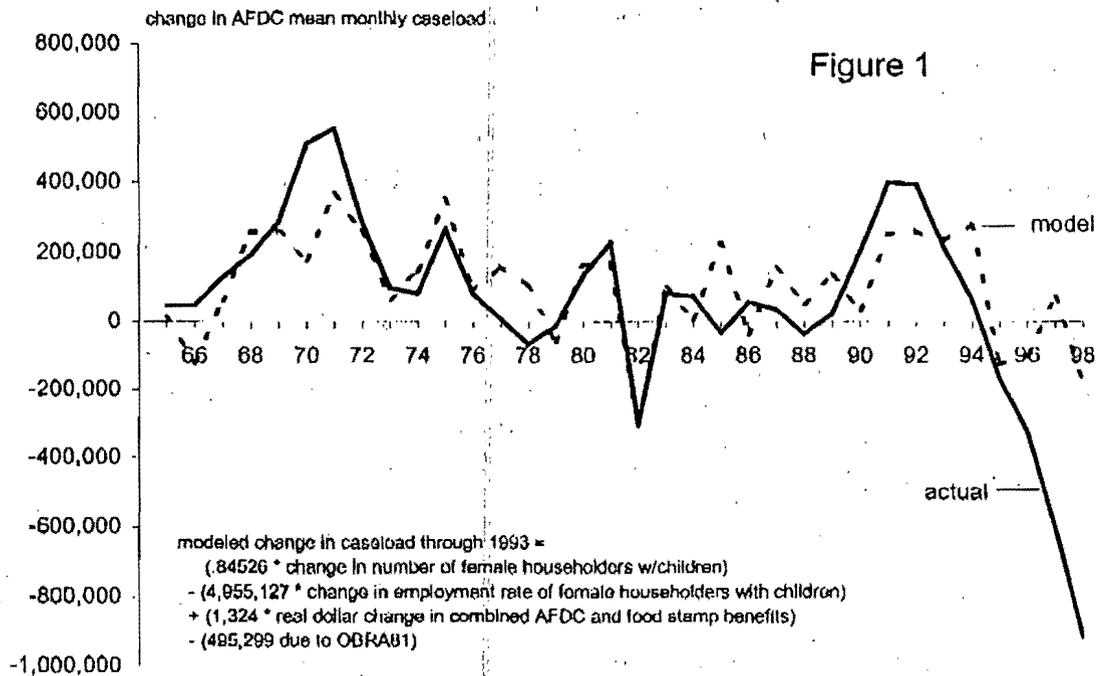
Many states had anticipated some of the features of the new law in programs they were operating under federal waivers. So, as analysis by the Council of Economic Advisers found, not all the sharp decline in AFDC caseloads that began in 1994 could be attributed to the employment effects of a strong economy.³ A combination of low unemployment, program effects of waivers, and behavioral responses to the public discussion of welfare reform was reducing the caseload even before implementation of the new welfare reform statute. As shown by the simple first-difference regression with annual data in Figure 1 below, in 1994 and 1995, economic and demographic factors that had done a reasonably good job of tracking year-to-year changes in mean monthly AFDC caseloads from the mid-1960s through the early 1990s continued to do so. In 1996 they suddenly lost their power.⁴

¹ The Current Population Survey is a monthly survey of the non-institutionalized population, contacting around 45,000 households. The March survey includes an annual income supplement that asks about income and program participation during the preceding calendar year. The March CPS is the source of official income and poverty statistics each year.

² Exceptions were made for states with federal waivers under the AFDC program.

³ "Explaining the Decline in Welfare Receipt, 1993-1996," A Report by the Council of Economic Advisers, May 9, 1997.

⁴ The pattern is not sensitive to the economic regressor. The same pattern occurs with total civilian unemployment rates, or unemployment rates of women, or women heading families. The regressor shown in the figure, employment rate of female family heads with children, was developed from March CPS current labor force status variables. It was chosen to capture the gradual increase of labor force participation by this segment, as well as cyclical unemployment. However, this secular effect in the economic regressor competes in the analysis with the effect of the gradual increase in the demographic regressor, the number of female family heads with children. The relative size of the economic and demographic coefficients may be affected.



Whatever explains the separation between the lines labeled "actual" and "model" on the figure, the gap appears before 1997. Accordingly, the analysis below will not be limited to the year of the TANF implementation deadline, but rather will examine the period from the 1993 welfare caseload peak in CPS to 1997.⁵

Only indirect measures of the impacts of welfare reform

The most commonly expressed concern about falling caseloads is that families who left the rolls or were diverted from applying might be left with even lower incomes than welfare benefits provided – in other words, poor families would get poorer.⁶ The March supplement to the CPS tells us that caseloads are down, but not which families left the welfare rolls or which were deterred from enrolling, let alone what their incomes would have been if there had been no welfare reform.

⁵ In administrative average monthly caseload data, peak caseloads occurred in fiscal year 1994, which ran from October 1, 1993 through September 30, 1994. In fiscal year 1993, total AFDC average monthly caseload, not counting the territories, was 4,917,959. It was 4,984,526 in fiscal year 1994. The average monthly caseload for calendar year 1993 was 4,948,744. For calendar year 1994, it was 4,973,632. See the final table below for comparable CPS figures.

⁶ The same day the March 1998 CPS data were released, the Center on Budget and Policy Priorities released analysis of the new data headlining, "Poor Families Grow Poorer, Welfare Caseloads Decline." (Robert Greenstein, et.al., "Poverty Rates Fall, but Remain High for a Period with Such Low Unemployment," Center on Budget and Policy Priorities New Release, September 24, 1998.) However, the mean "poverty gap" data the paper adduces are not suited to show that the poor got poorer in 1998. To see why, consider that if the income of all poor families remained the same in real terms from one year to the next, except that the family with the smallest "poverty gap" the first year rose above the poverty threshold the next, the mean "poverty gap" would grow larger despite the fact that no family was poorer.

It will be relatively easy to say what has happened under welfare reform. CPS and other sources will provide a mountain of information about that. To know what difference welfare reform has made is much harder, however, because for that we also need to know what would have happened in its absence. In other words, we need to know not only that poor families are better or worse off than they were before, but what their incomes would have been if there had been no welfare reform.

In the physical sciences, to isolate the effect of a single factor, we run an experiment, holding all other factors constant. True experimentation is less common in the evaluation of social programs. However, beginning in the early 1980s, professional opinion came to near consensus that the only sure way to measure the effect of changes in welfare and training programs, which tend to have relatively small impacts and be influenced by unobservable factors, such as personal effort, was to evaluate them with rigorous experiments.

Aspects of welfare reform will be subject to this kind of rigorous evaluation. However, welfare reform is too diverse and fluid to measure its overall impact experimentally. We'll learn from experiments about the impacts of a few versions of a few specific policies. To evaluate welfare reform as a whole, including whether it was wise to devolve a national entitlement into state-directed block grant programs, we'll have to depend on indirect and imperfect measures in which the impact of welfare reform will be hard to distinguish from confounding factors, particularly changes in the economy. If, over time, such indirect measures, like those adduced below, tend to confirm one another and together present a coherent picture, we'll have confidence that we know what difference welfare reform made. However, it would not be unusual in the area of social policy if all the indirect and imperfect measures did not point in the same direction and provide the basis for consensus.

Household surveys and welfare reform

Many states are investigating the reasons for their caseload declines and the consequences for families by undertaking what are coming to be called "leavers studies."⁷ Recipients who leave the welfare rolls are contacted or otherwise identified and relevant information about their post-welfare status is collected. In addition, some national information is becoming available through required state data reports to HHS under the TANF statute. These sources of data generally are limited to telling us what happened to families who leave the rolls. To the extent that some families were deterred from applying for benefits, or otherwise changed their fertility or economic behavior as a result of the new requirements or atmosphere of welfare reform, household surveys like CPS, covering the population as a whole, not just welfare families, and rich in contextual information, will be an important source of knowledge.

The principal limitation of household surveys is their failure to identify as many recipients as administrative data benchmarks indicate they should, and to capture

⁷ "Temporary Assistance to Needy Families (TANF) Program, First Annual Report to Congress," Office of Planning, Research, and Evaluation, August 1998, Attachment 3.1.

aggregate benefit amounts equal to amounts outlayed according to program records. These problems often are termed "under-reporting," although they may result from a number of causes. Historically, CPS captured between three-fourths and four-fifths the total number of recipient families and benefit dollars provided under Aid to Families with Dependent Children, the principal cash welfare program for families with children.⁸ Some surveys do a little better, such as the Survey of Income and Program Participation. Most surveys concentrate on data other than income and program participation, and so do not do as good a job on these topics as the CPS.

As long as under-reporting remains constant from period to period, cross-sectional household survey data can provide useful time-series information about the characteristics of persons participating in benefit programs. So, for example, the Social Security Administration has used CPS data in a series of publications that describe the total income of recipients and others aged 55 and older.⁹ Even the elaborate administrative records of SSA are insufficient for this purpose because not all persons 55 and older are covered by social security, and administrative payroll tax and benefit records do not include all types of income. As long as aggregate recipient and benefit data in CPS remain at roughly the same ratio to administrative benchmarks, it is reasonable to assume that changes appearing in survey data represent changes in the population of interest, and not just changes in the coverage of the survey.

AFDC and TANF families in CPS

As in administrative data, the number of families reporting AFDC or TANF benefits in the CPS has fallen since 1993. Although CPS asks specifically about receipt of AFDC, there is evidence that AFDC benefits often are misreported as other types of assistance.¹⁰ Moreover, program waivers under AFDC and then implementation of TANF made questions specifying AFDC less applicable. The March 1998 CPS saw the introduction of new wording and new questions to attempt to capture the increasing diversity of program names and designs.

Consequently, the analysis below usually will focus on persons who live in families with children and report receiving any type of cash welfare other than Supplemental Security Income (benefits for the aged, blind, and disabled) rather than on the smaller group who specify receipt of AFDC. For convenience, this group receiving non-SSI cash welfare will be termed "welfare parents," although some may not be the biological, step,

⁸ For benefit dollars, see, "Money Income of Households, Families, and Persons in the United States: 1985," P-60, No.156, Appendix A; "Money Income of Households, Families, and Persons in the United States: 1988 and 1989," P-60, No.172, Appendix C; "Money Income of Households, Families, and Persons in the United States: 1992," P60-184, Appendix C. For recipients, see the final table below.

⁹ e.g., Grad, Susan, "Income of the Population 55 or Older, 1994," SSA Publications No. 13-11871, Social Security Administration, Office of Research and Statistics, January 1996.

¹⁰ Goudreau, Karen, Howard Oberheu, and Denton Vaughan, "An Assessment of the Quality of Survey Reports of Income From the Aid to Families With Dependent Children (AFDC) Program," Journal of Business and Economic Statistics, Vol.2, No.2, April 1984, pp.179-186.

adoptive, or foster parents of children in their families. When the focus is on female family heads, by far the largest family type among recipients, that will be specified.¹¹

In the March 1998 CPS, the number of welfare parents for 1997 (3.1 million) was only 63 percent of the number in 1993 (4.9 million). Converted to an average monthly count more comparable to administrative data, the 1997 number (2.4 million) was only 61 percent of the 1993 number (4.0 million). This paper will try to exploit CPS data to associate this caseload decline with demographic, economic, and program policy factors.

Demographics and living arrangements

Most recipients of AFDC or TANF have been single parents, increasingly, never-married parents. If the number of single parents declined because fewer women were mothers or fewer mothers were single, that might contribute to declining welfare caseloads.¹²

From March 1994 to March 1998, the number of women aged 15 and older increased by 4.2 million. The number who headed families with children and had no husband present was unchanged, although the share headed by never-married women increased.

¹¹ In what follows, the term "female family heads" refers to the sum of female householders with children and no husband present plus females heading unrelated subfamilies with children and no husband present.

¹² While most welfare parents are female family heads with no husband present, the share that are female family heads in survey data is always smaller than the share of cases with female caretakers in administrative data. For example, for calendar year 1993, 24 percent of families with children and non-SSI cash welfare were couples. In an average month of fiscal year 1993, in only 10 percent of AFDC cases was the youngest child eligible due either to the unemployment or incapacity of a parent in the home, the most frequent categories under which couples received AFDC. In CPS, the difference is due both to survey and program reasons.

The March CPS asks the household members it finds in March questions about their income and program participation in the preceding calendar year. A mother who received AFDC during the preceding calendar year may have married by the day of the survey. Marriage was a principal route of exit from the AFDC rolls. Moreover, the wife in a married couple family could receive AFDC in behalf of children from an earlier marriage. In this instance, the mother would appear to the AFDC program as a case with an absent father, but would appear to the CPS as currently married. Finally, in a growing share of AFDC cases, none of the resident adults were included in the assistance unit. These "child-only" cases might occur when the parents received SSI, or were ineligible due to immigration status. Some child-only cases might appear in CPS as couples receiving non-SSI cash welfare.

Women 15 and older	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total	98,225,005	94,016,826	89,637,974	100,070,850	101,483,054	102,309,882	104,021,704	105,027,839	108,031,468	107,075,902	106,167,824
never married	54.2%	53.4%	53.3%	52.9%	52.7%	52.0%	52.3%	52.3%	51.6%	51.1%	51.1%
formerly married	22.0%	23.6%	23.0%	24.0%	24.2%	24.1%	24.2%	24.2%	24.4%	24.6%	24.2%
never married	23.2%	23.0%	22.8%	25.2%	23.0%	23.0%	23.7%	23.9%	24.1%	24.4%	24.7%
Unmarried and heading families with children	8,244,774	8,410,813	8,460,450	8,652,396	8,112,726	8,403,453	10,010,455	8,904,001	10,017,099	10,094,039	10,001,740
formerly married	68.6%	67.5%	68.1%	68.0%	65.0%	64.4%	62.7%	63.0%	63.4%	60.4%	60.5%
never married	31.4%	32.5%	31.9%	34.0%	35.0%	35.6%	37.3%	36.1%	36.4%	39.6%	40.5%
Reporting cash welfare in preceding year	3,666,682	3,606,411	3,672,445	4,234,245	4,019,060	4,013,705	4,600,511	4,303,446	4,208,666	3,883,014	3,164,726
percent of all women age 15 and older	3.7%	3.7%	3.7%	4.2%	4.5%	4.5%	4.7%	4.3%	4.0%	3.6%	2.9%
percent of married	1.1%	1.0%	1.2%	1.6%	1.6%	1.5%	1.7%	1.6%	1.6%	1.3%	0.9%
percent of formerly married	6.0%	6.7%	6.5%	7.1%	7.2%	7.3%	7.1%	6.0%	5.6%	5.4%	4.4%
percent of never married	6.0%	7.1%	6.7%	7.7%	6.4%	6.0%	6.1%	6.1%	7.5%	7.0%	6.0%

The percentage of women in each marital status (husband present, never-married, and other) reporting non-SSI cash welfare declined significantly between 1993 and 1997. So it is clear that the decline in the number of welfare parents was not due to declining numbers of female family heads. Rather, the number of such families was unchanged, but their rate of welfare receipt was down.

No significant part of the caseload decline seems explainable by demographic factors. This does not rule out the possibility that welfare reform is having an impact on fertility and marriage rates. For that, we would need to determine what fertility and marriage would have been if there had been no welfare reform. Without welfare reform, the number of female-headed families with children might have increased between 1993 and 1997, as it has steadily for decades.¹³ Other methods of analysis would be necessary to try to address that question. The present discussion makes a more modest claim. The number of female family heads reporting non-SSI cash welfare did not decline because the total number of female family heads dropped, or because an increasing share of women were in a marital status associated with lower welfare participation rates.

We can also rule out "doubling up" as a significant feature in the story of the caseload decline so far. Parents who experience a major income loss may try to cushion the effects by moving in with relatives and pooling resources. However, the average number of persons in families with female heads and children did not change from 1993 to 1997, nor did the average number of children in these families. The share of female family heads in unrelated subfamilies was unchanged as well.

Nearly one-in-five female family heads with children live in households with non-family household members. Those who do may benefit from the income of these non-family members, which can be significant. In 1997, the income added to the households of female family heads with children by non-family members averaged \$23,231 for the 18 percent who lived with non-family members. However, the percentage living with non-family members is unchanged over the period.¹⁴

¹³ In fact, while the number of female family heads with children is unchanged from March 1994 to March 1998, the percentage of females aged 15-19 who were unmarried heads of families or subfamilies with children appears to have declined significantly, from 5.2 percent to 3.7 percent. Changes to the CPS sample over this period could be confounding comparison of such small rates. However, the March 1998 level appears to be the lowest of the decade.

¹⁴ Tables with year-by-year demographic, economic, and program participation characteristics of female family heads with children appear in an appendix.

Income

We have to look to economic and program factors to understand the caseload drops. We know that female-headed families with children are receiving less non-SSI cash welfare income. Either they are replacing this loss from other income sources, or they are averaging less total income.

A significant share of female family heads with children receive non-SSI cash welfare. Throughout the 1980s and early 1990s, a period that saw two recessions as well as major AFDC legislation in 1981 and 1988, the share of female family heads with children reporting cash welfare varied only between 32 percent and 35 percent in CPS. From 1993 to 1997, that share declined from 34 percent to 23 percent. The decline represents a loss of \$6.7 billion, in 1997 dollars. Food stamp declines from 1993 to 1997 totaled \$2.1 billion for this group.

On the positive side, female family heads with children saw a \$26.9 billion increase in earnings from 1993 to 1997, and a \$5.1 billion increase in earned income tax credits. Consequently, using a comprehensive definition of income that counts cash and noncash food and housing transfers and the effect of direct taxes, income for this family type increased \$19.6 billion in 1997 dollars.¹⁵

However, the effect of declines in welfare income is likely to be concentrated toward the bottom of the distribution. Whether ranked by their money incomes before any transfers or taxes are counted, or by a comprehensive definition of income that also includes cash and non-medical noncash transfers and the effects of direct taxes, even the bottom quintile of female family heads with children saw increases from 1993 to 1997.

Poverty status provides another perspective on income changes near the bottom of the income distribution. Among female family heads and their children, 1997 poverty rates are down from 1993 peaks. This is true when no government transfers or taxes are counted, when cash transfers are added (the official income definition), and when noncash food and housing transfers are also added and the effects of direct federal and state taxes are taken into account.

Is there more than one story?

The national picture of the early stages of welfare reform - construed broadly to include the program effects of welfare waivers, the behavioral effects of campaign rhetoric about "ending welfare as we know it" and the welfare rhetoric of the "Contract for America," as well as early implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 - looks generally benign when CPS data for

¹⁵ Non-cash food and housing transfers included reflect estimates by the Bureau of the Census of the income value of food stamps, school lunch subsidies, and rental assistance. Taxes include social security payroll taxes and federal and state income taxes, including the Earned Income Tax Credit. Dalaker; Joseph and Mary Naifeh, U.S. Bureau of the Census, Current Population Reports, P60-201 Poverty in the United States: 1997, GPO 1998, Appendix B.

1993 and 1997 are compared. We may not be able to measure what difference welfare reform made, but, in a very favorable economic environment, the most affected segment of the population appears to be doing no worse than before, and most female family heads are doing better.

However, Figure 1 showing actual and modeled caseload changes should make us wonder whether comparing the year of the caseload peak with the most recent year of data might be overlooking important changes in between. That figure shows that, through 1995, caseload declines are in line with what we would expect based on pre-reform experience with similar changes in the number of female family heads with children and their rate of employment. Beginning in 1996, something different seems to be happening. The model predicted small increases or declines in national caseloads while unprecedented drops were occurring. It looks like welfare reform may have had one character from 1993 to 1995, and another from 1995 to 1998

1993-1995

In 1993, the number of families with children and reporting non-SSI cash welfare peaked at 4.9 million in CPS. By 1995, it had declined to 4.2 million. Non-SSI cash welfare received by female family heads declined \$2.8 billion (in 1997 dollars), and means-tested food and housing benefits declined an additional \$1.5 billion. However, earnings increased \$19.8 billion, while increased tax liabilities (\$3.5 billion) were more than offset by additional EITC (\$3.7 billion). By the most comprehensive definition of income, female family heads with children were \$17 billion better off in 1995 than 1993.

The gains were felt throughout the income distribution. Nearly all families in the top three quintiles based on pre-transfer income had some earnings in both years, and all quintiles saw strong earnings gains. The second quintile also showed a large increase in the share of families with earnings, from 67 percent to 82 percent. Even with this broader base of earners, mean earnings increased \$2,209 for the quintile as a whole. However, the average earnings of families with earnings in the second quintile remained a low \$4,898 in 1995. Working family heads reported an increase in the number of weeks worked, from 25 to 33. Usual hours worked remained around 20 hours per week.

In the bottom quintile, families with earnings increased from 9 percent to 15 percent. Typically, working family heads in the bottom quintile worked about half-time for 13 weeks during the year. So earnings gains were not large. Ranked by pre-transfer income, the bottom quintile saw no income gain from 1993 to 1995. However, ranked by a comprehensive definition of income that shows where families ended up on the distribution after transfers were received and taxes were paid, the bottom quintile increased \$1,093 from 1993 to 1995.¹⁶

¹⁶ To understand the difference, it's necessary to keep in mind how the underlying distributions differ. Non-working female family heads with children benefit from a wide variety of transfer programs. Families in the bottom quintile of a distribution based on pre-transfer income often are in a higher quintile when the distribution is based on an income definition that includes the effects of transfers and taxes. When quintiles are based on income definitions that include transfers, the share of families in the bottom quintile

A common measure of the economic incentives faced by welfare recipients is the rate at which welfare benefits are reduced as earnings grow. Higher benefit reduction rates are thought to discourage work, although evidence is not strong.¹⁷ A related measure may be useful in understanding the general character of the two stages of the caseload decline from 1993. It is not a measure of the benefit reduction and tax rates faced by individual families, but rather a measure after the fact of how much higher earnings for a segment of the population observed in two cross-sectional surveys were offset by lower transfers and higher taxes.

For each dollar by which the 1995 earnings of all female family heads with children were higher than in 1993, the transfers they received were 16 cents lower. Tax increases were just offset by EITC increases.

In the bottom quintile of pre-tax, pre-transfer income, earnings gains were insignificant. In the second quintile, transfer and tax changes offset 28 percent of earnings gains. Higher quintiles had lower offsets by this measure. This is the pattern we would expect given that families lower on the income distribution are more likely to benefit from transfers in the first place.

1995-1997

From 1995 to 1997, the number of families with children and reporting non-SSI cash welfare in CPS plummeted from 4.2 million to 3.1 million. Again there were strong earnings gains for female family heads with children, \$7.2 billion in 1997 dollars. Weeks of work and usual hours of work were unchanged among working female family heads. Overall, income defined to include non-medical noncash transfers and the effect of direct taxes was unchanged for female family heads with children. However, the picture varied along the income distribution.

When families are ranked by pre-transfer income, the bottom quintile saw a decline of \$501 in post-transfer, post-tax income from 1995 to 1997. This quintile showed a large increase in the share of families with earnings, from 15 percent to 26 percent, although the level remains low in comparison to other quintiles.

Although the percentage point increases in earnings receipt (11 percentage points) in the bottom quintile and decreases in cash welfare receipt (10 percentage points) were nearly the same, the income changes were not entirely offsetting. Measured over all families in the quintile, means-tested benefits averaged \$1,380 lower, while earnings increases were insignificant. While only 26 percent in the bottom quintile reported family earnings, more than 70 percent reported means-tested benefits. In short, welfare losses outstripped earnings gains.

who have earnings (45 percent in 1995) is larger than the share with earnings when quintiles are based on pre-transfer income. Families with low earnings benefited from EITC increases from 1993 to 1995, even when mean earnings did not increase significantly.

¹⁷ Robert Moffitt, "Incentive Effects of the U.S. Welfare System: A Review," Journal of Economic Literature, Vol. XXX, March 1992, pp. 1-61.

When female family heads with children are ranked by post-transfer, post-tax income, the bottom quintile's income declines \$554 from 1995 to 1997. From this perspective as well, transfer declines more than offset earnings gains.

From 1995 to 1997, only the top quintile saw post-transfer, post-tax income gains. Changes in transfers and taxes offset 77 percent of all earnings gains of female family heads with children. Depending on the quintile and the income definition used for the underlying distribution, the offsets often were more than 100 percent for the quintile as a whole.

Two chapters

Contrasting pictures appear when the 1993-1997 period of the welfare caseload decline is split in two. From 1993 to 1995, earnings gains are strong down to the second quintile. Offsetting reductions in transfers and increases in taxes are relatively small, and, on the whole, the picture is encouraging.

From 1995 to 1997, more employment and earnings increases are evident, though not as strong as the earlier period. Large employment gains appear in the bottom quintile. But offsetting drops in transfers are much larger too. The earnings gains are consistent both with a tightening labor market and more rigorous welfare-to-work efforts and requirements. The transfer changes seem to point to changes in program policy or perceptions of policy.

The caseload model figure showed us that, through fiscal year 1995, employment gains had been driving the caseload down in a way consistent with the way employment affected caseloads in the past. But, beginning in 1996, despite more employment gains, caseloads declined faster than pre-reform employment rate coefficients predicted. The CPS data appear consistent with this picture, and provide contextual detail. From 1993 to 1995, the proportion of female-headed families with children and family earnings increased by 5 percentage points, and the proportion with non-SSI cash welfare declined by 6 percentage points. Generally, earnings were substituting for welfare. From 1995 to 1997, the proportion with family earnings increased another 3 percentage points, but the proportion with non-SSI cash welfare declined another 6 percentage points. In both the model and the CPS data, caseloads were going down in the later period faster than employment and earnings gains seem to explain.

Are those left on the rolls harder to serve?

Another concern frequently expressed is that those remaining on the rolls have more serious labor force deficiencies, and so will still be unemployed and unemployable when their new welfare time-limits run out. In other words, if welfare reform has not made families with children poorer yet, that may be only because the most disadvantaged families have not yet been affected.

For example, the front page of the New York Times National Edition for July 27, 1998, declared, "Shrinking Welfare Rolls Leave Record High Share of Minorities." The article cited state and city welfare departments as sources of data showing that the proportional decline in white welfare recipients was higher than for black or Hispanic recipients. Then, citing the March 1994 CPS, the article noted that, compared to whites, black and Hispanic recipients of cash welfare more often lack a high-school degree, have never been married, have three or more children, and live in high-poverty neighborhoods.

Only a few years ago, it was common to hear that around half the parents on the AFDC rolls at any point were going to be long-term recipients due to educational deficiencies, lack of work experience, physical or psychological limitations, or substance dependencies. Minority status and, especially, marital status were found to be indicators of the presence of these and other characteristics that made steady employment difficult.

The table below tracks several relevant characteristics of all persons living in families with children and reporting non-SSI cash welfare in the March CPS.

mid-March status	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
all previous-year non-SSI cash welfare recipients in families with children	3,734,170	3,800,003	3,666,352	4,131,697	4,525,916	4,490,980	4,877,206	4,555,900	4,155,768	3,869,922	3,084,800
white (non-hispanic)	39.2%	41.2%	41.7%	43.4%	44.4%	44.0%	41.0%	42.3%	38.6%	41.6%	39.4%
black (non-hispanic)	36.5%	36.6%	38.8%	38.2%	35.1%	36.0%	36.1%	33.9%	34.0%	33.3%	32.7%
hispanic	17.3%	14.9%	14.8%	15.5%	16.1%	16.5%	10.7%	19.1%	20.9%	20.2%	23.1%
other (non-hispanic)	4.9%	6.3%	4.7%	4.9%	4.4%	3.4%	4.2%	4.0%	5.7%	4.0%	4.8%
employment status in March after year with non-SSI cash welfare receipt											
employed	20.5%	20.7%	21.4%	20.6%	19.9%	21.5%	23.0%	23.7%	26.5%	31.8%	33.8%
unemployed	13.4%	12.1%	12.1%	12.2%	13.1%	12.5%	13.6%	11.9%	13.0%	13.8%	14.8%
not in labor force	66.0%	67.1%	66.5%	67.1%	67.0%	65.9%	63.5%	64.4%	60.4%	54.4%	51.4%
marital status mid-March in year after non-SSI cash welfare receipt											
married	22.4%	21.0%	24.3%	23.9%	24.7%	24.0%	23.6%	24.2%	24.7%	22.5%	21.1%
never married	41.7%	43.0%	40.7%	42.2%	42.4%	42.0%	44.8%	42.3%	43.0%	44.9%	47.9%
other	35.9%	36.0%	35.0%	33.0%	32.9%	33.9%	31.7%	33.5%	31.4%	32.6%	31.0%
did not complete high school or equivalent											
white (non-hispanic)					47.3%	43.6%	42.4%	41.6%	42.5%	42.2%	42.8%
black (non-hispanic)					39.0%	35.5%	34.3%	32.1%	29.2%	31.4%	28.3%
hispanic					47.3%	43.4%	39.0%	39.7%	42.1%	40.6%	42.4%
other (non-hispanic)					69.1%	82.0%	64.1%	62.4%	65.7%	65.8%	62.0%
work limitation		14%	10%	17%	16%	18%	14%	15%	17%	17%	16%

With a decade to supply perspective, it does not appear that the share of the national caseload made up of non-Hispanic black recipients is growing, although the share of Hispanic recipients is. The increasing representation of Hispanics mirrors a similar increase in their share of all female family heads with children.

Studies of correlates of welfare dependency and of the effectiveness of employment and training programs often found that never-married AFDC parents stayed on the rolls longer and were harder to reach with employment and training programs.¹⁸ Partly, the

¹⁸ For spells on AFDC, see David Ellwood's, "Targeting the 'Would Be' Long Term Recipients of AFDC: Who Should Be Served," Mathematica Policy Research Center, June 28, 1995, Appendix A. For the relevance of marital status to the effectiveness of interventions, see, for example: David Friedlander,

importance of marital status can be traced to its association with other labor market handicaps, but marital status appears to have an independent effect as well. The March CPS shows an increase in the share of welfare parents who are never-married.

The New York Times article explains that higher concentration of minorities or never-married mothers on the rolls is a concern because these characteristics are indicators of other characteristics that will make employment more difficult. However, although the residual caseload has higher representation by Hispanics and never-married mothers, more direct measures do not provide much evidence of increasing concentrations of labor force problems.

The CPS data do not support the view that those remaining on the welfare rolls have more education deficiencies than those who have left recently. As the table above shows, the share of female family heads with children and receiving non-SSI cash welfare who did not complete high school or an equivalent is not increasing.

Like marital status, the number of children in the family has been found to help explain the length of welfare spells and the likely success of interventions. However, neither the average number of children in families with non-SSI cash welfare nor the share of recipients in families with three or more children seem to be increasing in the CPS data.

The table above also shows the percentage of recipients reporting some health problem or disability that prevents or limits the kind or amount of work they can do. An incipient upward trend in this series is worth monitoring.

In the longer-term, the concentration of these characteristics in the residual welfare rolls may increase, as the New York Times article warns. So far, the objective characteristics mentioned above give little indication that the sharp drop in the rolls has left a residual caseload with a significantly greater concentration of the hard-to-serve.

Under-reporting of non-SSI cash welfare appears to be increasing

At the beginning of this paper, the problem of under-reporting of government benefits in household surveys was noted, and it was asserted that we could have confidence in what the surveys told us about trends as long as under-reporting did not change much. Unfortunately, it appears that under-reporting of non-SSI cash welfare among families with children may be increasing.

It is difficult to compare CPS counts of persons reporting AFDC directly with caseload counts based on administrative records. CPS asks respondents whether they received various types of income at any time in the preceding calendar year. The administrative

"Subgroup Impacts and Performance Indicators for Selected Welfare Employment Programs," Manpower Demonstration Research Corporation, August 1988, Table 4.5; George Cave, et.al., "Job Start, Final Report of a Program for School Dropouts," Manpower Demonstration Research Corporation, October 1993, Table 5.9. The Ellwood analysis isolates the independent effect of marital status on welfare spells. The MDRC subgroup analyses found that interventions that had small impacts for married or formerly married participants did not for the never-married.

data reflect recipients in an average month during the fiscal year. We know that there was significant turnover in the AFDC program, so the number who were ever on the rolls during the year should be larger than the number on the rolls in an average month.

The CPS counts can be converted to average monthly counts by using responses to a follow-up question asking recipients how many months they received the program benefits.¹⁹ The table below compares AFDC/TANF administrative data to such average monthly caseload estimates from CPS. CPS counts are provided both for persons specifying AFDC, and for persons reporting any non-SSI cash welfare in families with children.

average monthly recipients	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
non-SSI welfare with children ⁽¹⁾	3,133,368	3,114,967	2,961,600	3,351,202	3,673,006	3,652,600	3,991,217	3,700,551	3,460,707	3,104,069	2,442,101
afdc recipients ⁽²⁾	3,038,814	3,055,722	2,901,193	3,226,301	3,654,313	3,598,326	3,044,289	3,651,313	3,182,826	3,023,617	2,357,044
administrative data	3,718,937	3,690,862	3,737,851	3,994,809	4,433,843	4,785,409	4,948,774	4,873,832	4,741,225	4,388,918	3,699,528
non-SSI with kids / admin	84%	84%	78%	84%	83%	77%	81%	78%	73%	73%	68%
afdc / admin	82%	83%	78%	81%	80%	76%	76%	71%	67%	66%	64%

⁽¹⁾ CPS variables: fhsl16 q1 0 and pawtyp q1 0 or oloff=3 or oloff=4

⁽²⁾ CPS variables: pawtyp=1 or pawtyp=3 or oloff=3

From 1987, the first year that respondents were asked about their months on the rolls, through 1993, average monthly caseloads in CPS for families with children and non-SSI cash welfare and for families reporting AFDC explicitly remained around 80 percent of administrative benchmarks. From 1994 onward, a drop-off in coverage is evident. As mentioned above, March 1998 introduced changes and additions to the battery of CPS welfare-related questions. Question changes sometimes create kinks in historical series. However, the apparent increase in under-reporting in the table above begins well before that.

Possible explanations for increased failure to report

From earlier research, we know that recipients who fail to report receipt of cash welfare are more likely to be older, married at the time of the survey, employed, or no longer receiving the benefit.²⁰ It is reasonable to wonder whether these same factors could be responsible for increased under-reporting.

Marital status and age distribution of recipients for 1997 look similar in relevant respects in administrative data and CPS, and so do not promise much help in understanding reporting changes.²¹ On the other hand, sharp declines in caseloads, especially those associated with higher employment levels, would tend to make it more likely over this period that sampled parents who received cash welfare during a survey's recall reference period were, at the time of the survey, no longer receiving benefits or were employed.

¹⁹ In the March 1998 CPS, for example, 67.6 percent of recipients of cash welfare in families with children reported that they received the benefit for all twelve months. 6.2 percent reported six months, and the remaining recipients are spread out without pattern over the other possible responses.

²⁰ Goudreau, op.cit..

²¹ An appendix table provides detail.

Another, and perhaps related development, has been reported by analysts working with various surveys. We are told that respondents seem less willing lately to admit to receiving welfare because welfare reform has increased the stigma associated with dependency. So far, this effect is unmeasured. However, characteristics found to be associated with failure to report welfare – age, marriage, and employment – may also be correlated with sensitivity to welfare stigma.

With another candidate to explain increased failure to report welfare - the gradual increase in the share of cases with no adults in the assistance unit - a test using CPS data is possible. These "child only" cases have been on the increase for a decade. The CPS cash welfare receipt question is designed to elicit an affirmative response when adults receive income on behalf of children. Nonetheless, respondents might mistakenly suppose that they are being asked to report only transfers from which they themselves benefit.

However, when AFDC/TANF recipients in CPS are grouped by the levels of such "child only" cases in their states, no relationships between "child only" cases and failure to report are evident. Recipients from states with high percentages of "child only" cases in their total caseloads are not more likely to fail to report AFDC/TANF cash benefits than recipients from other states. States with larger increases from 1993 to 1997 in the percentage of their caseloads made up of "child only" cases were not more likely to see larger increases in failure to report over the same period.

State AFDC caseloads grouped relative to "child-only" segments:

		1993	1994	1995	1996	1997	97-93 percentage point change
"Child-only" cases average 27 percent of cases	CPS	1,581,581	1,345,411	1,257,258	1,142,107	859,200	
	administrative records	1,883,075	1,813,573	1,850,873	1,733,884	1,489,025	
"Child-only" cases average 18 percent of cases	CPS	79%	72%	68%	72%	65%	
	administrative records	1,905,230	1,730,348	1,550,142	1,491,125	1,119,466	
"Child-only" cases average 10 percent of cases	CPS	84%	71%	62%	68%	76%	
	administrative records	2,400,921	2,400,653	2,270,146	2,002,653	1,730,409	
Percentage of cases that are "child-only" average 118 percent increase	CPS	78%	73%	64%	60%	60%	-9%
	administrative records	666,009	866,880	718,703	895,549	640,410	
Percentage of cases that are "child-only" average 67 percent increase	CPS	77%	70%	68%	68%	65%	-12%
	administrative records	2,017,863	1,840,364	1,890,617	1,585,812	1,263,643	
Percentage of cases that are "child-only" average 11 percent increase	CPS	70%	73%	70%	69%	68%	-21%
	administrative records	2,617,287	2,625,020	2,490,159	2,299,939	1,951,154	

We will start to learn more about any changes in welfare reporting as data covering the same period become available from other surveys. The Survey of Income and Program Participation, which asks about monthly income, will be especially important. In the

mean time, we have to recognize that the apparent increase in failure to report raises questions about the picture of welfare reform that CPS offers.

Cash welfare as earnings

We might be tempted to infer from the increasing gap between the number of cases in administrative records and the number showing up in CPS that income must be under-reported to a growing extent over this period. If that were true, the economic situation of families with children would be a little brighter in 1997, relative to 1993 or 1995, than it looks in CPS. However, at this point, we cannot rule out the possibility that some benefit dollars are not unreported but rather are mis-reported as something other than cash welfare, earnings for example.

In addition to promoting employment among welfare parents that will enable them to leave the rolls, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 emphasizes work activities for parents receiving aid. States must see to it that increasing proportions of their current caseloads are participating in a narrow range of activities that emphasize attachment to the work force. And families receiving benefits for more than two years are to be engaged in community service activities.

It would be understandable if parents who participate in activities such as community service or workfare, on the job training, or employment with hiring and wage subsidies, reported that they worked for pay rather than that they received cash welfare. If that were to happen, some outlays by cash welfare programs such as TANF would be captured in surveys as earnings rather than means-tested program benefits, and some apparent earnings gains among female family heads with children might actually represent mis-reported cash welfare.

While we don't have strictly comparable data about the activities of AFDC/TANF parents for all years from 1993 to 1997, it is clear that the number and share participating in the kinds of activities that might lead benefits to be reported as earnings have increased. In an average month in 1995, 28,442 AFDC recipients were counted as participating in on-the-job-training, work supplementation, or work experience.²² In an average month from July – September 1997, 100,852 TANF recipients in 39 states were counted as participating in subsidized employment, on-the-job training, work experience, community service, or were providing child care.²³ However, while the proportional increase in such activities has been dramatic, even if we assume that every participant reported all benefits as earnings, only a fraction of the reporting decline in CPS would be explained. If the ratio of caseloads in CPS to caseloads in administrative data remained at the 1993 level, the March 1998 CPS would include about half a million more welfare parents than it does.

²² 1998 Green Book, Committee on Ways and Means, WMCP: 105-7, May 19, 1998, Table 7-35.

²³ <http://www.acf.dhhs.gov/programs/opre/particip/pr1997t2.htm>, as of January 20, 1999. In both years, because only those active for a required number of hours were counted, the number actually participating in each kind of activity probably was higher.

Conclusion

Large AFDC/TANF caseload declines over the last several years can't be explained fully by the strong economy. Welfare reform – construed broadly to include the actual effects of earlier demonstration waivers, the early implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and behavioral responses to the media spotlight on welfare reform – appears to have contributed to the caseload decline as well. In CPS data, the big story of the welfare caseload decline from 1993 to 1997 is that welfare benefits are being replaced by earnings in a strong economy, even near the bottom of the income distribution. Supporters of the 1996 statute will view these data as evidence of success so far, but several cautions are warranted.

CPS data complement a simple caseload model's message that the caseload decline had one character from 1993 to 1995, and another from 1995 to 1997. CPS shows that both periods saw strong employment gains among female family heads with children, including those reporting receipt of non-SSI cash welfare. The caseload change model indicates that no additional explanatory factors, such as welfare reform, are needed to account for caseload declines through 1995, but subsequent sharp drops are not explained by pre-reform relationships between employment and caseloads. We find corroboration in the CPS data, where lower welfare income was more than offset by earnings gains from 1993 to 1995, but not from 1995 to 1997.

If welfare reform is reducing caseloads below what a strong economy would have in the past, that, after all, was the whole idea. So far, CPS data do not support the hope that this can be achieved without any loss of income by families with children, including those with the least to offer the labor market. In the second phase, when caseload changes are not well-explained by employment gains, income gains among female family heads with children are visible only at the top of the distribution and losses are appearing at the bottom.

We have only a few years of data for each phase of the caseload decline, and the picture of more recent years may be distorted by increased under-reporting of welfare receipt in CPS. Moreover, a more positive third phase may well emerge. However, it is sobering to consider that welfare reform has taken place in an unusually favorable employment market so far. It remains to be seen whether income gains that have occurred can be maintained during an economic downturn and when the most dramatic feature of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the five-year time-limit on federal assistance, takes effect.

Appendix A.

The following tables present details for families with children and a female head when those families are distributed by income. Two distributions are shown. First, descriptions of families that fall into each quintile when only pre-transfer money income is the basis for the distribution are presented. Next, the same types of information are presented for families that fall into each quintile when the underlying distribution is based on a more comprehensive definition of income that includes the effects of cash and non-medical noncash transfers, as well as direct taxes. It is important to keep in mind that, when different income definitions are the basis of the underlying distribution, a family may fall into different quintiles.

Income amounts are means. Each table first displays mean income amounts when the sum of the indicated income type is divided by all families on the table, whether or not they received that type of income. Below the lines showing the rates at which earnings increases are offset by lower transfers and higher taxes, rates of employment and program participation are shown along with mean amounts of income for those receiving that type of income.

In some cases, apparent differences among years or quintiles in the following tables may not be statistically significant.

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97
pre-transfer income	15,802	17,330	16,685	18,081	18,753	19,750	19,853	20,002	20,473	2,420	723
pre-welfare income	18,788	18,842	17,076	19,488	20,003	21,087	20,777	21,253	21,898	2,422	832
post-transfer income	20,000	22,315	21,258	23,021	23,131	24,360	23,714	24,258	24,588	2,045	906
post-tax, post-transfer income	18,305	20,332	19,484	21,101	21,240	22,379	21,998	22,501	22,554	2,047	175
earnings	13,208	14,668	14,443	15,842	16,087	18,942	18,963	17,353	17,046	2,273	704
child support	1,027	1,140	1,073	1,162	1,169	1,231	1,241	1,270	1,218	81	(14)
other pre-transfer	1,370	1,521	2,482	2,887	1,497	1,577	2,297	2,350	1,610	58	33
social insurance	1,164	1,315	1,280	1,386	1,250	1,317	1,224	1,252	1,425	2	109
means-tested cash	1,730	1,822	1,869	1,829	1,588	1,681	1,423	1,466	1,234	(241)	(447)
school lunch	244	271	265	287	289	283	287	273	257	12	(26)
food stamps	883	959	912	988	843	887	808	825	741	(71)	(146)
housing	487	518	410	450	420	442	441	452	435	(78)	(7)
taxes	(2,234)	(2,481)	(2,474)	(2,670)	(2,742)	(2,808)	(2,724)	(2,788)	(3,084)	(407)	(177)
EITC	448	480	702	760	861	906	1,006	1,028	1,052	408	148
effect on transfers of a dollar of earnings										(0.18)	(0.73)
effect on taxes of a dollar of earnings										0.00	(0.04)
with family earnings	74%		78%		78%		80%		82%	5%	3%
earnings of families with earnings	17,959	19,047	19,845	20,517	20,389	21,473	21,113	21,597	21,643	1,525	71
full-time, year-round workers per family	0.47		0.49		0.54		0.53		0.58	0.07	0.02
family head worked	68%		71%		73%		74%		76%	5%	3%
weeks worked by family head	43.1		43.3		44.4		43.7		44.2	1.3	(0.2)
usual hours per week	31.6		31.4		31.8		31.4		31.9	0.4	0.0
earnings of working family head	16,028	17,803	18,999	18,409	18,930	18,995	18,653	18,386	18,958	1,192	(37)
received child support	30%		31%		32%		32%		30%	2%	-2%
families with non-SBI cash welfare	34%		39%		29%		27%		23%	-8%	-8%
benefit to recipients	3,978	4,410	4,110	4,451	4,061	4,308	3,771	3,857	3,570	(110)	(733)
family head with cash welfare	32%		29%		28%		24%		21%	-6%	-5%
months of cash welfare	10.3		10.3		10.4		10.3		10.0	0.1	(0.4)
both earnings and welfare in year	46%		48%		53%		53%		58%	7%	6%
families with food stamps	42%		41%		37%		38%		33%	-5%	-4%
benefit to recipients	2,033	2,258	2,235	2,421	2,270	2,391	2,290	2,271	2,253	133	(128)
families with rental assistance	20%		18%		18%		18%		18%	-2%	0%
benefit to recipients	2,379	2,643	2,341	2,535	2,341	2,488	2,447	2,503	2,488	(177)	(8)
families with EITC	47%		60%		63%		58%		56%	5%	3%
benefit to recipients	953	1,058	1,401	1,517	1,825	1,713	1,787	1,820	1,881	854	168
family head dropped out before high school	7%		6%		7%		8%		7%	0%	0%
family head dropped out in high school	19%		18%		17%		17%		16%	-2%	-2%
unrelated subfamily	8%		6%		5%		5%		5%	-1%	0%
lived with non-family household members	18%		18%		18%		18%		18%	1%	0%
aided income from non-family household members	18,651	20,716	20,001	21,885	22,949	24,169	22,473	22,988	23,231	3,453	(238)

Source: March CPS, female family heads (householders and heads of unrelated subfamilies with children).

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97
bottom quintile, pre-transfer income											
pre-transfer income	12	14	65	59	195	205	302	309	355	191	180
pre-welfare income	1,159	1,287	1,495	1,619	1,874	1,857	1,778	1,817	2,504	370	847
post-transfer income	8,746	9,714	9,868	10,466	9,381	9,879	9,404	9,681	9,348	185	(534)
post-tax, post-transfer income	6,744	9,712	9,860	10,462	9,380	9,885	9,490	9,707	9,384	173	(501)
earnings	15	16	1	1	97	102	190	194	231	85	129
child support	14	15	32	35	54	55	85	68	88	41	31
other pre-transfer	(16)	(18)	26	28	44	47	152	155	46	34	(1)
social insurance	1,148	1,273	1,441	1,500	1,379	1,452	1,474	1,507	2,140	179	607
means-tested cash	4,208	4,074	4,610	4,903	4,334	4,565	4,114	4,209	3,581	(109)	(883)
school lunch	369	410	403	436	382	402	408	418	387	(9)	(18)
food stamps	1,822	2,135	2,114	2,289	2,016	2,123	1,872	2,017	1,815	(12)	(308)
housing	1,088	1,208	1,044	1,131	1,075	1,132	1,194	1,221	1,009	(76)	(74)
taxes	(2)	(2)	(7)	(7)	(10)	(11)	(15)	(15)	(18)	(9)	(9)
EITC	0	0	0	1	15	18	40	41	69	16	41
effect on transfers of a dollar of earnings										(0.30)	(6.37)
effect on taxes of a dollar of earnings										0.09	0.25
with family earnings	8%		10%		15%		22%		28%	8%	11%
earnings of families with earnings	157	174	14	16	630	683	848	886	878	489	215
full-time, year-round workers per family	0.00		0.01		0.00		0.00		0.01	0.00	0.01
family head worked	8%		8%		13%		18%		22%	5%	6%
weeks worked by family head	7.8		10.9		13.1		11.8		16.2	5.3	3.0
usual hours per week	21.5		23.8		22.0		21.4		27.0	0.6	5.0
earnings of working family head	140	158	101	109	623	656	820	838	815	501	159
received child support	7%		8%		12%		11%		11%	5%	-1%
families with non-SBI cash welfare	70%		74%		68%		88%		68%	-8%	-10%
benefit to recipients	4,580	5,085	4,837	6,238	4,631	4,078	4,375	4,478	4,282	(188)	(916)
family head with cash welfare	74%		72%		66%		66%		55%	-8%	-11%
months of cash welfare	11.4		11.5		11.1		11.2		11.0	(0.4)	(0.1)
both earnings and welfare in year	10%		11%		16%		22%		26%	0%	10%
families with food stamps	90%		79%		76%		78%		70%	-5%	-6%
benefit to recipients	2,394	2,000	2,675	2,897	2,663	2,804	2,800	2,880	2,507	146	(167)
families with rental assistance	38%		37%		37%		39%		34%	-2%	-3%
benefit to recipients	2,800	3,110	2,941	3,077	2,690	3,043	3,075	3,146	3,118	(67)	73
families with EITC	0%		0%		4%		9%		11%	4%	6%
benefit to recipients	20	20	113	122	382	381	488	479	546	352	185
family head dropped out before high school	13%		11%		13%		11%		12%	0%	-1%
family head dropped out in high school	37%		36%		34%		35%		32%	-3%	-2%
unrelated subfamily	7%		5%		5%		4%		7%	-2%	1%
lived with non-family household members	17%		15%		17%		16%		21%	0%	4%
added income from non-family household members	13,812	15,119	17,580	19,039	14,834	15,412	15,548	15,905	16,874	293	1,482

Source: March CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1993	1997 dollars	1994	1997 dollars	1993	1997 dollars	1996	1997 dollars	1997	93-95	95-97
second quintile, pre-transfer income											
pre-transfer income	2,754	3,059	3,844	3,946	6,166	5,441	5,208	5,327	6,138	2,381	699
pre-welfare income	4,059	4,509	5,172	5,801	6,504	6,850	6,842	6,785	7,594	2,341	744
post-transfer income	9,584	10,845	10,065	10,900	11,116	11,707	10,942	11,193	11,578	1,001	(129)
post-tax, post-transfer income	9,714	10,790	10,502	11,374	11,925	12,559	11,846	12,120	12,726	1,769	166
earnings	1,651	1,833	2,595	2,810	3,630	4,042	3,824	3,912	4,781	2,209	739
child support	445	494	418	452	553	582	610	624	561	88	(21)
other pre-transfer	650	732	1,548	1,077	775	817	817	836	798	85	(21)
social insurance	1,305	1,449	1,528	1,635	1,338	1,409	1,434	1,467	1,458	(40)	47
means tested cash	2,865	3,102	2,409	2,609	2,187	2,303	1,937	1,982	1,363	(879)	(740)
school lunch	308	340	333	361	347	366	394	342	339	25	(26)
food stamps	1,607	1,674	1,443	1,562	1,332	1,403	1,308	1,330	1,265	(272)	(137)
housing	840	840	708	787	746	700	722	730	817	(154)	31
taxes	(134)	(140)	(203)	(220)	(308)	(324)	(318)	(324)	(378)	(175)	(54)
EITC	264	293	641	694	1,117	1,177	1,223	1,251	1,526	883	348
effect on transfers of a dollar of earnings										(0.60)	(1.12)
effect on taxes of a dollar of earnings										0.32	0.40
with family earnings	67%		77%		83%		82%		88%	15%	5%
earnings of families with earnings	2,454	2,726	3,355	3,633	4,651	4,898	4,642	4,748	5,458	2,172	558
full-time, year-round workers per family	0.06		0.00		0.15		0.10		0.16	0.06	0.01
family head worked	58%		89%		73%		73%		79%	15%	8%
weeks worked by family head	24.9		27.6		33.4		32.3		34.8	8.5	1.5
usual hours per week	18.3		18.5		20.2		21.0		21.4	1.9	1.2
earnings of working family head	2,437	2,707	3,302	3,576	4,574	4,817	4,577	4,662	5,410	2,110	580
received child support	31%		27%		30%		29%		24%	-1%	-7%
families with non-SGI cash welfare	81%		53%		47%		42%		36%	-14%	-11%
benefit to recipients	3,874	4,303	3,009	3,885	3,557	3,745	3,383	3,401	3,075	(557)	(670)
family head with cash welfare	68%		50%		44%		39%		33%	-14%	-11%
months of cash welfare	10.1		9.8		8.8		9.7		9.3	(0.3)	(0.6)
both earnings and welfare in year	84%		74%		80%		78%		89%	17%	8%
families with food stamps	71%		67%		62%		59%		55%	-8%	-7%
benefit to recipients	2,137	2,373	2,137	2,314	2,142	2,258	2,205	2,266	2,304	(117)	48
families with rental assistance	32%		27%		30%		28%		31%	-2%	1%
benefit to recipients	2,648	2,841	2,808	2,826	2,485	2,617	2,615	2,875	2,634	(324)	17
families with EITC	47%		62%		73%		73%		78%	28%	8%
benefit to recipients	557	619	1,039	1,125	1,528	1,609	1,684	1,727	1,943	680	334
family head dropped out before high school	7%		7%		7%		8%		7%	1%	0%
family head dropped out in high school	26%		24%		23%		22%		20%	-2%	-3%
unrelated subfamily	6%		9%		7%		9%		7%	-1%	0%
lived with non-family household members	16%		22%		18%		23%		21%	0%	2%
added income from non-family household members	18,008	17,780	17,499	18,651	22,745	23,854	19,215	19,658	21,188	6,174	(2,766)

Sources: March CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97
middle quintile, pre-transfer income											
pre-transfer income	10,443	11,800	11,785	12,774	13,783	14,528	13,597	13,909	14,818	2,928	87
pre-welfare income	11,723	13,021	12,780	13,840	14,877	15,668	14,709	15,046	15,680	2,646	23
post-transfer income	13,005	15,334	14,751	15,876	16,622	17,505	16,388	16,784	17,258	2,171	(247)
post-tax, post-transfer income	14,151	15,718	15,555	16,648	17,369	18,313	17,399	17,769	18,316	2,600	2
earnings	8,812	9,787	10,045	10,879	12,136	12,781	11,847	12,221	12,709	2,904	17
child support	748	831	847	918	929	978	852	872	1,004	147	26
other pre-transfer	884	882	2,238	2,421	730	789	532	545	813	(212)	44
social insurance	1,200	1,422	894	1,066	1,082	1,139	1,112	1,157	1,075	(282)	(65)
means-tested cash	881	979	773	837	649	683	838	653	842	(280)	(41)
school lunch	271	301	289	313	321	330	292	299	273	37	(65)
food stamps	626	695	684	740	694	625	543	558	445	(70)	(180)
housing	304	338	220	245	181	191	205	210	207	(147)	16
taxes	(784)	(871)	(832)	(1,009)	(1,182)	(1,245)	(1,150)	(1,185)	(1,250)	(374)	(6)
EITC	1,130	1,255	1,730	1,880	1,850	2,053	2,170	2,220	2,307	788	251
effect on transfers of a dollar of earnings										0.25	(10.12)
effect on taxes of a dollar of earnings										0.14	14.22
with family earnings	84%		86%		88%		87%		88%	5%	0%
earnings of families with earnings	9,422	10,465	10,447	11,314	12,321	12,076	12,264	12,535	13,000	2,511	25
full-time, year-round workers per family	0.41		0.51		0.62		0.81		0.61	0.21	(0.01)
family head worked	87%		88%		89%		91%		92%	5%	-1%
weeks worked by family head	44.1		44.0		47.2		46.7		47.0	3.0	(0.2)
usual hours per week	28.3		29.3		31.8		30.5		32.1	3.5	0.3
earnings of working family head	9,085	10,069	10,158	10,989	11,709	12,415	11,677	11,945	12,483	2,347	66
received child support	27%		30%		34%		31%		34%	8%	0%
families with non-SSI cash welfare	27%		21%		18%		14%		13%	-7%	-2%
benefit to recipients	2,784	3,070	2,717	2,843	3,304	3,478	2,709	2,772	2,425	400	(1,054)
family head with cash welfare	18%		18%		14%		12%		11%	-5%	-2%
months of cash welfare	7.4		7.6		9.2		8.8		8.3	1.8	(1.0)
both earnings and welfare in year	90%		94%		90%		94%		97%	6%	1%
families with food stamps	42%		40%		31%		32%		27%	-11%	-4%
benefit to recipients	1,495	1,681	1,714	1,858	1,802	2,003	1,703	1,742	1,659	342	(344)
families with rental assistance	19%		17%		15%		16%		16%	-5%	2%
benefit to recipients	1,571	1,745	1,362	1,475	1,233	1,299	1,270	1,300	1,274	(440)	(20)
families with EITC	88%		91%		92%		92%		93%	8%	1%
benefit to recipients	1,311	1,457	1,911	2,089	2,128	2,236	2,358	2,410	2,404	782	240
family head dropped out before high school	8%		6%		6%		5%		7%	-2%	1%
family head dropped out in high school	18%		17%		15%		13%		13%	-4%	-2%
unrelated subfamily	7%		8%		7%		8%		6%	0%	-1%
lived with non-family household members	18%		21%		23%		19%		20%	6%	-3%
added income from non-family household members	17,482	19,418	19,325	20,929	19,971	21,033	24,385	24,955	22,541	1,610	1,508

Appendix: March CPS, female family heads (households and heads of unrelated subfamilies with children)

female family heads with children	1993	1997	1994	1997	1995	1997	1996	1997	1997	93-95	95-97
	dollars										
fourth quintile, pre-transfer income											
pre-transfer income	20,395	22,653	22,115	23,950	24,305	25,586	23,783	24,329	25,494	2,044	(103)
pre-welfare income	21,335	23,828	23,343	25,281	25,757	26,598	24,650	25,216	26,822	2,801	23
post-transfer income	22,232	24,693	24,291	26,307	26,158	27,540	25,392	25,064	27,228	2,853	(318)
post-tax, post-transfer income	20,555	22,831	22,567	24,461	24,088	25,378	23,728	24,273	25,028	2,548	(350)
earnings	18,209	20,226	19,323	20,827	21,357	22,492	21,302	21,791	22,527	2,267	34
child support	1,187	1,318	1,577	1,708	1,682	1,750	1,657	1,665	1,441	432	(308)
other pre-transfer	968	1,100	2,719	2,044	1,286	1,354	764	782	1,825	245	172
social insurance	841	1,045	1,228	1,330	952	1,003	867	867	1,129	(42)	126
means-tested cash	453	504	433	409	446	470	300	307	221	(33)	(243)
school lunch	181	204	200	217	188	207	202	208	186	3	(21)
food stamps	188	200	230	240	170	180	163	107	110	(20)	(73)
housing	71	70	85	92	77	61	68	89	83	3	2
taxes	(2,337)	(2,380)	(2,379)	(2,763)	(2,962)	(3,110)	(2,865)	(2,930)	(3,204)	(623)	(85)
EITC	960	733	874	947	903	951	1,211	1,239	1,004	218	53
effect on transfers of a dollar of earnings										(0.04)	(0.30)
effect on taxes of a dollar of earnings										(0.13)	(0.95)
with family earnings	80%		98%		99%		100%		88%	0%	-1%
earnings of families with earnings	18,437	20,478	19,640	21,780	21,587	22,735	21,392	21,883	23,061	2,257	328
full-time, year-round workers per family	0.80		0.82		0.85		0.83		0.87	0.05	0.02
family head worked	93%		92%		94%		98%		93%	1%	-2%
weeks worked by family head	48.8		48.4		49.2		49.1		50.2	(0.4)	1.0
usual hours per week	36.8		37.0		35.1		35.7		36.7	(0.8)	0.8
earnings of working family head	17,243	19,153	18,338	19,881	19,851	20,906	19,729	20,182	21,537	1,753	631
received child support	37%		44%		42%		42%		30%	5%	-5%
families with non-SSI cash welfare	6%		6%		7%		8%		4%	-1%	-3%
benefit to recipients	3,274	3,837	3,932	4,258	3,373	3,552	2,804	2,884	2,772	(85)	(779)
months of cash welfare	6%		6%		4%		4%		3%	-1%	-1%
both earnings and welfare in year	100%		96%		99%		98%		90%	-1%	-1%
families with food stamps	14%		12%		10%		11%		9%	-3%	-2%
benefit to recipients	1,367	1,518	1,066	2,023	1,730	1,822	1,535	1,571	1,300	303	(462)
families with rental assistance	0%		7%		6%		6%		6%	0%	0%
benefit to recipients	1,178	1,308	1,196	1,297	1,240	1,308	1,227	1,255	1,281	(1)	(15)
families with EITC	80%		76%		72%		82%		73%	-8%	0%
benefit to recipients	827	919	1,153	1,248	1,252	1,319	1,478	1,513	1,384	400	65
family head dropped out before high school	3%		4%		3%		3%		4%	0%	1%
family head dropped out in high school	9%		8%		8%		9%		9%	-1%	1%
unrelated subfamily	0%		6%		4%		4%		4%	-2%	0%
lived with non-family household members	17%		19%		16%		16%		16%	0%	9%
added income from non-family household members	22,672	25,871	22,433	24,205	28,370	27,772	24,218	24,774	28,890	2,701	1,118

Sources: March CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1992	1997 dollars	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97	
top quintile, pre-transfer income											
pre-transfer income	44,371	49,284	45,875	49,020	50,288	52,960	53,333	54,577	55,707	3,676	2,748
pre-welfare income	45,818	50,889	47,042	50,946	51,788	54,541	54,584	55,837	57,035	3,872	2,494
post-transfer income	46,053	51,152	47,472	51,412	52,384	55,147	54,888	58,250	57,380	3,985	2,233
post-tax, post-transfer income	38,337	42,582	39,088	42,332	43,436	45,745	45,418	47,483	47,285	3,183	1,540
earnings	37,315	41,447	40,215	43,553	42,890	45,276	46,236	47,297	47,852	3,828	2,577
child support	2,730	3,041	2,490	2,697	2,848	2,789	2,945	3,013	2,982	(262)	204
other pre-transfer	4,319	4,787	5,773	8,252	4,620	4,897	7,718	7,893	4,862	100	(35)
social insurance	1,248	1,384	1,217	1,318	1,501	1,581	1,231	1,259	1,329	186	(252)
means-tested cash	245	272	222	241	385	385	184	189	187	112	(218)
school lunch	82	102	99	107	97	103	104	108	102	1	(8)
food stamps	74	82	92	100	93	88	79	81	65	17	(33)
housing	25	28	37	18	20	21	37	37	11	(7)	(10)
taxes	(7,905)	(8,781)	(8,642)	(9,359)	(9,246)	(9,737)	(8,963)	(9,182)	(10,482)	(857)	(724)
EITC	188	210	258	279	316	335	413	422	387	125	32
effect on transfers of a dollar of earnings										0.08	(0.20)
effect on taxes of a dollar of earnings										(0.22)	(0.27)
with family earnings	99%	100%	100%	99%	99%	99%	99%	99%	99%	0%	0%
earnings of families with earnings	37,777	41,900	40,318	43,864	43,365	45,870	46,708	47,779	48,147	3,710	2,477
full-time, year-round workers per family	1.07	1.00	1.00	1.07	1.07	1.08	1.08	1.16	1.16	(0.00)	0.09
family head worked	92%	94%	94%	92%	92%	93%	93%	92%	92%	0%	0%
weeks worked by family head	50.3	50.0	50.0	60.0	60.0	49.9	60.0	60.0	60.0	(0.3)	(0.0)
usual hours per week	38.2	38.3	38.3	38.1	38.1	37.6	37.6	36.8	36.8	(0.0)	(1.4)
earnings of working family head	31,338	34,806	33,771	35,874	35,497	37,384	38,064	38,860	38,586	2,578	1,202
received child support	47%	45%	45%	44%	44%	46%	46%	46%	46%	3%	2%
families with non-SSI cash welfare	4%	4%	4%	5%	5%	4%	4%	2%	2%	1%	-3%
benefit to recipients	2,634	3,147	3,708	4,113	5,220	5,408	3,070	3,140	1,788	2,350	(3,709)
family head with cash welfare	2%	2%	2%	2%	2%	2%	2%	1%	1%	0%	-1%
months of cash welfare	7.8	10.3	10.3	10.5	10.5	6.8	6.8	8.5	8.5	2.9	(2.0)
both earnings and welfare in year	95%	100%	100%	100%	100%	100%	100%	100%	100%	5%	0%
families with food stamps	6%	6%	6%	8%	8%	5%	5%	4%	4%	0%	-2%
benefit to recipients	1,238	1,375	1,711	1,853	1,513	1,593	1,484	1,618	1,672	218	79
families with rental assistance	2%	1%	1%	1%	1%	3%	3%	1%	1%	0%	-1%
benefit to recipients	1,307	1,452	1,319	1,428	1,322	1,382	1,315	1,345	1,268	(80)	(126)
families with EITC	22%	22%	22%	23%	23%	27%	27%	25%	25%	2%	2%
benefit to recipients	884	850	1,108	1,288	1,359	1,431	1,503	1,538	1,450	472	27
family head dropped out before high school	3%	2%	2%	3%	3%	3%	3%	3%	3%	0%	0%
family head dropped out in high school	5%	5%	5%	6%	6%	6%	6%	4%	4%	1%	-3%
unrelated subfamily	3%	3%	3%	3%	3%	3%	3%	2%	2%	1%	-2%
lived with non-family household members	11%	12%	12%	13%	13%	14%	14%	12%	12%	1%	-1%
added income from non-family household members	26,760	29,746	25,017	27,034	35,831	37,524	30,863	31,671	31,882	7,779	(5,643)

Sources: Medd, CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1983	1987 dollars	1984	1987 dollars	1985	1987 dollars	1986	1987 dollars	1997	83-86	85-87
bottom quintile, post-tax, post-transfer income											
pre-transfer income	1,502	1,888	1,707	1,840	1,907	2,103	2,120	2,189	2,213	435	109
pre-welfare income	1,833	2,036	2,111	2,287	2,488	2,507	2,676	2,730	2,894	561	97
post-transfer income	5,313	5,902	5,916	6,406	6,335	6,672	6,184	6,326	6,134	770	(547)
post-tax, post-transfer income	6,396	5,994	6,120	6,628	6,631	6,083	6,618	6,666	6,480	889	(503)
earnings	1,052	1,168	1,238	1,341	1,442	1,519	1,495	1,529	1,585	351	46
child support	220	235	243	264	315	331	301	371	302	77	(29)
other pre-transfer	221	245	425	461	240	253	383	372	345	8	92
social insurance	332	368	404	438	460	494	654	587	481	125	(13)
means-tested cash	1,706	1,895	1,874	2,030	1,733	1,825	1,574	1,611	1,413	(70)	(412)
school lunch	212	236	243	284	262	275	246	254	251	40	(25)
food stamps	1,018	1,130	1,209	1,310	1,209	1,273	1,119	1,145	1,133	143	(140)
housing	544	604	477	517	666	701	568	579	634	97	(87)
taxes	(88)	(98)	(95)	(107)	(118)	(124)	(125)	(128)	(126)	(28)	(2)
EITC	171	190	304	329	414	436	457	468	482	245	47
effect on transfers of a dollar of earnings										0.95	(18.15)
effect on taxes of a dollar of earnings										0.83	0.85
with family earnings	43%		44%		45%		48%		49%	2%	4%
earnings of families with earnings	2,419	2,687	2,845	3,081	3,193	3,303	3,121	3,183	3,177	676	(186)
full-time, year-round workers per family	0.05		0.06		0.06		0.05		0.07	0.01	0.01
family head worked	41%		41%		42%		43%		48%	1%	4%
weeks worked by family head	25.3		26.2		27.7		25.6		27.2	2.3	(0.4)
usual hours per week	19.7		21.9		22.0		21.8		23.7	3.1	0.9
earnings of working family head	2,355	2,616	2,782	3,023	3,121	3,287	3,113	3,184	3,088	671	(201)
received child support	17%		16%		20%		21%		16%	3%	-4%
families with non-SSI cash welfare	52%		50%		48%		42%		37%	-4%	-10%
benefit to recipients	2,957	3,284	3,238	3,504	3,012	3,172	3,151	3,233	3,063	(112)	(110)
family head with cash welfare	52%		49%		46%		41%		36%	-5%	-10%
months of cash welfare	9.9		10.2		9.9		10.3		10.0	0.1	0.1
both earnings and welfare in year	18%		17%		17%		14%		14%	-1%	-2%
families with food stamps	60%		61%		59%		55%		53%	-1%	-6%
benefit to recipients	1,704	1,883	1,980	2,155	2,007	2,177	2,045	2,082	2,143	284	(34)
families with rental assistance	21%		17%		22%		19%		20%	2%	-2%
benefit to recipients	2,622	2,812	2,775	3,005	2,982	3,141	2,990	3,058	3,167	228	21
families with LIHC	20%		31%		35%		38%		36%	6%	0%
benefit to recipients	585	680	688	1,048	1,189	1,253	1,272	1,301	1,368	692	116
family head dropped out before high school	11%		8%		10%		7%		9%	-1%	-1%
family head dropped out in high school	30%		20%		20%		28%		26%	-1%	-3%
unrelated subfamily	13%		12%		11%		10%		10%	-3%	-1%
lived with non-family household members	29%		27%		27%		27%		30%	-3%	3%
added income from non-family household members	10,690	10,548	10,956	21,612	20,125	21,185	19,816	19,768	20,257	2,647	(938)

Sources: March CPS, female family heads (householders and heads of unrelated subfamilies with children).

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97
second quintile, post-tax, post-transfer income											
pre-transfer income	4,221	4,688	4,088	5,204	5,822	8,237	5,896	8,031	6,882	1,548	645
pre-welfare income	4,872	5,412	6,682	6,154	6,826	7,192	6,712	6,866	8,035	1,780	843
post-transfer income	10,538	11,706	11,300	12,238	12,261	12,013	12,092	12,369	12,638	1,207	(277)
post-tax, post-transfer income	10,755	11,948	11,800	12,780	12,906	13,591	12,805	13,099	13,619	1,645	(73)
earnings	3,442	3,823	4,156	4,600	4,909	5,245	4,894	5,007	5,854	1,422	609
child support	360	400	415	450	448	472	494	505	589	72	97
other pre-transfer	418	485	1,085	1,175	483	520	487	477	458	55	(61)
social insurance	651	723	794	860	908	956	816	835	1,153	231	109
means-tested cash	2,789	3,076	2,713	2,838	2,785	2,833	2,550	2,609	2,024	(143)	(909)
school lunch	324	360	358	387	351	389	354	362	335	10	(34)
food stamps	1,668	1,742	1,588	1,698	1,477	1,503	1,445	1,478	1,287	(239)	(236)
housing	1,005	1,117	879	1,060	869	916	1,031	1,055	875	(201)	58
taxes	(282)	(324)	(384)	(395)	(443)	(467)	(450)	(480)	(537)	(143)	(88)
FITC	508	564	665	937	1,087	1,145	1,163	1,189	1,415	581	270
effect on transfer of a dollar of earnings										(0.24)	(1.51)
effect on taxes of a dollar of earnings										0.31	0.34
with family earnings	57%		61%		67%		69%		74%	9%	8%
earnings of families with earnings	0,021	6,687	6,782	7,323	7,487	7,885	7,135	7,288	7,908	1,198	23
full-time, year-round workers per family	0.17		0.20		0.28		0.22		0.26	0.09	(0.01)
family head worked	53%		57%		61%		63%		67%	8%	6%
weeks worked by family head	36.1		37.2		39.8		37.8		40.0	3.7	0.2
usual hours per week	24.8		24.0		25.1		24.9		26.1	0.5	1.0
earnings of working family head	6,088	6,762	6,774	7,338	7,605	8,008	7,131	7,284	7,989	1,247	(20)
received child support	22%		23%		28%		22%		23%	4%	-3%
families with non-SSI cash welfare	58%		53%		46%		46%		38%	-11%	-8%
benefit to recipients	4,133	4,601	4,016	4,349	4,525	4,766	3,868	3,954	3,620	175	(1,140)
family head with cash welfare	56%		51%		44%		45%		36%	-11%	-8%
months of cash welfare	10.0		10.8		10.0		10.8		10.1	0.0	(0.8)
both earnings and welfare in year	23%		22%		22%		23%		21%	-1%	-1%
families with food stamps	70%		67%		60%		61%		55%	-10%	-5%
benefit to recipients	2,250	2,499	2,549	2,644	2,372	2,499	2,381	2,438	2,302	(0)	(106)
families with rental assistance	36%		35%		32%		30%		38%	-4%	4%
benefit to recipients	2,771	3,077	2,821	3,065	2,800	2,831	2,871	2,837	2,718	(248)	(113)
families with FITC	46%		53%		58%		68%		65%	11%	8%
benefit to recipients	1,098	1,217	1,642	1,778	1,885	1,985	2,003	2,048	2,160	788	183
family head dropped out before high school	8%		9%		9%		10%		8%	1%	-2%
family head dropped out in high school	27%		26%		22%		25%		22%	-5%	0%
unrelated subfamily	6%		7%		5%		5%		6%	0%	1%
lived with non-family household members	13%		18%		17%		17%		18%	4%	1%
added income from non-family household members	15,305	17,000	15,920	17,241	18,508	17,385	22,378	22,889	20,370	305	2,985

Sources: Mo of CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1996	1997 dollars	1997	93-95	95-97
middle quintile, post-tax, post-transfer income											
pre-transfer income	8,035	10,924	11,116	12,038	13,386	14,076	13,430	13,747	14,473	3,153	396
pre-welfare income	10,612	12,000	12,244	13,260	14,367	15,152	14,295	14,823	16,663	3,143	402
post-transfer income	14,973	16,651	16,096	17,435	17,554	18,487	17,600	18,013	18,390	1,856	(97)
post-tax, post-transfer income	14,848	16,490	16,266	17,616	17,001	18,599	17,821	18,230	18,500	2,109	(6)
earnings	8,050	9,618	9,506	10,490	11,930	12,584	12,111	12,399	12,841	2,946	377
child support	561	645	770	834	770	818	662	877	735	172	(83)
other pre-transfer	695	661	1,876	2,032	859	694	732	749	707	34	102
social insurance	977	1,085	1,126	1,222	1,021	1,075	856	876	1,081	(10)	5
means-tested cash	2,139	2,378	1,935	2,096	1,610	1,704	1,649	1,687	1,270	(672)	(426)
school lunch	339	375	350	378	316	332	339	347	323	(49)	(9)
food stamps	1,068	1,181	1,108	1,200	844	880	879	890	820	(202)	(86)
housing	821	890	481	500	389	416	447	458	415	(200)	5
taxes	(914)	(1,015)	(1,057)	(1,145)	(1,354)	(1,426)	(1,394)	(1,426)	(1,508)	(411)	(82)
EITC	787	874	1,226	1,326	1,461	1,538	1,805	1,642	1,708	865	170
effect on transfers of a dollar of earnings										(0.44)	(1.31)
effect on taxes of a dollar of earnings										0.09	0.23
with family earnings	78%		84%		88%		89%		91%	10%	3%
earnings of families with earnings	11,008	12,327	11,626	12,483	13,582	14,314	13,647	13,960	14,226	1,888	(86)
full-time, year-round workers per family	0.41		0.45		0.58		0.65		0.57	0.16	0.01
family head worked	72%		78%		82%		83%		86%	10%	3%
weeks worked by family head	44.6		44.1		48.3		45.1		46.0	1.7	(0.3)
usual hours per week	31.1		29.8		32.0		31.8		31.9	0.9	(0.2)
earnings of working family head	11,236	12,480	11,607	12,571	13,409	14,122	13,562	13,673	14,170	1,642	47
received child support	30%		30%		30%		28%		28%	0%	-2%
families with non-SSI cash welfare	37%		34%		29%		26%		23%	-11%	-3%
benefit to recipients	4,502	5,001	4,591	4,072	4,346	4,577	4,273	4,371	4,107	(424)	(476)
family head with cash welfare	34%		31%		23%		24%		21%	-11%	-2%
months of cash welfare	10.2		10.3		10.4		10.1		10.1	0.2	(0.2)
both earnings and welfare in year	19%		20%		17%		18%		17%	-3%	0%
families with food stamps	50%		45%		37%		38%		33%	-13%	-4%
benefit to recipients	2,132	2,368	2,449	2,852	2,283	2,404	2,207	2,340	2,168	36	64
families with rental assistance	20%		24%		22%		22%		22%	-8%	0%
benefit to recipients	2,134	2,371	1,803	2,050	1,809	1,905	2,014	2,080	1,928	(466)	23
families with EITC	69%		76%		81%		82%		83%	12%	1%
benefit to recipients	1,132	1,268	1,605	1,736	1,793	1,888	1,865	2,000	2,061	631	172
family head dropped out before high school	7%		6%		6%		6%		7%	-1%	1%
family head dropped out in high school	26%		16%		17%		17%		16%	-3%	-2%
unrelated subfamily	6%		6%		5%		5%		3%	0%	-2%
lived with non-family household members	14%		15%		18%		16%		16%	2%	0%
added income from non-family household members	16,799	18,859	19,091	21,050	23,084	24,321	21,530	22,024	21,026	5,662	(3,205)

Source: March CPS, female family heads (householders and heads of unrelated subfamilies with children)

female family heads with children	1992	1997 dollars	1997 dollars	1995	1997 dollars	1998	1997 dollars	1997	93-95	95-97
fourth quintile, post-tax, post-transfer income										
pre-transfer income	19,525	21,697	21,491	23,275	23,723	24,983	23,058	23,587	24,882	3,298 (302)
pre-welfare income	21,140	23,481	22,903	24,807	24,878	26,108	24,454	25,025	26,083	2,717 (114)
post-transfer income	23,207	25,777	24,838	26,897	26,743	29,184	28,047	26,545	27,601	2,388 (484)
post-tax, post-transfer income	21,372	23,738	22,999	24,800	24,582	25,888	24,434	24,965	25,715	2,150 (173)
earnings	17,248	19,157	18,941	20,513	20,035	22,089	20,584	21,030	21,829	2,911 (139)
child support	1,268	1,442	1,410	1,536	1,638	1,728	1,661	1,669	1,597	284 (129)
other pre-transfer	980	1,088	2,946	3,190	1,129	1,189	485	475	1,136	101 (33)
social insurance	1,614	1,793	1,415	1,632	1,153	1,214	1,400	1,430	1,401	(579) 187
means-tested cash	1,228	1,384	1,127	1,221	999	1,052	747	764	882	(311) (171)
school lunch	235	261	239	258	269	283	252	256	239	22 (44)
food stamps	472	524	438	474	467	492	456	467	348	(32) (143)
housing	133	147	125	138	133	140	128	131	128	(1) (11)
taxes	(2,381)	(2,622)	(2,683)	(2,884)	(3,029)	(3,190)	(2,833)	(2,899)	(3,086)	(568) 01
EITC	528	584	727	787	868	914	1,220	1,248	1,133	330 219
effect on transfers of a dollar of earnings										(0.31) 1.31
effect on taxes of a dollar of earnings										(0.08) (2.23)
with family earnings	82%		84%		87%		87%		87%	4%
earnings of families with earnings	16,847	20,712	20,133	21,828	21,878	22,830	21,150	21,635	22,829	2,118 (201)
full-time, year-round workers per family	0.89		0.75		0.77		0.77		0.80	0.07 0.03
family head worked	86%		88%		90%		92%		91%	5%
weeks worked by family head	40.3		48.5		40.5		48.2		40.0	0.2 0.3
usual hours per week	35.5		38.2		35.7		35.1		35.8	(0.3) 0.7
earnings of working family head	17,865	19,854	19,231	20,827	20,519	21,608	18,931	20,389	21,317	1,855 (232)
received child support	37%		41%		44%		43%		41%	7%
families with non-SBI cash welfare	18%		15%		14%		11%		11%	-2%
benefit to recipients	5,090	5,853	4,871	6,276	4,721	4,872	3,853	4,044	3,888	(681) (984)
family head with cash welfare	12%		11%		11%		9%		8%	-1%
months of cash welfare	10.4		0.8		10.4		9.8		9.8	0.0 (0.8)
both earnings and welfare in year	12%		11%		12%		8%		10%	0%
families with food stamps	23%		21%		19%		20%		18%	-4%
benefit to recipients	2,081	2,311	2,083	2,255	2,443	2,673	2,305	2,358	2,125	262 (447)
families with rental assistance	10%		10%		10%		10%		9%	1%
benefit to recipients	1,382	1,548	1,290	1,307	1,281	1,349	1,303	1,333	1,303	(198) 43
families with EITC	84%		81%		80%		71%		65%	-4%
benefit to recipients	820	910	1,193	1,202	1,443	1,520	1,716	1,766	1,735	810 215
family head dropped out before high school	5%		4%		3%		4%		5%	-2%
family head dropped out in high school	11%		0%		11%		9%		10%	0%
unrelated subfamily	5%		3%		4%		4%		4%	-1%
lived with non-family household members	15%		17%		17%		15%		15%	2%
added income from non-family household members	21,603	23,995	21,165	22,911	23,558	24,810	22,239	22,740	28,882	815 4,072

Sources: March CPS, female family heads (households and heads of unrelated subfamilies with children).

female family heads with children	1993	1997 dollars	1994	1997 dollars	1995	1997 dollars	1998	1997 dollars	1997	93-95	95-97
top quintile, post-tax, post-transfer income											
pro-transfer income	42,801	47,540	44,023	47,877	48,727	51,317	51,806	52,895	53,975	3,777	2,656
pre-welfare income	45,139	50,137	48,887	50,541	51,428	54,162	54,237	55,482	56,979	4,025	2,017
post-transfer income	46,262	51,418	47,864	51,858	52,731	55,533	55,222	56,480	57,858	4,115	2,324
post-tax, post-transfer income	39,050	43,374	40,135	43,467	44,444	48,808	47,269	48,354	48,340	3,432	1,543
earnings	35,523	39,458	37,979	41,132	41,100	43,204	44,517	45,638	45,810	3,828	2,635
child support	2,657	2,951	2,507	2,715	2,988	2,807	2,850	3,018	2,879	(144)	71
other pre-transfer	4,821	6,133	5,843	6,328	4,962	6,226	8,041	8,226	5,278	83	52
social insurance	2,338	2,590	2,844	2,854	2,701	2,845	2,431	2,487	3,004	248	150
means-tested cash	811	900	801	887	845	890	829	844	576	(10)	(314)
school lunch	113	125	134	145	147	155	144	148	138	30	(18)
food stamps	168	270	243	263	267	281	180	163	138	81	(142)
housing	39	35	39	42	43	45	51	52	26	10	(20)
taxes	(7,492)	(8,322)	(8,138)	(8,813)	(8,781)	(8,227)	(8,558)	(8,752)	(10,030)	(905)	(803)
EITC	250	278	389	421	475	500	603	617	521	222	22
effect on transfers of a dollar of earnings										0.09	(0.13)
effect on taxes of a dollar of earnings										(0.18)	(0.31)
with family earnings	98%		98%		98%		98%		98%	2%	0%
earnings of families with earnings	35,874	40,957	38,781	41,989	41,792	44,013	45,233	46,270	46,844	3,058	2,631
full-time, year-round workers per family	1.02		1.00		1.04		1.06		1.12	0.02	0.07
family head worked	86%		88%		89%		91%		88%	3%	-2%
weeks worked by family head	48.8		49.1		48.7		49.3		49.6	0.1	(0.1)
usual hours per week	37.8		36.8		37.2		36.3		36.3	(0.4)	(0.8)
earnings of working family head	30,699	34,099	32,571	35,220	33,906	35,706	37,742	38,660	37,738	1,610	2,030
received child support	44%		43%		42%		45%		43%	-2%	1%
families with non-SSI cash welfare	8%		9%		9%		7%		4%	0%	-5%
benefit to recipients	4,754	5,281	5,488	7,004	5,894	6,208	4,578	4,884	3,780	927	(2,428)
family head with cash welfare	4%		4%		5%		4%		2%	0%	-3%
months of cash welfare	10.0		9.6		10.4		8.7		9.7	0.4	(0.7)
both earnings and welfare in year	7%		8%		9%		7%		4%	1%	-5%
families with food stamps	11%		11%		11%		9%		6%	0%	-5%
benefit to recipients	1,878	2,084	2,311	2,503	2,450	2,580	1,757	1,797	2,199	490	(381)
families with rental assistance	2%		3%		3%		4%		2%	1%	-1%
benefit to recipients	1,298	1,439	1,325	1,436	1,382	1,434	1,305	1,335	1,333	(5)	(101)
families with EITC	27%		29%		31%		35%		31%	4%	0%
benefit to recipients	944	1,049	1,331	1,442	1,552	1,635	1,714	1,753	1,607	586	53
family head dropped out before high school	4%		3%		4%		4%		4%	0%	0%
family head dropped out in high school	7%		7%		8%		7%		5%	1%	-3%
unrelated subfamily	2%		3%		2%		2%		1%	0%	-1%
lived with non-family household members	10%		11%		11%		13%		11%	1%	0%
added income from non family household members	27,164	30,171	25,373	27,470	36,818	40,881	30,303	30,998	31,651	10,710	(8,330)

Source: March CPS, female family heads (householders and heads of unrelated subfamilies with children)

Appendix B.

Age and marital status of AFDC/TANF case head, 1997

	administrative data	CPS
married	16.2%	17.5%
formerly married	38.5%	31.5%
never married	45.3%	51.1%
age		
less than 20	8.0%	8.2%
20-29	39.8%	38.5%
30-39	34.0%	33.6%
40-49	14.7%	13.9%
50 or older	3.5%	5.8%

Source: Administrative data from 39 states for July-September 1997

<http://www.acf.dhhs.gov/programs/opre/particip/table10.htm>

January 22, 1999