

**NLWJC - Kagan**

**DPC - Box 064 - Folder-011**

**Welfare-Statistics [1]**

Wp - statistics

**Caseloads Continue Their Record Declines:** New caseload data show the welfare rolls have fallen below 8 million for the first time since 1969 and have fallen nearly 2 million since last year's State of the Union. The welfare rolls have declined by 43 percent since January 1993, when they stood at 14.1 million, and by 35 percent since their August 1996. The percentage of the U.S. population on welfare is at its lowest in 30 years -- 2.9 percent (in 1968 it was 2.8%). The number of people on welfare is at its lowest in 29 years (in 1969 there were 6.7 million people on the rolls). [Note: we're counting years through 1998 since that's when data is from -- we could probably add another year if we wanted to count through 1999 since that's when we're releasing the data]

	Number of people on welfare (millions)	Decline since taking office (#) (%)	Decline since signing law (#) (%)	Decline since prior SOU (#) (%)	President's Statements
Oath of Office (1/93)	14.1				
Welfare Bill Signing* (8/96)	12.2	1.9 14%			"Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life."
1997 State of Union (10/96 data)	11.9	2.2 16%	.3 2%		"Now each and every one of us has to fulfill our responsibility -- indeed, our moral obligation -- to make sure that people who now must work, can work. Now we must act to meet a new goal: 2 million more people off the welfare rolls by the year 2000."
1998 State of Union (9/97 data)	9.8	4.3 31%	2.4 20%	2.1 18%	"Last year, after a record four-year decline in welfare rolls, I challenged our nation to move 2 million more Americans off welfare by the year 2000. I'm pleased to report we have also met that goal, two full years ahead of schedule."
1999 State of Union (9/98 data)	8.0**	6.1 43%	4.3 35%	1.8 18%	

\* These are the actual caseload numbers for August 1996, which were not yet available when the President signed the bill into law. The President's August 1996 statements were based on May 1996 data.

\*\* The actual figures are just under 8 million (7,986,000).

## CHANGE IN AFDC/TANF CASELOADS

**Total AFDC/TANF families and recipients***(in thousands)*

	<u>Jan 93</u>	<u>Jan 94</u>	<u>Jan 95</u>	<u>Jan 96</u>	<u>Jan 97</u>	<u>Sep 98</u>	<u>Percent (93-98)</u>
Families	4,963	5,053	4,963	4,628	4,114	2,896	-42%
			<i>2,067,000 fewer families</i>				
Recipients	14,115	14,276	13,931	12,877	11,423	7,955	-44%
			<i>6,160,000 fewer recipients</i>				

**Total AFDC/TANF recipients by State**

STATE	<u>Jan 93</u>	<u>Jan 94</u>	<u>Jan 95</u>	<u>Jan 96</u>	<u>Jan 97</u>	<u>Sep 98</u>	<u>Percent (93-98)</u>
Alabama	141,746	135,096	121,837	108,269	91,723	52,076	-63%
Alaska	34,951	37,505	37,264	35,432	36,189	28,121	-20%
Arizona	194,119	202,350	195,082	171,617	151,526	99,792	-49%
Arkansas	73,982	70,563	65,325	59,223	54,879	31,412	-58%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,476,564	1,908,534	-21%
Colorado	123,308	118,081	110,742	99,739	87,434	46,312	-62%
Connecticut	160,102	164,265	170,719	161,736	155,701	118,066	-26%
Delaware	27,652	29,286	26,314	23,153	23,141	14,013	-49%
Dist. of Col.	65,860	72,330	72,330	70,082	67,871	53,727	-18%
Florida	701,842	689,135	657,313	575,553	478,329	246,191	-65%
Georgia	402,228	396,736	388,913	367,656	306,625	172,065	-57%
Guam	5,087	6,651	7,630	7,634	7,370	6,823	+34%
Hawaii	54,511	60,975	65,207	66,690	65,312	46,001	-16%
Idaho	21,116	23,342	24,050	23,547	19,812	3,285	-84%
Illinois	685,508	709,969	710,032	663,212	601,854	449,466	-34%
Indiana	209,882	218,061	197,225	147,083	121,974	117,437	-44%
Iowa	100,943	110,639	103,108	91,727	78,275	62,836	-38%
Kansas	87,525	87,433	81,504	70,758	57,528	33,447	-62%
Kentucky	227,879	208,710	193,722	176,601	162,730	112,676	-51%
Louisiana	263,338	252,860	258,180	239,247	206,582	121,772	-54%
Maine	67,836	65,006	60,973	56,319	51,178	37,673	-44%
Maryland	221,338	219,863	227,887	207,800	169,723	108,636	-51%
Massachusetts	332,044	311,732	286,175	242,572	214,014	166,179	-50%
Michigan	686,356	672,760	612,224	535,704	462,291	308,817	-55%
Minnesota	191,526	189,615	180,490	171,916	160,167	141,440	-26%
Mississippi	174,093	161,724	146,319	133,029	109,097	45,009	-74%
Missouri	259,039	262,073	259,595	238,052	208,132	139,475	-46%
Montana	34,848	35,415	34,313	32,557	28,138	19,561	-44%
Nebraska	48,055	46,034	42,038	38,653	36,535	36,187	-25%
Nevada	34,943	37,908	41,846	40,491	28,973	23,353	-33%
New Hampshire	28,972	30,386	28,671	24,519	20,627	14,429	-50%
New Jersey	349,902	334,780	321,151	293,833	256,064	182,193	-48%
New Mexico	94,836	101,676	105,114	102,648	89,814	78,176	-18%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,189	862,162	-27%
North Carolina	331,633	334,451	317,836	282,086	253,286	162,282	-51%
North Dakota	18,774	16,785	14,920	13,652	11,964	8,227	-56%
Ohio	720,476	691,099	629,719	552,304	518,595	319,912	-56%
Oklahoma	146,454	133,152	127,336	110,498	87,312	58,044	-60%
Oregon	117,656	116,390	107,610	92,182	66,919	44,235	-62%

<b>STATE</b>	<b><u>Jan 93</u></b>	<b><u>Jan 94</u></b>	<b><u>Jan 95</u></b>	<b><u>Jan 96</u></b>	<b><u>Jan 97</u></b>	<b><u>Sep 98</u></b>	<b><u>Percent (93-98)</u></b>
Pennsylvania	604,701	615,581	611,215	553,148	484,321	345,952	-43%
Puerto Rico	191,261	184,626	171,932	156,805	145,749	117,649	-38%
Rhode Island	61,116	62,737	62,407	60,654	54,809	54,125	-11%
South Carolina	151,026	143,883	133,567	121,703	98,077	52,280	-65%
South Dakota	20,254	19,413	17,652	16,821	14,091	9,120	-55%
Tennessee	320,709	302,608	281,982	265,320	195,891	148,532	-54%
Texas	785,271	796,348	765,460	714,523	626,617	346,232	-56%
Utah	53,172	50,657	47,472	41,145	35,493	27,992	-47%
Vermont	28,961	28,095	27,716	25,865	23,570	18,804	-35%
Virgin Islands	3,763	3,767	4,345	5,075	4,712	4,365	+16%
Virginia	194,212	194,959	189,493	166,012	136,053	94,431	-51%
Washington	286,258	292,608	290,940	276,018	263,792	184,584	-36%
West Virginia	119,916	115,376	107,668	98,439	98,690	34,995	-71%
Wisconsin	241,098	230,621	214,404	184,209	132,383	34,031	-86%
Wyoming	18,271	16,740	15,434	13,531	10,322	1,821	-90%
<b>U.S. TOTAL</b>	<b>14,114,992</b>	<b>14,275,877</b>	<b>13,930,953</b>	<b>12,876,661</b>	<b>11,423,007</b>	<b>7,954,955</b>	<b>-44%</b>

*Source:*

*U.S. Dept. of Health & Human Services  
Administration for Children and Families  
January 1999*

## CHANGE IN AFDC/TANF CASELOADS

### Total AFDC/TANF families and recipients

(in thousands)

	<u>Jan 93</u>	<u>Jan 94</u>	<u>Jan 95</u>	<u>Jan 96</u>	<u>Jan 97</u>	<u>Sep 98</u>	<u>Percent (93-98)</u>
Families	4,963	5,053	4,963	4,628	4,114	2,896	-42%
			<i>2,067,000 fewer families</i>				
Recipients	14,115	14,276	13,931	12,877	11,423	7,955	-44%
			<i>6,160,000 fewer recipients</i>				

### Total AFDC/TANF families by State

	<u>Jan 93</u>	<u>Jan 94</u>	<u>Jan 95</u>	<u>Jan 96</u>	<u>Jan 97</u>	<u>Sep 98</u>	<u>Percent (93-98)</u>
Alabama	51,910	51,181	47,376	43,396	37,972	21,786	-58%
Alaska	11,626	12,578	12,518	11,979	12,224	9,312	-20%
Arizona	68,982	72,160	71,110	64,442	56,250	37,082	-47%
Arkansas	26,897	26,398	24,930	23,140	21,549	12,699	-53%
California	844,494	902,900	925,585	904,940	839,860	656,608	-22%
Colorado	42,445	41,616	39,115	35,661	31,288	17,121	-60%
Connecticut	56,759	58,453	60,927	58,124	56,095	41,274	-27%
Delaware	11,315	11,739	11,306	10,266	10,104	6,711	-41%
Dist. of Col.	24,628	26,624	26,624	25,717	24,752	19,822	-20%
Florida	256,145	254,032	241,193	215,512	182,075	96,241	-62%
Georgia	142,040	142,459	141,284	135,274	115,490	69,499	-51%
Guam	1,406	1,840	2,124	2,097	2,349	1,981	+41%
Hawaii	17,869	20,104	21,523	22,075	21,469	16,669	-7%
Idaho	7,838	8,677	9,097	9,211	7,922	1,531	-80%
Illinois	229,308	238,967	240,013	225,796	206,316	152,165	-34%
Indiana	73,115	74,169	68,195	52,254	46,215	38,213	-48%
Iowa	36,515	39,623	37,298	33,559	28,931	23,167	-37%
Kansas	29,818	30,247	28,770	25,811	21,732	13,091	-56%
Kentucky	83,320	79,437	76,471	72,131	67,679	47,418	-43%
Louisiana	89,931	88,168	81,587	72,104	60,226	46,760	-48%
Maine	23,903	23,074	22,010	20,472	19,037	14,242	-40%
Maryland	80,256	79,772	81,115	75,573	61,730	42,134	-48%
Massachusetts	113,571	112,955	104,956	90,107	80,675	62,436	-45%
Michigan	228,377	225,671	207,089	180,790	156,077	108,286	-53%
Minnesota	63,995	63,552	61,373	58,510	54,608	47,037	-26%
Mississippi	60,520	57,689	53,104	49,185	40,919	18,772	-69%
Missouri	88,744	91,598	91,378	84,534	75,459	55,074	-38%
Montana	11,793	12,080	11,732	11,276	9,644	6,724	-43%
Nebraska	16,637	16,145	14,968	14,136	13,492	12,147	-27%
Nevada	12,892	14,077	16,039	15,824	11,742	9,122	-29%
New Hampshire	10,805	11,427	11,018	9,648	8,293	5,968	-45%
New Jersey	126,179	121,361	120,099	113,399	102,378	68,669	-46%
New Mexico	31,103	33,376	34,789	34,368	29,984	24,833	-20%
New York	428,191	449,978	461,006	437,694	393,424	316,035	-26%
North Carolina	128,946	131,288	127,069	114,449	103,300	69,958	-46%
North Dakota	6,577	6,002	5,374	4,976	4,416	3,060	-53%
Ohio	257,665	251,037	232,574	209,830	192,747	123,902	-52%
Oklahoma	50,955	47,475	45,936	40,692	32,942	21,644	-58%
Oregon	42,409	42,695	40,323	35,421	25,874	17,721	-58%

	<u>Jan 93</u>	<u>Jan 94</u>	<u>Jan 95</u>	<u>Jan 96</u>	<u>Jan 97</u>	<u>Sep 98</u>	<u>Percent (93-98)</u>
Pennsylvania	204,216	208,260	208,899	192,952	170,831	124,661	-39%
Puerto Rico	60,950	59,425	55,902	51,370	48,359	39,378	-35%
Rhode Island	21,900	22,592	22,559	21,775	20,112	19,213	-12%
South Carolina	54,599	53,178	50,389	46,772	37,342	20,847	-62%
South Dakota	7,262	7,027	6,482	6,189	5,324	3,496	-52%
Tennessee	112,159	111,946	105,948	100,884	74,820	57,131	-49%
Texas	279,002	285,680	279,911	265,233	228,882	126,607	-55%
Utah	18,606	18,063	17,195	15,072	12,864	10,465	-44%
Vermont	10,081	9,917	9,789	9,210	8,451	6,903	-32%
Virgin Islands	1,073	1,090	1,264	1,437	1,335	1,249	+16%
Virginia	73,446	74,717	73,920	66,244	56,018	39,239	-47%
Washington	100,568	103,068	103,179	99,395	95,982	66,821	-34%
West Virginia	41,525	40,869	39,231	36,674	36,805	12,300	-70%
Wisconsin	81,291	78,507	73,962	65,386	45,586	10,247	-87%
Wyoming	6,493	5,891	5,443	4,975	3,825	854	-87%
U.S. TOTAL	4,963,050	5,052,854	4,963,071	4,627,941	4,113,775	2,896,325	-42%

*Source:*

*U.S. Dept. of Health & Human Services  
Administration for Children and Families  
January 1999*

## CHANGE IN WELFARE CASELOADS SINCE ENACTMENT OF NEW WELFARE LAW

### Total TANF families and recipients

(in thousands)

	<u>Aug 96</u>	<u>Sep 98</u>	<u>Percent (96-98)</u>
Families	4,415	2,896	-34%
	<i>1,519,000 fewer families</i>		
Recipients	12,241	7,955	-35%
	<i>4,286,000 fewer recipients</i>		

### Total TANF recipients by State

STATE	<u>Aug 96</u>	<u>Sep 98</u>	<u>Percent (96-98)</u>
Alabama	100,662	52,076	-48%
Alaska	35,544	28,121	-21%
Arizona	169,442	99,792	-41%
Arkansas	56,343	31,412	-44%
California	2,581,948	1,908,534	-26%
Colorado	95,788	46,312	-52%
Connecticut	159,246	118,066	-26%
Delaware	23,654	14,013	-41%
Dist. of Col.	69,292	53,727	-22%
Florida	533,801	246,191	-54%
Georgia	330,302	172,065	-48%
Guam	8,314	6,823	-18%
Hawaii	66,482	46,001	-31%
Idaho	21,780	3,285	-85%
Illinois	642,644	449,466	-30%
Indiana	142,604	117,437	-18%
Iowa	86,146	62,836	-27%
Kansas	63,783	33,447	-48%
Kentucky	172,193	112,676	-35%
Louisiana	228,115	121,772	-47%
Maine	53,873	37,673	-30%
Maryland	194,127	108,636	-44%
Massachusetts	226,030	166,179	-26%
Michigan	502,354	308,817	-39%
Minnesota	169,744	141,440	-17%
Mississippi	123,828	45,009	-64%
Missouri	222,820	139,475	-37%
Montana	29,130	19,561	-33%
Nebraska	38,592	36,187	-6%
Nevada	34,261	23,353	-32%
New Hampshire	22,937	14,429	-37%
New Jersey	275,637	182,193	-34%
New Mexico	99,661	78,176	-22%
New York	1,143,962	862,162	-25%
North Carolina	267,326	162,282	-39%
North Dakota	13,146	8,227	-37%
Ohio	549,312	319,912	-42%
Oklahoma	96,201	58,044	-40%
Oregon	78,419	44,235	-44%



<b>STATE</b>	<b><u>Aug 96</u></b>	<b><u>Sep 98</u></b>	<b><u>Percent (96-98)</u></b>
Pennsylvania	531,059	345,952	-35%
Puerto Rico	151,023	117,649	-22%
Rhode Island	56,560	54,125	-4%
South Carolina	114,273	52,280	-54%
South Dakota	15,896	9,120	-43%
Tennessee	254,818	148,532	-42%
Texas	649,018	346,232	-47%
Utah	39,073	27,992	-28%
Vermont	24,331	18,804	-23%
Virgin Islands	4,898	4,365	-11%
Virginia	152,845	94,431	-38%
Washington	268,927	184,584	-31%
West Virginia	89,039	34,995	-61%
Wisconsin	148,888	34,031	-77%
Wyoming	11,398	1,821	-84%
<b>U.S. TOTAL</b>	<b>12,241,489</b>	<b>7,954,955</b>	<b>-35%</b>

*Source:*

*U.S. Dept. of Health & Human Services  
Administration for Children and Families  
January 1999*

Aid to Families with Dependent Children (AFDC)  
 Temporary Assistance for Needy Families (TANF)  
 Percent of Total U.S. Population, 1960-1998  
 Source: HHS Administration for Children and Families

<u>year</u>	<u>recipients</u>	<u>U.S. pop.</u>	<u>% of pop.</u>
1960	3,005,000	180,671,000	1.7%
1961	3,354,000	183,691,000	1.8%
1962	3,676,000	186,538,000	2.0%
1963	3,876,000	189,242,000	2.0%
1964	4,118,000	191,889,000	2.1%
1965	4,329,000	194,303,000	2.2%
1966	4,513,000	196,560,000	2.3%
1967	5,014,000	198,712,000	2.5%
1968	5,705,000	200,706,000	2.8%
1969	6,706,000	202,677,000	3.3%
1970	8,466,000	205,052,000	4.1%
1971	10,241,000	207,661,000	4.9%
1972	10,947,000	209,896,000	5.2%
1973	10,949,000	211,909,000	5.2%
1974	10,864,000	213,854,000	5.1%
1975	11,165,185	215,973,000	5.2%
1976	11,386,371	218,035,000	5.2%
1977	11,129,702	220,239,000	5.1%
1978	10,671,812	222,585,000	4.8%
1979	10,317,902	225,055,000	4.6%
1980	10,597,445	227,726,000	4.7%
1981	11,159,847	229,966,000	4.9%
1982	10,430,960	232,188,000	4.5%
1983	10,659,365	234,307,000	4.5%
1984	10,865,604	236,348,000	4.6%
1985	10,812,625	238,466,000	4.5%
1986	10,996,505	240,651,000	4.6%
1987	11,065,027	242,804,000	4.6%
1988	10,919,696	245,021,000	4.5%
1989	10,933,980	247,342,000	4.4%
1990	11,460,382	249,913,000	4.6%
1991	12,592,269	252,650,000	5.0%
1992	13,625,342	255,419,000	5.3%
1993	14,142,710	258,137,000	5.5%
1994	14,225,591	260,372,000	5.5%
1995	13,652,232	263,034,000	5.2%
1996	12,648,859	265,284,000	4.7%
1997	10,936,298	267,636,000	4.1%
September 1998*	7,954,955	270,733,000	2.9%

*Note: unless noted, caseload numbers are average monthly*

\*most recent available

w<sub>r</sub> - statistics

**Welfare Reform Q&A on 1998 Census Income and Poverty Numbers  
September 24, 1998**

**Q: What do these new numbers tell us about the impact of welfare reform?**

**A:** While it is still early to see the full effects of welfare reform, the evidence so far is very encouraging. Clearly there is no increase in poverty; poverty has decreased. In fact, the Census data show continued strong trends in the movement from welfare to work: the percentage of people on welfare in one year who were working in the following year has increased by nearly one-third since 1996, the year the President signed the welfare reform law. This is occurring at the same time that welfare caseloads continue to decline dramatically.

Background

The percentage of people who were on welfare in one year and working the following year increased by 28% -- from 26.5% in March 96 to 33.8% in March 1998. The 3/98 figure reflects people who said they were receiving welfare during 1997 and were working in March 1998. These data are included in the CPS files, but are not part of the information Census released publicly today.

Caseloads have declined 41% since the President took office, and 32% since he signed the welfare reform law (using most recent data from June 98, which HHS released in August 98).

Andrea Kane

Record Type: Record

To: Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, Cynthia A. Rice/OPD/EOP

cc:

Subject: Re: What new CPS numbers tell us about employment of welfare recipients

meant to reply to all


----- Forwarded by Andrea Kane/OPD/EOP on 09/24/98 09:57 AM -----

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: Re: What new CPS numbers tell us about employment of welfare recipients 

Yes, there's a 28% increase form 3/96 to 3/98 using the new series, but unfortunately, that's no better than the one-year increase from 3/97 to 3/97 using the old series -- that we already announced in early August. We don't yet have the updated number this translates into -- HHS is still working on applying the new % of prior year welfare recipients working to an updated caseload number. I think they are close, but I suspect it will be smaller rather than larger than the 1.7 since the base of people the percentage applies to has gone down due to caseload declines.

I think the best point to make, if asked, is:

"Since the President took office, the percentage of people who were on welfare in one year and working the following year increased by nearly 60 percent (from 21.5% in 3/93 to 33.8% in 3/98). And, these strong gains continue even while welfare caseloads continue their historic declines."

Cynthia and I both think it would be best to use this number ONLY if asked, i.e. we can do a Q&A for Gene. It would be tough to work it into NEC's public paper, which is already done (attached below). We're afraid this would get buried in all the other good news and it would be better to save this for a separate event. *Do you agree?*



census.wpd

## KEY FACTS on CENSUS INCOME AND POVERTY REPORT

September 24, 1998

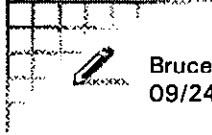
**TODAY, THE CENSUS BUREAU RELEASED THEIR ANNUAL REPORT ON INCOME AND POVERTY IN AMERICA FOR 1997. HERE ARE SOME OF THE RESULTS:**

### ***Broad-Based Income Gains:***

- **Typical Household Income Up 1.9 Percent in 1997.** Income for the median household rose \$699, from \$36,306 in 1996 to \$37,005 in 1997, adjusted for inflation.
- **Typical Family Income Up \$3,517 Since 1993.** Another measure of income -- family income, which excludes single individuals and counts only related members in any household -- shows a similar trend. Last year, the median family's income, adjusted for inflation, increased 3.0 percent (or \$1,297) -- the fourth consecutive annual rise. Since President Clinton's Economic Plan passed in 1993, median family income has increased from \$41,051 in 1993 to \$44,568 in 1997 -- that's a \$3,517 increase in income, adjusted for inflation. From 1988 to 1992, median family income *fell* \$1,835, adjusted for inflation.
- **Under President Clinton, The Typical African-American Household's Income Is Up \$3,354.** The median income of African-American households rose 4.3 percent (or \$1,029) last year. And since 1993, the median income of African-American households has increased from \$21,696 to \$25,050 -- that's \$3,354 or a 15-percent increase, adjusted for inflation, between 1993 and 1997.
- **Income of Typical Hispanic Household Up \$2,553 in Past Two Years.** In 1997, the income of the median Hispanic household, adjusted for inflation, increased from \$25,477 in 1996 to \$26,628 in 1997 -- that's an increase of \$1,151 or 4.5 percent. Over the past two years, the income of the typical Hispanic household has risen \$2,553 -- or nearly 11 percent -- the largest two-year increase in Hispanic income on record.
- **After Rising Sharply for 20 Years, Inequality Has Stabilized.** After rising for nearly 20 years, income inequality has not changed significantly over the past four years. Since 1993, every income group -- from the most well-off to the poorest -- experienced a real increase in their income.
- **Earnings for Typical Workers Up.** Last year, the earnings of the median full-time, year-round male rose 2.4 percent, from \$32,882 in 1996 to \$33,674 in 1997 and the earnings of the median full-time, year-round female rose 3.0 percent, from \$24,254 in 1996 to \$24,973 in 1997. This means that the female-to-male ratio remained at 74 percent -- its all-time high.

### ***Reductions in Poverty:***

- **Poverty Rate Fell To 13.3 Percent in 1997 -- Down from 15.1 Percent in 1993.** In 1997, the poverty rate dropped to 13.3 percent from 13.7 percent the year before. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 13.3 percent last year. That means that there are 3.7 million fewer people in poverty today than in 1993. (In 1997, the poverty threshold was \$16,400 for a family of four.)
- **The African-American Poverty Rate Down To Its Lowest Level on Record.** While the African-American poverty rate is still far above the poverty rate for whites, it declined from 28.4 percent in 1996 to 26.5 percent in 1997 -- that's its lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate has dropped from 33.1 percent to 26.5 percent -- that's the largest four-year drop in African-American poverty in more than a quarter century (1967-1971).
- **Last Year, Largest Hispanic Poverty Drop In Two Decades.** Last year, the Hispanic poverty rate dropped from 29.4 percent to 27.1 percent -- that's the largest one-year drop in Hispanic poverty since 1978. While there is still more work to do, since President Clinton took office, Hispanic poverty has dropped from 30.6 percent to 27.1 percent.
- **Under President Clinton, Largest Four-Year Drop in Child Poverty Since 1960s.** While the child poverty rate remains high, in 1997, it declined from 20.5 percent to 19.9 percent. Under President Clinton, the child poverty rate has declined from 22.7 percent to 19.9 percent -- that's the biggest four-year drop in nearly 30 years (1965-1969).
- **Elderly Poverty Rate As Low As It's Ever Been.** In 1997, the elderly poverty rate dropped to 10.5 percent, from 10.8 percent in 1996. The elderly poverty rate is now as low as it's ever been -- it was also 10.5 percent in 1995.
- **Child Poverty Among African-Americans Down To Lowest Level on Record.** In 1997, the African-American child poverty rate fell from 39.9 percent to 37.2 percent -- its lowest level on record (data collected since 1959). Since 1993, the child poverty rate among African-Americans has dropped from 46.1 percent to 37.2 percent -- that's the biggest four-year drop on record.
- **Hispanic Child Poverty Dropped More Last Year Than Any Year on Record.** In 1997, the Hispanic child poverty rate dropped from 40.3 percent to 36.8 percent -- that's the largest one-year drop on record (data collected since 1976). Since 1993, the child poverty rate among Hispanics has declined from 40.9 percent to 36.8 percent.
- **4.3 Million People Lifted Out of Poverty By EITC -- Double The Number in 1993.** In 1993, President Clinton expanded the Earned Income Tax Credit, providing a tax cut for low-income working families. In 1997, the EITC lifted 4.3 million people out of poverty -- that's double the number of people lifted out of poverty by the EITC in 1993. In 1997, the EITC lifted 2.2 million children, 1.1 million African-Americans, and nearly 1.2 million Hispanics out of poverty.



Bruce N. Reed  
09/24/98 09:15:31 AM

Record Type: Record

To: Andrea Kane/OPD/EOP, Cynthia A. Rice/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: What new CPS numbers tell us about employment of welfare recipients

That's great. By my math, that's a 28% increase since March 96. Do you know how many people that translates to? 2 million? (Weren't we at 1.7 million before?)

Also, can you figure out how much we've gone up since the beginning of the administration? It would be nice to get one welfare reform fact into Gene's briefing -- whether it's for the first time, more than a third of people who were on welfare in one year were working the next, or the % working has gone up by (40%? 50%?) since we took office, or the 2 million number, or whatever.

I think he and Janet are briefing around noon

----- Forwarded by Bruce N. Reed/OPD/EOP on 09/24/98 09:11 AM -----

**Andrea Kane**

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Laura Emmett/WHO/EOP

cc:

Subject: What new CPS numbers tell us about employment of welfare recipients

Thanks to good cooperation from Census staff and hard work on the part of Richard Bavier at OMB, we've been able to take a preliminary look at what the March 1998 CPS data show on employment of welfare recipients. The news looks good -- the percentage of people receiving welfare in 1997 who reported they were working in March 1998 continues to grow, even while caseloads continue to fall dramatically. Even as we get to the harder part of the caseload, we are not yet seeing any slowdown in people to move from welfare to work

FYI, the increase between 97 and 98 is not nearly as dramatic as the "nearly 30% increase" between 96 and 97 that the President talked about at the August 4th event and is reported in the TANF Report to Congress. I don't think we're ready to talk about the numbers yet -- but here they are for your information.

*What was in TANF report to Congress and POTUS announcement 8/4*

	<u>March 96</u>	<u>March 97</u>	<u>% Change</u>
Previous yr AFDC recipients employed the following March	24.6%	31.5%	28%

*March 98 CPS numbers, using slightly different series to account for change in question*


	<u>March 96</u>	<u>March 97</u>	<u>% Change</u>	<u>March 98</u>	<u>% Change</u>
Previous yr cash welfare recipients in families w/ kids	26.5%	31.8%	20%	33.8%	6%

We need to do some more work to figure out what's going on, and how to talk about it. It could partly reflect a change in the way Census asked the question. Also, the CPS experts say you can't conclude much from relatively small year to year jumps due to the relatively small sample (several thousand people) -- rather what's important is the trend.



Andrea Kane

Record Type: Record


To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP  
cc: Laura Emmett/WHO/EOP  
Subject: New Poverty Number highlights -- for morning meeting 

Here's are some of the highlights:

- **Median household income up 2%** (\$700) from 96 to 97
- Biggest income gains for blacks (4.3%) and Hispanics (4.5%),
- Biggest income gain in the South, where incomes are still lowest.
- **Poverty rate down 3%** from 96 to 97 (13.7% to 13.3%)
- While the number of poor people went down almost 1 M, Census doesn't consider this statistically significant; looks like number of poor went down almost 4 M from peak in 1993 (from 39.3 M to 35.6 M).
- Biggest improvements in poverty rates for blacks (2%) and Hispanics (2.3%)
- Both income and poverty now back at 1989 level.
- Poverty rates went down for all age groups -- child poverty under 20% for 1st time since 1989, but barely...it's 19.9% and I think Census is characterizing it as unchanged (20.5% in 1996). At least it counters fear that welfare reform would make it worse (though this only reflects 1997).
- Income inequality unchanged or worse depending on which measures used.

Orszag is now pouring through the numbers. He thinks they look great and is working on putting them in glowing historical terms.

We don't yet have from Census the number of 1997 welfare recipients who were employed in March 1998, but I'm trying to get it (these data are not part of the official package released on Thursday -- they are available on a 'special run' basis. Once we get these, we can update the trends on increased work among welfare recipients and update the 1.7 M welfare recipients are now working number. However, we may want to hold this to release with caseloads and participation rates in October (per October event memo).


 Elena Kagan  
09/08/98 12:42:44 PM

Record Type: Record

To: Laura Emmett/WHO/EOP  
cc:  
Subject: Welfare Caseload Trends

please print.

----- Forwarded by Elena Kagan/OPD/EOP on 09/08/98 12:43 PM -----

**Andrea Kane** 

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Cynthia A. Rice/OPD/EOP  
Subject: Welfare Caseload Trends

Bruce, re: your question about USA Today statement that downward trend in caseloads is slowing , it looks like Rich Wolf used absolute numbers and therefore his conclusion is WRONG. In fact, as the attached analysis shows, the rate of decline has held steady: caseloads declined by 6% between March 97 and June 97, and also declined by 6% between March 98 and June 98 (depending on how many decimals you use, the rate of decline has actually picked up slightly). On a national basis, the rate of caseload decline -- both from month to month and year to year -- has held roughly steady over the past year. It appears that the slowing rates of decline in some states (mostly small and medium) must be offset by increasing rates of decline in other states. Becky Blank has agreed to have CEA staff do some more detailed analysis of state by state trends.

  
CASECHG.W

## Welfare Caseload Analysis

9/4/98

	# of recipients (in millions)	# change from prior mo	% change from prior mo	# change from prior yr	% change from prior yr
Jan 96	12.877				
Aug 96	12.202				
Oct 96	11.895				
Jan 97	11.36			-1.517	-11.8%
Feb 97	11.262	-0.098	-0.9%		
Mar 97	11.156	-0.106	-0.9%		
April 97	10.969	-0.187	-1.7%		
May 97	10.748	-0.221	-2.0%		
June 97	10.494	-0.254	-2.4%		
July 97	10.258	-0.236	-2.2%		
Aug 97	9.995	-0.263	-2.6%	-2.207	-18.1%
Sep 97	9.804	-0.191	-1.9%		
Oct 97	9.668	-0.136	-1.4%	-2.227	-18.7%
Nov 97	9.447	-0.221	-2.3%		
Dec 97	9.345	-0.102	-1.1%		
Jan 98	9.132	-0.213	-2.3%	-2.228	-19.6%
Feb 98	9.026	-0.106	-1.2%	-2.236	-19.9%
Mar 98	8.91	-0.116	-1.3%	-2.246	-20.1%
April 98	8.758	-0.152	-1.7%	-2.211	-20.2%
May 98	8.572	-0.186	-2.1%	-2.176	-20.2%
June 98	8.38	-0.192	-2.2%	-2.114	-20.1%

	Absolute	% change
Drop Mar to June 97	-0.662	-5.93%
Drop Mar to June 98	-0.53	-5.95%
<b>Difference</b>	<b>-20%</b>	<b>0.24%</b>

USA Today used absolute change, which makes no sense when base is falling.  
 In fact, rate of change has held steady at nearly 6%, and has actually accelerated slightly (by one quarter of a percent).



Cynthia A. Rice

08/16/98 01:45:15 PM

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Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: FYI -- info you may possibly need on welfare caseloads while I'm away

Melissa Skolfield will prepare draft caseload paper and run it by you. Attached are several background pieces in the very remote chance you need them.



casehist.wp Yearly welfare caseloads since 1936.



casr0813.wp The analysis to date of caseloads by race (Andrea already sent you same file, it's just renamed)



q&a0526.wp Q&As from the last time we released caseload data, on May 27th.

Temporary Assistance for Needy Families (TANF)  
1936-1997  
Source: HHS Administration for Children and Families

<u>year</u>	<u>recipients</u>	<u>families</u>
1936	534,000	147,000
1937	674,000	194,000
1938	895,000	258,000
1939	1,042,000	305,000
1940	1,182,000	349,000
1941	1,319,000	387,000
1942	1,317,000	387,000
1943	1,050,000	304,000
1944	910,000	260,000
1945	907,000	259,000
1946	1,112,000	312,000
1947	1,394,000	393,000
1948	1,595,000	449,000
1949	1,918,000	541,000
1950	2,205,000	644,000
1951	2,134,000	621,000
1952	2,022,000	583,000
1953	1,970,000	560,000
1954	2,076,000	580,000
1955	2,214,000	612,000
1956	2,239,000	611,000
1957	2,395,000	645,000
1958	2,719,000	724,000
1959	2,920,000	774,000
1960	3,005,000	787,000
1961	3,354,000	869,000
1962	3,676,000	931,000
1963	3,876,000	947,000
1964	4,118,000	992,000
1965	4,329,000	1,039,000
1966	4,513,000	1,088,000
1967	5,014,000	1,217,000
1968	5,705,000	1,410,000
1969	6,706,000	1,698,000
1970	8,466,000	2,208,000
1971	10,241,000	2,762,000
1972	10,947,000	3,049,000

1973	10,949,000	3,148,000
1974	10,864,000	3,230,000
1975	11,165,185	3,498,000
1976	11,386,371	3,579,000
1977	11,129,702	3,588,000
1978	10,671,812	3,522,000

- 2 -


<u>year</u>	<u>recipients</u>	<u>families</u>
1979	10,317,902	3,509,000
1980	10,597,445	3,642,380
1981	11,159,847	3,870,765
1982	10,430,960	3,568,781
1983	10,659,365	3,650,746
1984	10,865,604	3,724,864
1985	10,812,625	3,691,610
1986	10,996,505	3,747,531
1987	11,065,027	3,784,018
1988	10,919,696	3,747,948
1989	10,933,980	3,770,960
1990	11,460,382	3,974,322
1991	12,592,269	4,373,883
1992	13,625,342	4,768,495
1993	14,142,710	4,981,248
1994	14,225,591	5,046,263
1995	13,652,232	4,876,240
1996	12,648,859	4,553,339
July 1997*	10,258,000	3,742,000

*Note: Prior to TANF, the cash assistance program to families was called Aid to Dependent Children (1936-1962) and Aid to Families with Dependent Children (1962-1996). Under the new welfare law (Personal Responsibility and Work Opportunity Reconciliation Act of 1996), the program became TANF. Unless noted, caseload numbers are average monthly.*

\*most recent available


Andrea Kane
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Record Type: Record


To: Bruce N. Reed/OPD/EOP  
 cc: Cynthia A. Rice/OPD/EOP, Elena Kagan/OPD/EOP  
 bcc:  
 Subject: Re: Q&As on Brooking Report on urban welfare caseloads 

You're right that the absolute declines are far more interesting, and generally paint a more positive picture. I'll fax over one table from the study FYI. Milwaukee had the largest decline of any city in the study (40% between 94 and 97, and 28.5% in 96-97 alone), followed by Indianapolis. However, Milwaukee's decline looks low compared to WI as a whole (with a statewide decline of 56% between 94 and 97, and 38% from 96-97). By contrast, Seattle looks good on Brookings' scale because it had a higher rate of decline than WA state, but the absolute numbers are not too impressive (10% reduction in Seattle from 94-97, compared to 6% statewide).

Bruce N. Reed

	Bruce N. Reed 05/11/98 07:08:01 PM
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Record Type: Record

To: Andrea Kane/OPD/EOP  
 cc: Cynthia A. Rice/OPD/EOP, Elena Kagan/OPD/EOP  
 Subject: Re: Q&As on Brooking Report on urban welfare caseloads 

Excellent Q&A, and good job finding out about the report. I don't think it's very meaningful to compare state performance with city performance -- I doubt there's a social or economic statistic on any issue that cities can win head to head. I would be more interested in hearing how cities are doing in absolute terms. For example, in the Brookings study, Milwaukee is described as a city that is not doing as well as its state. But Milwaukee has had among the sharpest declines of any city in America -- it just happens to be in Wisconsin where the non-urban welfare population has fallen 90% or something.

Andrea Kane
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Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP  
 cc: Diana Fortuna/OPD/EOP  
 Subject: Conversation w/ Olivia re: TANF caseloads

Cynthia and Olivia had a brief conversation yesterday, which I followed up on today. I think we have a workable approach--see if you agree.

Olivia had 3 concerns about gathering one additional quarter of TANF caseload data from states and announcing March numbers at 5/27 event (we have available, but have not announced, December numbers):

1. Sends mixed signal to states to call and ask them for this data when ACF is working intensively with them to get TANF data through required reporting system. Technically, states have until mid-June to submit data for Jan-March quarter.
2. Highlighting caseload declines gets riskier over time. While there is no race to the bottom, she's concerned about strategies some states are using that result in caseload reduction (she cited Idaho in particular). I think the jist of her concern is that we somehow endorse or encourage these policies by applauding caseload reduction (high rate of sanctions is a likely concern here).
3. Understand the need for alternative data, and suggest national data from CPS and AFDC records that show:
  - a) Increase in percent of single mothers under 200% of poverty with kids under 6 who are working -- rose from 44% in 96 to 50% in 97.
  - b) Increase in people who were on AFDC in prior year who are working in following year -- rose from 25% in 96 to 30% in 97.
  - c) Increase in percent of AFDC recipients with earnings (9% in 96 to 12% in 97. Note: this number remains surprisingly low nationally. Some individual states report much higher numbers) and amount of those earnings (didn't have numbers with her).

My response was:

1. Don't think this is too problematic. States should have these caseload numbers and since they know there are problems with the data many of them have submitted, they shouldn't be too surprised or upset to get a call asking for this info. Olivia wondered whether they could get cover from NGA on this, i.e. have NGA let states know HHS would be calling for this info and why. My feeling is ACF should let NGA and APWA know that they're calling states to head off any organized 'revolt' but that I don't see any formal role for the two organizations in getting this data--**do you agree?**
  2. We understand caseload is not the only measure and that there are some risks, but it's still an important measure and we're not ready to drop it, especially given the absence of good alternatives. I emphasized that both the President and the Partnership are likely to emphasize that while great things are happening, we still have challenges ahead--it wasn't our intent to use the caseload numbers to declare victory and walk away, etc.---**message OK?**
  3. While these trends are all going in a positive direction, by themselves these numbers don't look too impressive and will take a lot of explaining. Once we have some of the other data such as participation rates and high performance bonus info, we will be in a better position.
- 2&3. We welcome their suggestions for how to frame the caseload data in light of these other trends, but *we still expect to get and announce March caseload numbers*. I made no assurances about how the alternative data would be used. **OK?**



Next steps:


1. Olivia will talk to Howard Rolston and Samara Weinstein (now acting as ACF intergovernmental director) about getting calls out to states. They'll think through how/whether to reach out to NGA (and APWA) for help. I suggested I'd be glad to put in a call to my former colleagues, but I didn't think this was all that critical.
2. Howard or Samara will get back to me tomorrow, with the understanding that we expect them to collect the March data. Olivia understands the urgency of getting the data.
3. ACF will provide talking points on how they'd suggest framing caseload numbers and how to present/explain this other information.
4. ACF will provide talking points on status of TANF data collection.

Remember that we do also have December caseload numbers that have not yet been released as a fall back--although they don't hit the nice round 3M/5M reductions that Bruce was looking for.


When I asked about the status of the TANF data, including participation rates, Olivia said they'd provide a Q&A similar to what she has been using. She focused mainly on the process of going back and forth with states, said they're making progress, but is not ready to commit to a date when this data will be ready, except to say its months rather than weeks.

Andrea Kane


Record Type: Record

To: Bruce N. Reed/OPD/EOP  
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP  
bcc:  
Subject: Re: TANF caseload numbers 

If current trends continue, we should hit both those marks with the February numbers. I'll check with Kharfen re: timing on getting these. Do you think the opportunity to release the December caseload numbers on the 4/24 would encourage VP participation at that event, and should we use that approach? The President could then do the big deal numbers in May.  
Bruce N. Reed

 Bruce N. Reed  
04/07/98 07:36:06 PM

Record Type: Record

To: Andrea Kane/OPD/EOP  
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP  
Subject: Re: TANF caseload numbers 

My initial reaction is that we might want to wait until we pass the 5 million mark (and the 3 million mark) before making a big deal about it. Maybe at the May event. But let's talk about it.

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP  
Subject: TANF caseload numbers

HHS is finalizing latest caseload numbers. Last numbers we released with the SOTU were for 9/97. These are through 12/97. I've seen a preliminary set of tables and the news continues to look good: Number of recipients is down to 9.3 million, a decrease of 4.8 million or 34% from 1/93 and 2.9 million or 23% since 8/96. We should have final tables tomorrow.

There are several announcement possibilities that we'd like your feedback on:

- (1) 4/9 VP event on federal hiring and reaching out to contractors.
- (2) 4/24 joint secretarial event on welfare to work housing vouchers and transportation with DOT, HUD, DOL (probably), and HHS (Shalala can't be there, maybe Kevin Thurm). VP's office is interested and checking schedule.
- (3) 5/20ish Welfare to Work Partnership event.

HHS also wants to include the latest numbers in their TANF report to Congress that was due April 1st, but is at least 1-2 weeks away from being finished (we've only seen a first draft). We're assuming these should be released by POTUS or VP first, before they are included in HHS report. We're trying to nail down when HHS is likely to transmit report--some of that depends on how long clearance over here takes and we expect to see revised draft in about a week.

The 4/9 event is probably not the best forum and may confuse/divert focus of that event. The 4/24 event would be good in terms of timing and message, but question is who would release if VP doesn't attend. It would be great for POTUS to announce some caseload numbers at 5/20 event, assuming we get it on the schedule. However, that may mean a long delay on HHS report to Congress. Also, HHS thinks they could probably get more updated numbers by then--states have them, it's just a matter of HHS calling and compiling them. As a condition of not holding that long, we could make them commit to get next set of numbers in time for 5/20.

How long do you want to hold, and are there other announcement options?

Wp - statistics

and

wp - state plan

Reed

2-9-98

THE WHITE HOUSE

WASHINGTON

February 7, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN  
SEAN MALONEY *SM*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Shalala Report on Welfare Reform with Bruce Reed Cover Note** -- Highlights: the stunning caseload drop continues (i.e., 2.4 million in 13 mos.); 21 states have had 25% declines; there has been no "race to the bottom;" states are spending more per recipient than in 1994; many more aid recipients are now working; state evaluations show a substantial increase in the numbers of people who leave welfare for work; there is little evidence of hardship among those sanctioned for not meeting program rules; only 9 states have adopted lifetime limits of less than 5 years; Bruce points out that 17 states have created state-only welfare programs to which TANF work requirements and time limits do not apply.

*Use Shalala  
memo file  
analysis in  
public  
setting*

(B) **Ruff/Chirwa Status Report on African American Farmers** -- provides a detailed update of the legal issues you inquired about previously: the Eddie Ross lending discrimination case has been resolved; class action mediation was commenced last week; a USDA-DOJ high level working group is being convened; Office of Legal Counsel has completed its statute of limitations analysis under the Equal Credit Opportunity Act; concludes 2-year limitation applies to administrative and litigative settlements; USDA can not expend compensatory funds where relief would be unavailable in court; administrative claim filings do not toll the statute; doctrines of equitable tolling/estoppel are unlikely to be applied; practical result is that 40%-50% of farmers' claims will be time-barred; OLC's opinion will not be released until Sec. Glickman can prepare an explanation and explore possible solutions; *please see memo for details.*

*Good!*

*Good  
we should  
submit  
this legis.  
letter  
re: admin.  
action  
this is a  
problem*

(C) **Sec. Rubin's Daily Update for Friday's Financial Market Developments** -- Dow was up 72 points to 8189; long-term interest rates fell 1 to 2 basis points; dollar rose against the yen; Asian stock and currency markets generally rose amid positive sentiment that the Asian currency crisis may be easing.

(D) **CabAff Memo on Cabinet Amplification of SOTU** -- following your address, the members of your cabinet and subcabinet traveled around the country to highlight the themes and initiatives you set forth, conducting over 100 media interviews in 12 different cities with outlets from nearly all 50 states; memo includes detailed description of each

- Tab A: page 1 of cover + memo: Reed/COS
- Tab B: page 1 " " + memo: Ruff/Chirwa /COS
- Tab E: page 2 " " + memo (original to Burkhardt) /COS

2-9-98

THE WHITE HOUSE

WASHINGTON

Copied  
Reed  
COS

98 FEB 5 PM 12:37

February 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED

SUBJECT: SECRETARY SHALALA'S REPORT ON WELFARE REFORM

The attached memo from Secretary Shalala provides a good update on welfare reform.

Among the most interesting findings:

- The stunning caseload drop continues -- 2.4 million in the first 13 months of the new law. Twenty one states have dropped by 25 percent or more in that time.
- There has been no "race to the bottom" -- states are spending more per recipient than in 1994. All states are meeting the maintenance of effort requirement we fought for in the welfare law, and 20 states are exceeding it.
- Many more recipients are now working. State evaluations show a substantial increase in the share of people who leave welfare for work (from 45-50 percent under AFDC to up to 60 percent now), even as record numbers leave the rolls.
- There is little evidence of hardship among those who are sanctioned for not meeting program rules. Only nine states have adopted lifetime limits of less than five years.
- Forty states have enacted policies to make work pay, generally by increasing earnings disregards so families can keep their welfare subsidy while earning more.
- About a half dozen states (CA, NY, MD, OH, FL, CO, NC) are devolving key decisions to the counties.

Something not mentioned in the memo, but discovered from the new state financial data, is that seventeen states have created state-only welfare programs to which TANF work requirements and time limits don't apply.

JAN 27 1998

2 - 9 - 98



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

MEMORANDUM FOR THE PRESIDENT

The purpose of this memo is to outline the information we have so far on the impacts of changes in welfare programs. The information is still quite preliminary, but some conclusions are emerging. These include:

- o The total number of welfare recipients has fallen below 10 million for the first time since 1971. Caseloads have fallen by more than 30 percent since their peak in 1994.
- o Many more recipients are now working, and the proportion of former recipients at work after leaving welfare appears to be somewhat higher than in the past.
- o States are making very serious efforts to move recipients into work, both by mandating work programs and sanctioning those who do not comply, and by increasing the benefits of working through simpler and higher earnings disregards and on-going supports such as child care.
- o As we found with AFDC waivers, States are adopting common approaches but with many variations in specifics. Several large States are devolving key policy decisions to the county level.
- o There has been no "race to the bottom" in State welfare benefits; States are spending more per recipient than in 1994 across TANF and related programs, and State maximum benefit levels are generally unchanged.
- o So far there is little evidence of extreme hardship among those who leave welfare as a result of sanctions, although many do experience fairly large declines in income. Overall, however, half or more of former recipients appear to increase their incomes after leaving welfare.
- o Even when recipients move to work and improve their incomes, they are still likely to have total incomes below the poverty line.

This memo looks first at what the States are doing, in terms of both spending choices and broader policy choices. It then turns to impacts on recipients, assessing both results from evaluations of State waivers similar to current State policies and the very early results from State surveys of recipients and former recipients. Finally, the implications of these findings for Federal and State policy choices are briefly discussed.

## State Responses to Welfare Reform

Welfare caseloads have declined dramatically since their peak at 14.4 million recipients in March 1994. Overall, the number of people receiving aid had declined by more than 30 percent to 9.8 million recipients by September 1997 (the most recent monthly report available). This decline has continued at an even more rapid pace since the enactment of welfare reform in August 1996. In the first year of welfare reform alone, almost 2 million recipients left the rolls. As Chart 1 (attached) shows, these declines are spread across almost all of the States.

Changes in State Spending on Welfare Programs. There has been no "race to the bottom" in State welfare spending. Because there are now fewer recipients, total State spending on welfare programs has declined since 1994. On average, however, States are spending somewhat more per recipient than they did in 1994--reported State spending on welfare and related programs is about 18 percent below the level seen in 1994, while caseloads have declined by more than 30 percent. This increased spending has not affected direct payments to recipients, which remain very close to the levels seen in both 1994 and 1996 (about \$370 per family per month on average.) In all, four States have increased maximum benefit levels since the enactment of TANF, while five States have decreased maximum benefits for at least some categories of recipients.

States are reporting that they are meeting their Maintenance of Effort (MOE) requirements under welfare reform. They are required to spend 80 percent of previous (generally 1994) levels, or 75 percent if they meet the minimum participation requirements, and 20 States report exceeding that goal, some by considerable amounts (see Chart 2). Further, reported spending may understate actual amounts spent, since there are no incentives for States to report additional spending once their MOE requirements have been met. There is little in these data to suggest declines in spending levels--rather, States appear to be using at least some of their own money to provide services such as child care and job training and placement and to increase work incentives.

Changing State Policies. A focus on work is a major theme in State welfare policies, although there is considerable variation in plan specifics and in implementation across States. The following key points emerge from an overview of State policies:

1. States are focusing on encouraging and requiring work.
  - o 40 States have enacted policies to make work pay, generally by increasing the amount of earnings disregarded in calculating welfare benefits. (See Chart 3.) Connecticut, for example, now disregards all earnings up to the poverty level. Most States have also simplified the treatment of earnings compared to the AFDC treatment, with the result that recipients can see more clearly how even a low-wage job will make them better off.

- o 44 States have raised the level of resources and/or the maximum value of a vehicle allowed to welfare recipients. (See Chart 4.) This will make it easier for recipients to get to work and to accumulate savings that might lead to self-sufficiency.
- o Almost all of the States have moved to "Work First" models in their welfare programs, requiring recipients to move quickly into available jobs. Virtually every State has instituted "social contracts" or other personal responsibility agreements in which recipients commit to specific steps toward self-sufficiency. States are enforcing these contracts, sanctioning people who fail to sign or live up to their agreements.

2. Family violence issues and choices about exemptions for parents of very young children are being addressed by the States.

- o 24 jurisdictions have elected to screen for, provide appropriate services, and waive requirements where needed to ensure the safety of victims of domestic violence through the Family Violence Option (See Chart 5.) Additional States, including California, are expected to implement this option in the coming months.
- o As indicated in Chart 6, most States have chosen to exempt parents of infants under one year of age from work requirements. 16 States have chosen shorter exemptions (the law allows States to require parents with children over 12 weeks to work.)

3. State policies regarding time limits are varied and complex.

- o Chart 7 shows that eleven States have chosen "intermittent" time limits that limit the total months of reciprocity allowed within a longer time period (for example, Virginia limits TANF receipt to 24 months in any 60 month period). Nine States have chosen lifetime limits of less than five years. Both of these types of time limits often allow exceptions or exemptions. 27 States have chosen the Federal limit of 60 months. Four States have chosen other options involving supplements from State welfare programs for those reaching the Federal time limits.
- o Evaluation and survey data find that recipients are often unclear about the specifics of time limits (and other reform policies) that apply to them, although they do know that the nature of welfare has changed.
- o Few recipients have reached State time limits so far.



4. State plans vary considerably in their specifics and in their timing.

- o A few States are making choices that appear to have little to do with work, such as counting the SSI income of disabled children and adults in computing TANF benefits without taking into account the added costs of disability.
- o The amount of time that elapses between the determination of policy choices and their actual implementation varies greatly across States, usually based on whether, when and how extensively they undertook reforms through waivers. Many States have not completed the process of implementing proposed policy changes.

5. Finally, California, New York and several other states are devolving key decisions to counties.

- o Other States in the process of devolving include Maryland, Ohio, Florida, Colorado and North Carolina.
- o These States are devolving decisions about work activities, post-employment supports and, in some cases, sanctions; Colorado and North Carolina are also passing on decisions about other factors including eligibility. Benefit levels will still be determined at the State level, although in some cases the State will mandate only a floor which the counties can choose to exceed.

Impacts of Welfare Reform on Recipients

Moving recipients and potential recipients into work has been the focus of most State policies, and there is some preliminary evidence that employment levels are rising as caseloads decline. Evidence on the impacts of other aspects of the changes on recipients and would-be recipients is somewhat more mixed. Are they indeed better off in economic terms? What has happened to those who haven't gotten jobs? It is still very early to answer those questions, but we have some preliminary data that give a few indications.

Our preliminary data generally relate to the situations found in specific states. Thus, this report draws upon preliminary program evaluation reports of waiver-based policies from Michigan, Iowa, Minnesota, Delaware, and Florida, and on surveys of welfare recipients and people who have left welfare rolls in Massachusetts, Iowa, Wisconsin, Indiana, Maryland, South Carolina and Tennessee. The early stories emerging from these studies appear to be fairly consistent across those states. Although we are beginning to have some evaluation evidence on the impacts of policy changes as opposed to the strong economy, it is very difficult to sort out the relative importance of policy and economic factors at the National level.

Sanctions. States are generally working harder to enforce mandatory work requirements, and sanctions rose by about 30 percent nationally between 1994 and the end of 1996. Anecdotal evidence implies that these rates are still increasing. In the studies of specific States, sanction

rates of as high as 50 percent are seen, with rates in the 25 percent to 30 percent range not unusual. Sanctions may result in either a complete or partial loss of benefits. Across States we find that the majority of sanctions occur because recipients fail to show up for initial appointments. Far fewer families have been sanctioned for refusal to comply with work assignments. Sanctioned families may include many who are already working or who have good job opportunities; in Iowa, for example, families that did not comply with the State's Family Investment Plan tended to be more job-ready than the average.

Employment. Perhaps partly because of stricter work policies as well as the robust economy, more recipients and former recipients are now employed. Evaluations of specific State programs show policy-related increases in employment in the range of 8 percent to 15 percentage points. Surveys of people who have left welfare imply that 50 percent to 60 percent are working in the period following welfare reciprocity (with the remainder not employed). This is comparable to or slightly higher than the 45 percent to 50 percent of welfare exiters who worked after leaving AFDC. Some of this increase in work may result from the strong economy as well as from policy changes.

Incomes. While there do not appear to be dramatic changes so far in the average incomes of welfare recipients and those leaving the welfare rolls, these averages hide a great deal of variation. Among those leaving the program, incomes in the follow up period are very mixed. Generally, about half of former recipients saw increases in their incomes, while half experienced declines. There is some evidence that those who leave the program voluntarily are more likely to have increased incomes, although in both South Carolina and Iowa about 40 percent of those who left because of sanctions also experienced income increases.

There is little evidence at this point of extreme hardship even among families losing benefits altogether as a result of sanctions or time limits. However, events such as homelessness or entry of children into foster care are sometimes hard to observe in evaluations and follow up studies, which are usually unable to trace some proportion of former recipients. In the short run, many families experiencing large income losses appear to rely on help from friends and extended family. It should be noted also that even families whose incomes rise as a result of higher earnings and/or changes in State policies typically still do not have above-poverty level incomes while on TANF or in the period immediately after leaving the program.

Other Benefits. Families who leave TANF are often eligible to continue receiving benefits from other social support programs such as the Food Stamp Program, Medicaid, Supplemental Security Income (SSI) and housing programs. However, relatively low take-up rates for some of these benefits suggest that many former recipients may be unaware of their continued eligibility for other programs such as Medicaid, or that administrative barriers may be preventing some eligible families from participating in these programs. In both South Carolina and Indiana, for example, about half of the adults who were no longer receiving cash assistance reported that they did not have any health insurance.

## Policy Implications and Next Steps: Supporting Low-Income Workers

These early results suggest that real progress is being made in focusing recipients on work and in moving them into employment. This is a significant and critical step on the path to reforming welfare. I believe that further steps need to be taken to consolidate and build on this accomplishment. In particular, we need to ensure that low-income working families, whether they are former welfare recipients or not, can continue to work and to earn enough to raise their families, weathering unemployment and other temporary setbacks without relying on long-term welfare receipt. In pursuing this goal, we would be building on the Administration's many achievements for working families, including expansion of the EITC, increasing the minimum wage, expanding health care coverage for children, enacting parental leave, and the introduction of this year's pathbreaking child care initiative. And we would also be building on the widespread and increasing interest of the States, which are starting to grapple with the question of what happens after welfare parents take their first jobs.

Both researchers and practitioners are telling us that when such parents move to work, most are likely to need continuing support in order to keep their jobs, support their families, improve their incomes over time, and avoid going back onto the welfare rolls. These supports can take many forms, from the EITC or increased earnings disregards to services such as child care, health care, transportation and mentoring. Currently, States have resources available to them through the TANF block grant and their Maintenance of Effort funds, as well as through other State resources that have been freed up as a result of declining caseloads. We can make progress on this agenda by challenging States to make key investments, showcasing effective practices and encouraging State innovation as well as by shaping a National agenda to help low-wage workers and their families.

A successful strategy to support low-income workers and their families would involve several components at both the State and National levels. These could include:

1. Raising the incomes of low-wage workers. Most welfare recipients moving into their first jobs continue to earn below-poverty level incomes. The major 1993 expansion of the EITC does a great deal for these families, and it must be protected. In addition, we could challenge States to expand State EITC's and to increase earnings disregards and other programs for low-wage workers. For example, Wisconsin has used TANF MOE funds to expand both its EITC and housing subsidies for low-income owners and renters. At the National level, policies such as a further increase in the minimum wage or tax incentives for employers to promote jobs and higher wages for low-skilled workers could be explored.
2. Providing other job supports. We must ensure that other critical job supports, such as health care, child care, transportation, and mentoring, are available for working families who need them. The Administration's new child care initiative is of course critical to this strategy, and the newly enacted Child Health Insurance Program should go a long way toward ensuring health care coverage for the children of low-wage workers. We need to

continue outreach efforts to make sure that low-income working families are aware of their potential eligibility for Medicaid. The Vice President's work on mentoring provides a valuable example, and States must be encouraged to continue to invest in these programs and other supports.

3. Ensuring that low-wage workers improve skills and earnings over time. Many States are beginning to grapple with the best way to promote growth in skills and earnings over time for former welfare recipients. Over the longer term, such growth will be necessary to meet both the needs of families and the needs of the economy as a whole. We should be challenging States to put together creative strategies and showcasing those that do. These strategies can involve linkages among workforce development, higher education, and welfare systems, as well as work with specific private employers. At the National level, strategies to increase educational opportunities for low-income families are a key to increasing skills and earnings over time.
4. Maintaining the safety net for workers. If a temporary setback is not to result in a return to welfare dependency, the safety net for low-wage workers must be maintained. At the National level, changes could be made in the Unemployment Insurance program to increase the probability that low-wage workers will earn coverage, as is now being discussed within the Administration. At the State level, we should showcase States that are implementing post-employment services and other strategies to address the fact that low-income workers are likely to experience considerable job turnover and some periods of unemployment. We should challenge States to invest in approaches that combine reliable short-term assistance with rapid re-employment help.

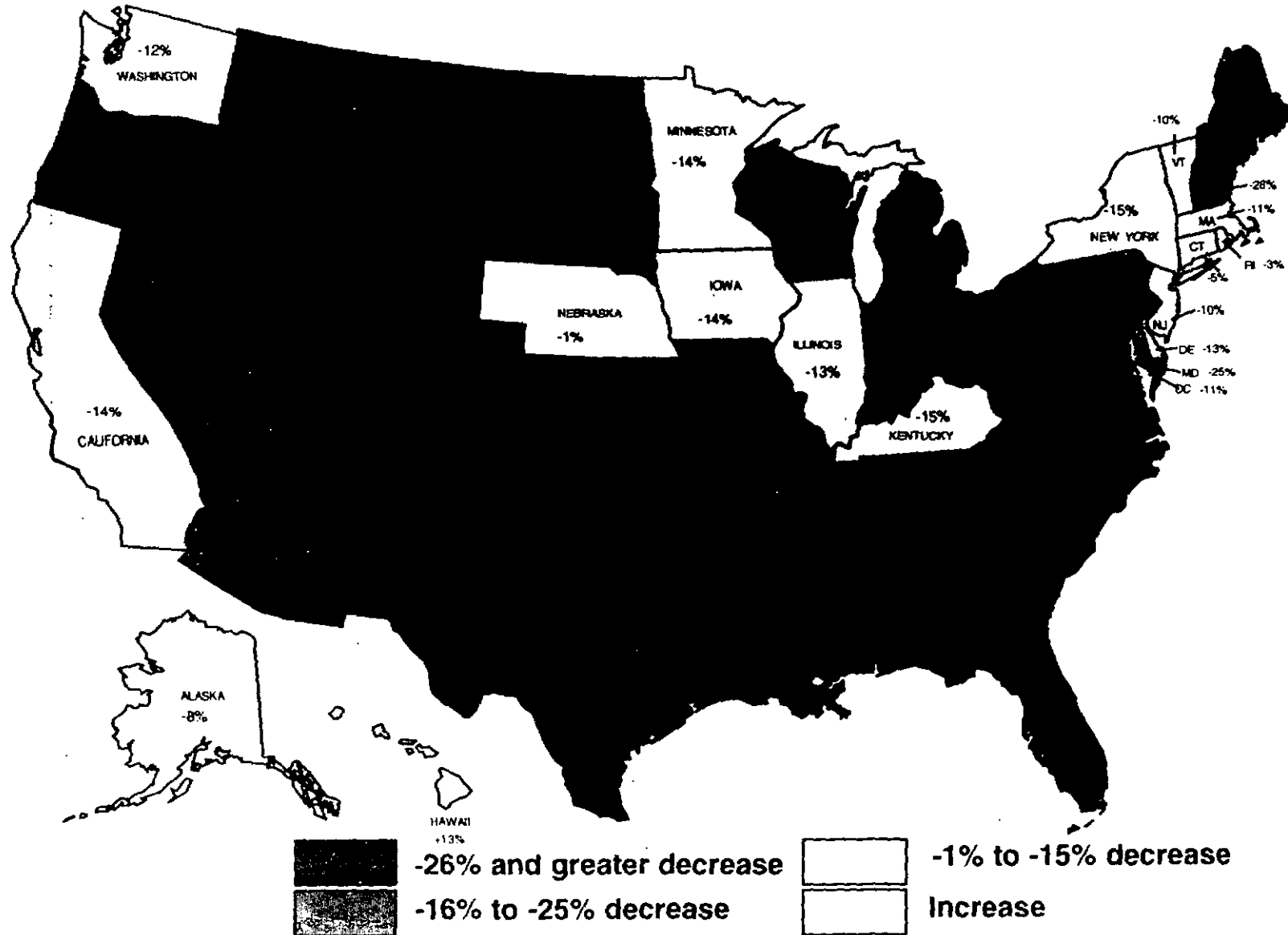
In summary, we must build upon and continue our efforts on behalf of low income workers. I look forward to further discussions with you regarding these important issues. Please let me know if you would like a briefing or further information.



Donna E. Shalala

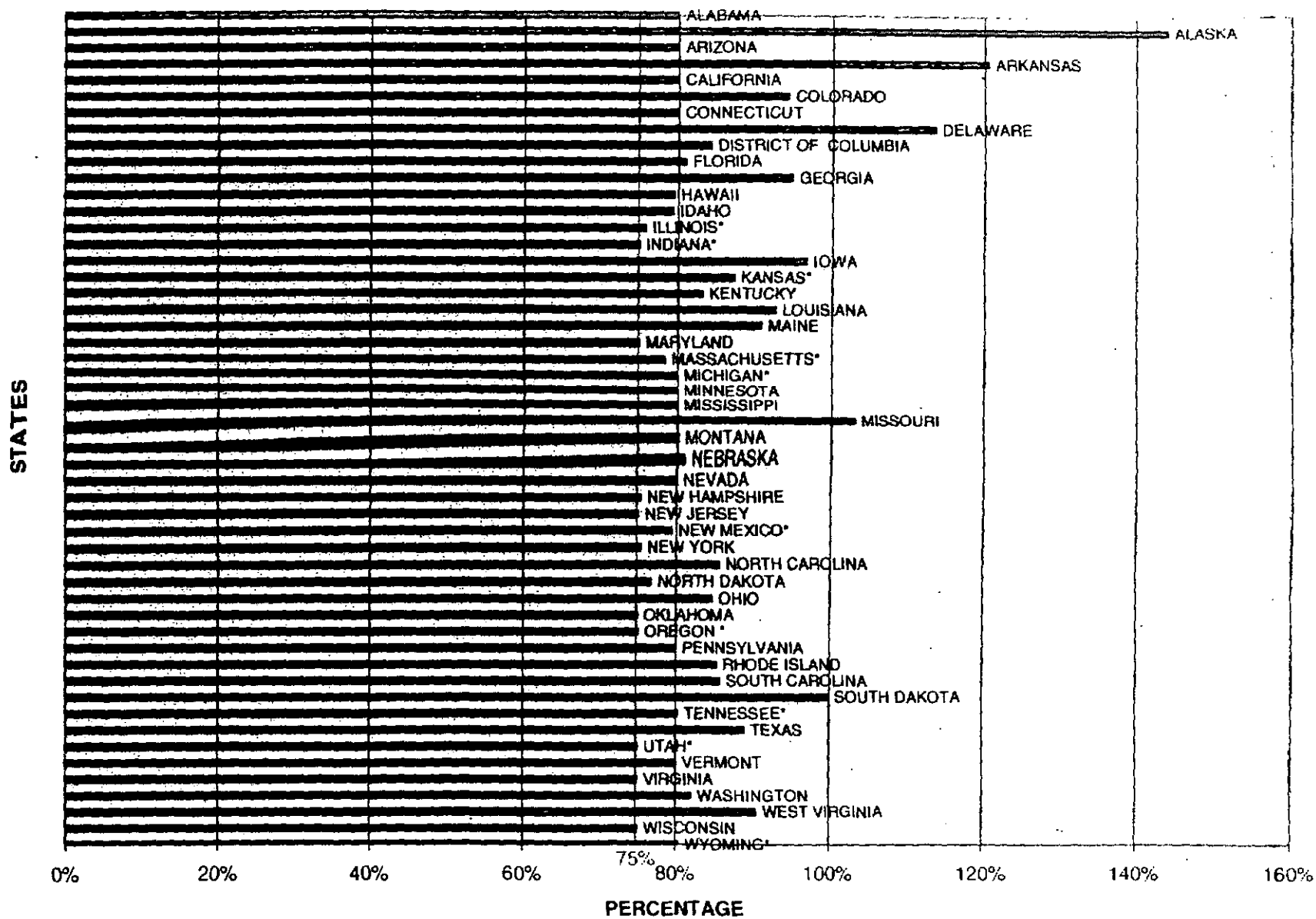
Attachments

# Chart 1: RECIPIENT COUNT DOWN 2.4 MILLION SINCE ENACTMENT OF NEW WELFARE LAW (August 1996-September 1997)



# TANF PROGRAM

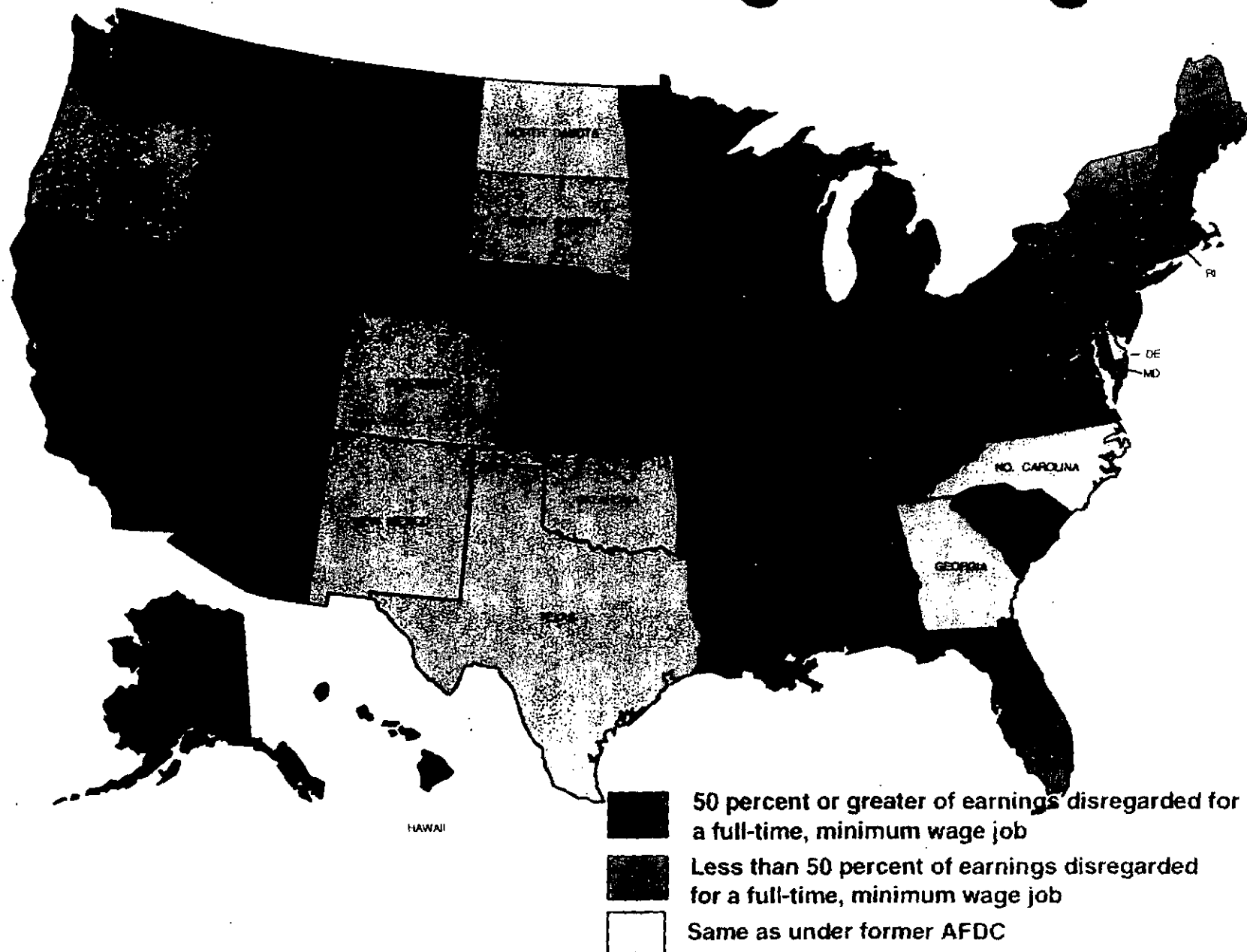
Chart 2: EXPENDITURE OF STATE FUNDS IN FY 1997 AS % OF MOE



Data as of January 23, 1998

Chart prepared by U.S. Dept. of Health and Human Services  
Administration for Children and Families

# Chart 3: Earnings Disregards



# Chart 4: Increased Resource/Vehicle Limit

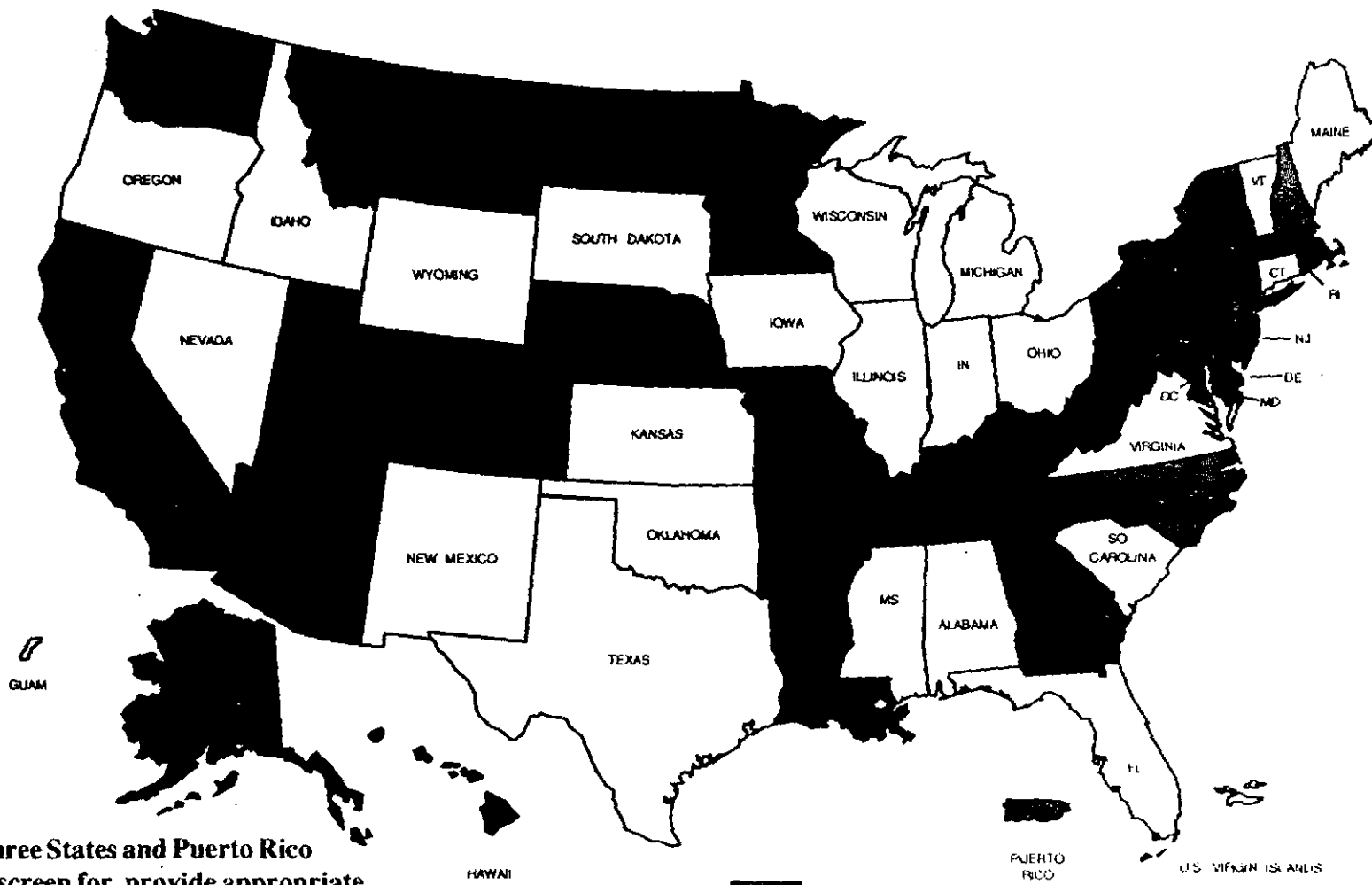


 Increased resource and/or vehicle limit

 As under former AFDC program



# Chart 5: States Selecting Family Violence Option



Twenty-three States and Puerto Rico elected to screen for, provide appropriate services, and waive requirements where needed to ensure safety.

 Optional Certification  
 Developing Standards

# Chart 6: Age of Youngest Child Exemption from Work Requirement



12 months old



Younger than 12 months old



DRAFT 2/2/98

The attached memo from Secretary Shalala provides a good update on welfare reform.

While the memo contains some new information, we do not see enough here to release as a Presidential announcement. We are planning to allow Secretary Shalala to use this memo as the basis for a speech she will give February 6th at the American Enterprise Institute; please let us know if you would prefer us to hold any of it. You have already made the most high profile announcement, that caseloads have fallen below 10 million for the first time since 1971.

While we have shared some of this information with you previously, this memo shows that HHS is starting -- after much prodding from us -- to systematically gather state welfare information and related research data. The memo contains new data showing that states are spending more per person while spending less overall. This data is based on the first quarterly TANF financial reports. The memo also compiles data which is now available to governors and researchers, but has not been released together before. You may wish to suggest that they provide you such reports on a regular basis.

Among the most interesting findings:

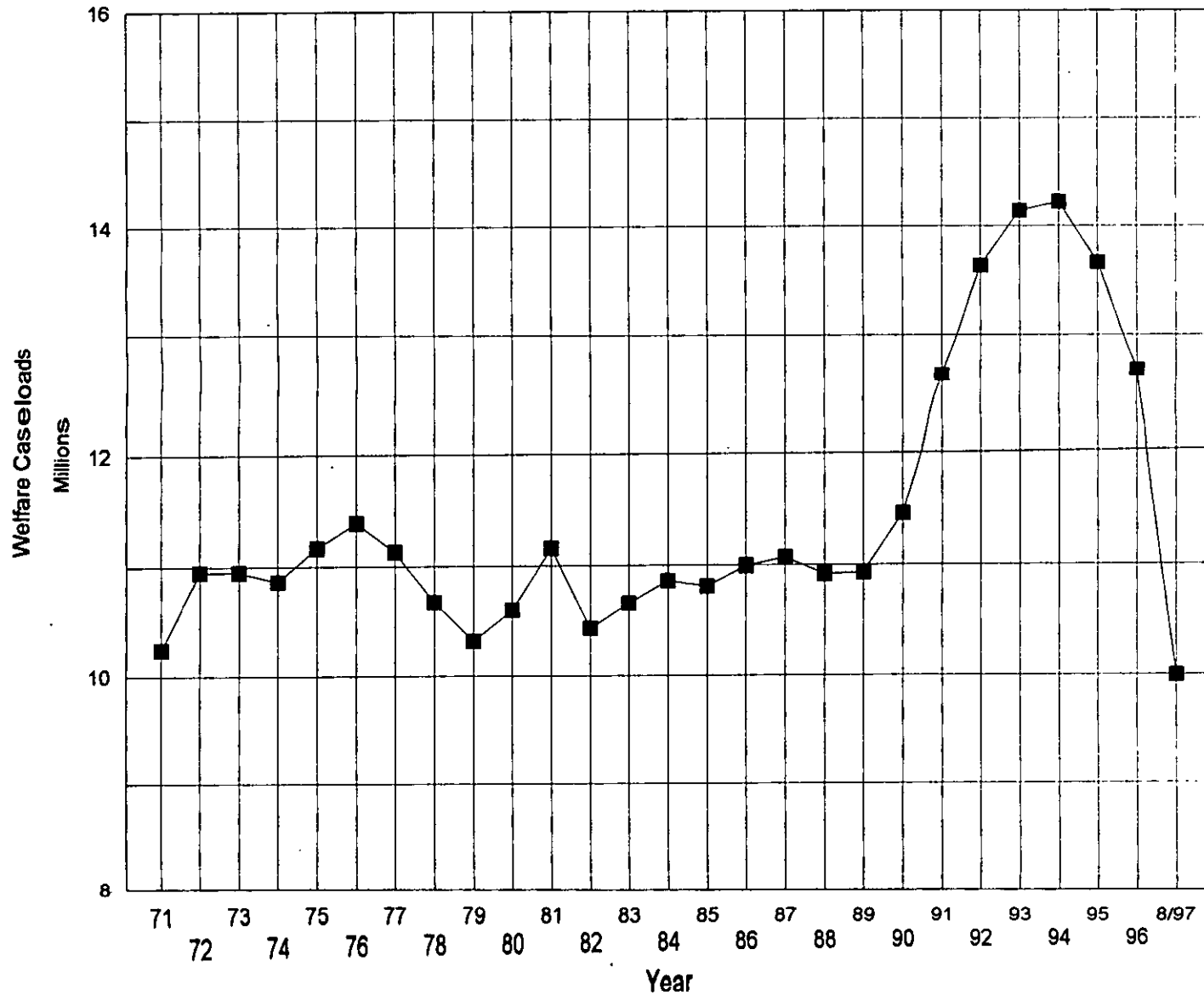
- There has been no "race to the bottom" -- states are spending more per recipient than in 1994;
- Many more recipients are now working, and there is little evidence of hardship among those who are sanctioned for not meeting program rules;
- Forty states have enacted policies to make work pay, generally by increasing earnings disregards so families can keep their welfare subsidy while earning more;
- More than 30 states have chosen to exempt mothers with children under age one from the work requirements;
- About a half dozen states (CA, NY, MD, OH, FL, CO, NC) are devolving key decisions to the counties.

Something not mentioned in the memo, but discovered from the new state financial data, is that seven states -- Hawaii, Michigan, Tennessee, Wisconsin, Florida, Colorado, and Maryland have created state-only welfare programs, to which TANF work requirements and time limits do not apply.

This memo concentrates entirely on welfare reform efforts within HHS' jurisdiction, and does not discuss the \$3 billion welfare to work program, the welfare to work tax credit for businesses or your proposals for welfare to work housing vouchers and transportation funding.

# Welfare Caseloads: Below 10 Million for the First Time Since 1971

Caseloads fell 2.2 million in first year of welfare law, 4.1 million since President Clinton began to reform welfare



From August 1996 to August 1997, welfare caseloads fell from 12.2 to just under 10 million.

**CHANGE IN WELFARE CASELOADS**

**Total AFDC/TANF families and recipients**

	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u> (millions)	<u>Jan.96</u>	<u>Aug97</u>	<u>percent(93-97)</u>
Families	4.963	5.053	4.936	4.628	3.612	-27%
			<i>1,351,000 fewer families</i>			
Recipients	14.115	14.276	13.918	12.877	9.995	-29%
			<i>4,120,000 fewer recipients</i>			

**Total AFDC/TANF recipients by State**

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Jan.96</u>	<u>Aug97</u>	<u>percent(93-97)</u>
Alabama	141,746	135,096	121,837	108,269	70,851	-50%
Alaska	34,951	37,505	37,264	35,432	33,082	-5%
Arizona	194,119	202,350	195,082	171,617	136,706	-30%
Arkansas	73,982	70,563	65,325	59,223	47,480	-36%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,269,558	-6%
Colorado	123,308	118,081	110,742	99,739	59,634	-52%
Connecticut	160,102	164,265	170,719	161,736	151,542	-5%
Delaware	27,652	29,286	26,314	23,153	20,560	-26%
D.C.	65,860	72,330	72,330	70,082	63,627	-5%
Florida	701,842	689,135	657,313	575,553	394,343	-44%
Georgia	402,228	396,736	388,913	367,656	241,478	-40%
Hawaii	54,511	60,975	65,207	66,690	74,480	+37%
Idaho	21,116	23,342	24,050	23,547	6,846	-68%
Illinois	685,508	709,969	710,032	663,212	555,668	-19%
Indiana	209,882	218,061	197,225	147,083	107,436	-49%
Iowa	100,943	110,639	103,108	91,727	75,106	-26%
Kansas	87,525	87,433	81,504	70,758	47,860	-45%
Kentucky	227,879	208,710	193,722	176,601	148,609	-35%
Louisiana	263,338	252,860	258,180	239,247	129,273	-51%
Maine	67,836	65,006	60,973	56,319	45,138	-33%
Maryland	221,338	219,863	227,887	207,800	149,028	-33%
Massachusetts	332,044	311,732	286,175	242,572	195,473	-41%
Michigan	686,356	672,760	612,224	535,704	419,777	-39%
Minnesota	191,526	189,615	167,949	171,916	152,765	-20%
Mississippi	174,093	161,724	146,319	133,029	86,910	-50%
Missouri	259,039	262,073	259,595	238,052	179,955	-31%
Montana	34,848	35,415	34,313	32,557	24,573	-29%
Nebraska	48,055	46,034	42,038	38,653	37,985	-21%
Nevada	34,943	37,908	41,846	40,491	28,854	-17%
New Hampshire	28,972	30,386	28,671	24,519	16,952	-41%
New Jersey	349,902	334,780	321,151	293,833	252,200	-28%
New Mexico	94,836	101,676	105,114	102,648	61,435	-35%
New York	1,179,522	1,241,639	1,266,350	1,200,847	989,200	-16%

<u>state</u>	<u>Jan_93</u>	<u>Jan_94</u>	<u>Jan_95</u>	<u>Jan_96</u>	<u>Aug97</u>	<u>percent(93-97)</u>
North Carolina	331,633	334,451	317,836	282,086	222,883	-33%
North Dakota	18,774	16,785	14,920	13,652	10,404	-45%
Ohio	720,476	691,099	629,719	552,304	433,792	-40%
Oklahoma	146,454	133,152	127,336	110,498	73,837	-50%
Oregon	117,656	116,390	107,610	92,182	54,083	-54%
Pennsylvania	604,701	615,581	611,215	553,148	417,881	-31%
Rhode Island	61,116	62,737	62,407	60,654	54,628	-11%
South Carolina	151,026	143,883	133,567	121,703	78,316	-48%
South Dakota	20,254	19,413	17,652	16,821	12,233	-40%
Tennessee	320,709	302,608	281,982	265,320	157,924	-51%
Texas	785,271	796,348	765,460	714,523	468,611	-40%
Utah	53,172	50,657	47,472	41,145	30,990	-42%
Vermont	28,961	28,095	27,716	25,865	22,048	-24%
Virginia	194,212	194,959	189,493	166,012	117,360	-40%
Washington	286,258	292,608	290,940	276,018	237,198	-17%
West Virginia	119,916	115,376	107,668	98,439	75,313	-37%
Wisconsin	241,098	230,621	214,404	184,209	97,383	-60%
Wyoming	18,271	16,740	15,434	13,531	4,279	-77%
Guam	5,087	6,651	7,630	8,364	7,477	+47%
Puerto Rico	191,261	184,626	171,932	149,944	139,971	-27%
Virgin Islands	3,763	3,767	4,345	4,953	4,323	+15%

*Note: as of July 1, 1997, all states changed their reporting system from AFDC to TANF*

Source:  
 U.S. Dept. of Health & Human Services  
 Administration for Children and Families  
 January 1998

JAN-18-98 15:32 FROM: [REDACTED] TO: [REDACTED]

**CHANGE IN WELFARE CASELOADS SINCE ENACTMENT OF THE NEW WELFARE LAW**

**Total TANF families and recipients**

	<u>Aug. 96</u>	<u>Aug. 97</u> (millions)	<u>percent</u>
Families	4.389	3.612 <i>777,000 fewer families</i>	-18%
Recipients	12.202	9.995 <i>2,207,000 fewer recipients</i>	-18%

**Total TANF recipients by State**

<u>state</u>	<u>Aug. 96</u>	<u>Aug. 97</u>	<u>percent</u>
Alabama	100,510	70,851	-30%
Alaska	35,540	33,082	-7%
Arizona	169,440	136,706	-19%
Arkansas	56,230	47,480	-16%
California	2,578,450	2,269,558	-12%
Colorado	95,790	59,634	-38%
Connecticut	159,060	151,542	-5%
Delaware	23,650	20,560	-13%
D.C.	69,290	63,627	-8%
Florida	533,800	394,343	-26%
Georgia	329,160	241,478	-27%
Hawaii	66,480	74,480	+12%
Idaho	21,800	6,846	-69%
Illinois	640,870	555,668	-13%
Indiana	141,850	107,436	-24%
Iowa	85,940	75,106	-13%
Kansas	63,780	47,860	-25%
Kentucky	170,890	148,609	-13%
Louisiana	228,120	129,273	-43%
Maine	53,790	45,138	-16%
Maryland	194,130	149,028	-23%
Massachusetts	219,580	195,473	-11%
Michigan	501,440	419,777	-16%
Minnesota	169,740	152,765	-10%
Mississippi	122,750	86,910	-29%
Missouri	222,820	179,955	-19%
Montana	28,240	24,573	-13%
Nebraska	38,510	37,985	-1%
Nevada	33,920	28,854	-15%
New Hampshire	22,940	16,952	-26%
New Jersey	275,700	252,200	-9%
New Mexico	99,660	61,435	-38%
New York	1,143,960	989,200	-14%



state	Aug 96	Aug 97	percent
North Carolina	266,470	222,883	-16%
North Dakota	13,130	10,404	-21%
Ohio	549,310	433,792	-21%
Oklahoma	96,010	73,837	-23%
Oregon	78,420	54,083	-31%
Pennsylvania	530,520	417,881	-21%
Rhode Island	56,460	54,628	-3%
South Carolina	113,430	78,316	-31%
South Dakota	15,840	12,233	-23%
Tennessee	238,890	157,924	-34%
Texas	647,790	468,611	-28%
Utah	39,060	30,990	-21%
Vermont	24,270	22,048	-9%
Virginia	152,680	117,360	-23%
Washington	268,930	237,198	-12%
West Virginia	89,039	75,313	-15%
Wisconsin	148,890	97,383	-35%
Wyoming	11,400	4,279	-62%
Guam	8,314	7,477	-10%
Puerto Rico	151,023	139,971	-7%
Virgin Islands	4,898	4,323	-12%

*Note: as of July 1, 1997, all states changed their reporting system from AFDC to TANF*

Source:  
 U.S. Dept. of Health & Human Services  
 Administration for Children and Families  
 January 1998



Cynthia A. Rice

02/11/98 11:37:42 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
 cc: Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP  
 Subject: DOL booklet "About Welfare: Myths, Facts, Challenges, and Solutions"

As you know, as a conclusion to her cross-country welfare tour, Secretary Herman will give a speech at the National Press Club on Feb 17th (next Tuesday) and will also be preparing a report to the President. I've been promised a chance to review all these materials.

I now have a copy of the galleys for a booklet she wants to distribute to reporters on the 17th called "About Welfare: Myths, Facts, Challenges, and Solutions." It's quite good although I'd like a few changes. In some ways, it's similar to some of the materials the Partnership has produced to assure companies that many welfare recipients have high school diplomas and previous work experience. Here's what it says:

The "Welfare Myths" section cites myths and counter-facts:

**"Too many people are on welfare"** [I'm going to edit this myth to say "More and more people are on welfare"] -- the facts show 5.5% of population were on welfare in in Jan 1993 and 3.9 percent in Jan 1997.

**"Welfare costs are out of control"** -- facts show that welfare's share was about 1.2% of the federal budget in 1979, .8% in 1995. [I'm going to push to get rid of this page -- what do you think]

**"People on welfare don't really need it"** -- facts show the overpayment rate of 6.1% in 1993. [We should get rid of this page too]

**"Welfare grants are too high"** -- facts show average monthly AFDC income of \$499 with a poverty line of \$1,043 (family of three) [They should add in food stamps here]

**"Most welfare parents are teenagers"** -- facts show 6 percent are age 19 or under.

The "Welfare Facts" section says "welfare families are much like other families"

**"Most welfare families are small"** --43% have one child

**"Welfare families are diverse"** -- 37% African American, 36% white, 21% Hispanic

**"Over one third have stayed on welfare for one year or less"**

**"Most welfare mothers have some work experience: 61%**

The "Welfare Challenges" section says "welfare families often face greater challenges to independence"

"Most welfare mothers are single parents"

"Some of the most powerful predictors of long-term stays on welfare are marital status and education level"

"Most welfare children need reliable child care in order for the mother to work"

"Child care costs continue to rise" [I'll check to make sure this comports with other data we've released]

"Nearly half of welfare mothers have less than a high school education"

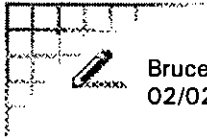
"Many welfare mothers have only worked in low-wage, low-skilled jobs"

The "Welfare Solutions" section --

Has a signed narrative from Herman lauding the \$3 billion and challenging the private and nonprofit sectors to do their part. It's a fairly "work first" message, ~~saying getting~~ we need to help those on welfare not only get their first job but once they're in that job, get the skills to move to their second or third job. It also has two sentence I'd like to edit as follows:

"But ending welfare as we know it is not ~~the goal enough. It is a means to the end of assuring~~ We must assure that every family has the opportunity to make a fair claim on our nation's prosperity."

Wp - wp - to - work -  
program implemented



Bruce N. Reed  
02/02/98 09:13:44 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP

Subject: Re: \$3 billion welfare to work evaluation

I would be fine with knowing something by Jan 2001. There's not much to know by 99. But 2003 is too far off.

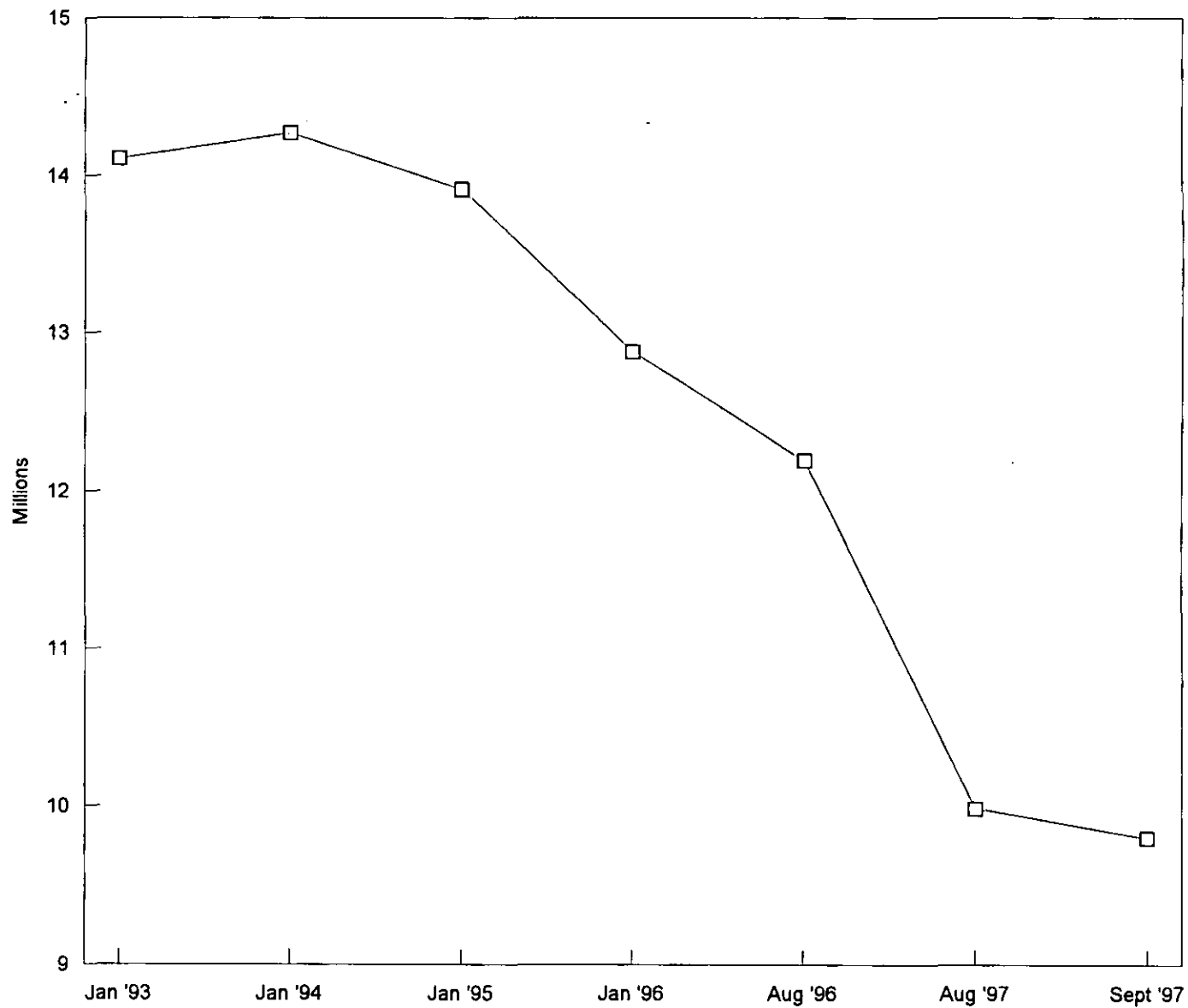
Temporary Assistance for Needy Families (TANF)  
 Source: HHS Administration for Children and Families  
 1936-1997

YEAR	RECIPIENTS	FAMILIES	YEARLY CHANGE IN RECIPIENTS	YEARLY CHANGE IN FAMILIES	PERCENT YEARLY CHANGE IN RECIPIENTS	PERCENT YEARLY CHANGE IN FAMILIES
1936	534,000	147,000				
1937	674,000	194,000	140,000	47,000	26.22%	31.97%
1938	865,000	258,000	221,000	84,000	32.79%	32.99%
1939	1,042,000	305,000	147,000	47,000	16.42%	16.22%
1940	1,182,000	349,000	140,000	44,000	13.44%	14.43%
1941	1,319,000	387,000	137,000	38,000	11.59%	10.89%
1942	1,317,000	387,000	(2,000)	0	-0.15%	0.00%
1943	1,050,000	304,000	(267,000)	(83,000)	-20.27%	-21.46%
1944	810,000	260,000	(140,000)	(44,000)	-13.33%	-14.47%
1945	607,000	259,000	(3,000)	(1,000)	-0.33%	-0.38%
1946	1,112,000	312,000	205,000	53,000	22.80%	20.46%
1947	1,394,000	393,000	282,000	81,000	25.36%	25.96%
1948	1,595,000	449,000	201,000	56,000	14.42%	14.25%
1949	1,918,000	541,000	323,000	92,000	20.25%	20.49%
1950	2,205,000	644,000	287,000	103,000	14.96%	18.04%
1951	2,134,000	621,000	(71,000)	(23,000)	-3.22%	-3.57%
1952	2,022,000	583,000	(112,000)	(38,000)	-5.25%	-6.12%
1953	1,970,000	560,000	(52,000)	(23,000)	-2.57%	-3.95%
1954	2,078,000	580,000	108,000	20,000	5.38%	3.57%
1955	2,214,000	612,000	138,000	32,000	6.65%	5.52%
1956	2,239,000	611,000	25,000	(1,000)	1.13%	-0.16%
1957	2,395,000	645,000	156,000	34,000	6.97%	5.56%
1958	2,719,000	724,000	324,000	79,000	13.53%	12.25%
1959	2,920,000	774,000	201,000	50,000	7.39%	6.91%
1960	3,005,000	787,000	85,000	13,000	2.91%	1.68%
1961	3,354,000	889,000	349,000	82,000	11.61%	10.42%
1962	3,676,000	931,000	322,000	62,000	9.60%	7.13%
1963	3,876,000	947,000	200,000	16,000	5.44%	1.72%
1964	4,118,000	992,000	242,000	45,000	6.24%	4.75%
1965	4,329,000	1,039,000	211,000	47,000	5.12%	4.74%
1966	4,513,000	1,088,000	184,000	40,000	4.25%	4.72%
1967	5,014,000	1,217,000	501,000	129,000	11.10%	11.86%
1968	5,705,000	1,410,000	691,000	193,000	13.78%	15.86%
1969	6,706,000	1,698,000	1,001,000	268,000	17.55%	20.43%
1970	8,466,000	2,208,000	1,780,000	510,000	26.25%	30.04%
1971	10,241,000	2,762,000	1,775,000	554,000	20.97%	25.09%
1972	10,947,000	3,049,000	706,000	287,000	6.89%	10.39%
1973	10,949,000	3,148,000	2,000	99,000	0.02%	3.25%
1974	10,864,000	3,230,000	(85,000)	82,000	-0.78%	2.60%
1975	11,165,185	3,498,000	301,185	268,000	2.77%	8.30%
1976	11,388,371	3,579,000	221,186	81,000	1.98%	2.32%
1977	11,129,702	3,588,000	(256,669)	9,000	-2.25%	0.25%
1978	10,671,812	3,522,000	(457,890)	(66,000)	-4.11%	-1.84%
1979	10,317,802	3,509,000	(353,910)	(13,000)	-3.32%	-0.37%
1980	10,597,445	3,642,380	279,543	133,380	2.71%	3.80%
1981	11,159,847	3,870,765	562,402	228,385	5.31%	6.27%
1982	10,430,980	3,568,781	(728,867)	(301,984)	-6.53%	-7.80%
1983	10,659,365	3,650,748	228,405	81,965	2.19%	2.30%
1984	10,885,804	3,724,864	206,239	74,118	1.93%	2.03%
1985	10,812,625	3,691,610	(52,979)	(33,254)	-0.49%	-0.89%
1986	10,996,505	3,747,531	183,880	55,921	1.70%	1.51%
1987	11,065,027	3,784,018	68,522	36,487	0.62%	0.97%
1988	10,919,898	3,747,948	(145,311)	(38,070)	-1.31%	-0.95%
1989	10,933,980	3,770,960	14,284	23,012	0.13%	0.61%
1990	11,460,382	3,974,322	526,402	203,362	4.81%	5.39%
1991	12,692,269	4,373,883	1,131,887	399,561	9.88%	10.05%
1992	13,625,342	4,768,495	1,033,073	394,612	8.20%	9.02%
1993	14,142,710	4,981,248	517,368	212,753	3.80%	4.46%
1994	14,225,591	5,046,263	82,881	65,015	0.59%	1.31%
1995	13,652,232	4,876,240	(573,359)	(170,023)	-4.03%	-3.37%
1996	12,648,859	4,553,339	(1,003,373)	(322,901)	-7.35%	-6.62%
1997 (through 9/97)	10,671,855		(1,977,004)		-15.63%	0.00%

Note: Prior to TANF, the cash assistance program to families was called Aid to Dependent Children (1936-1962) and Aid to Families with

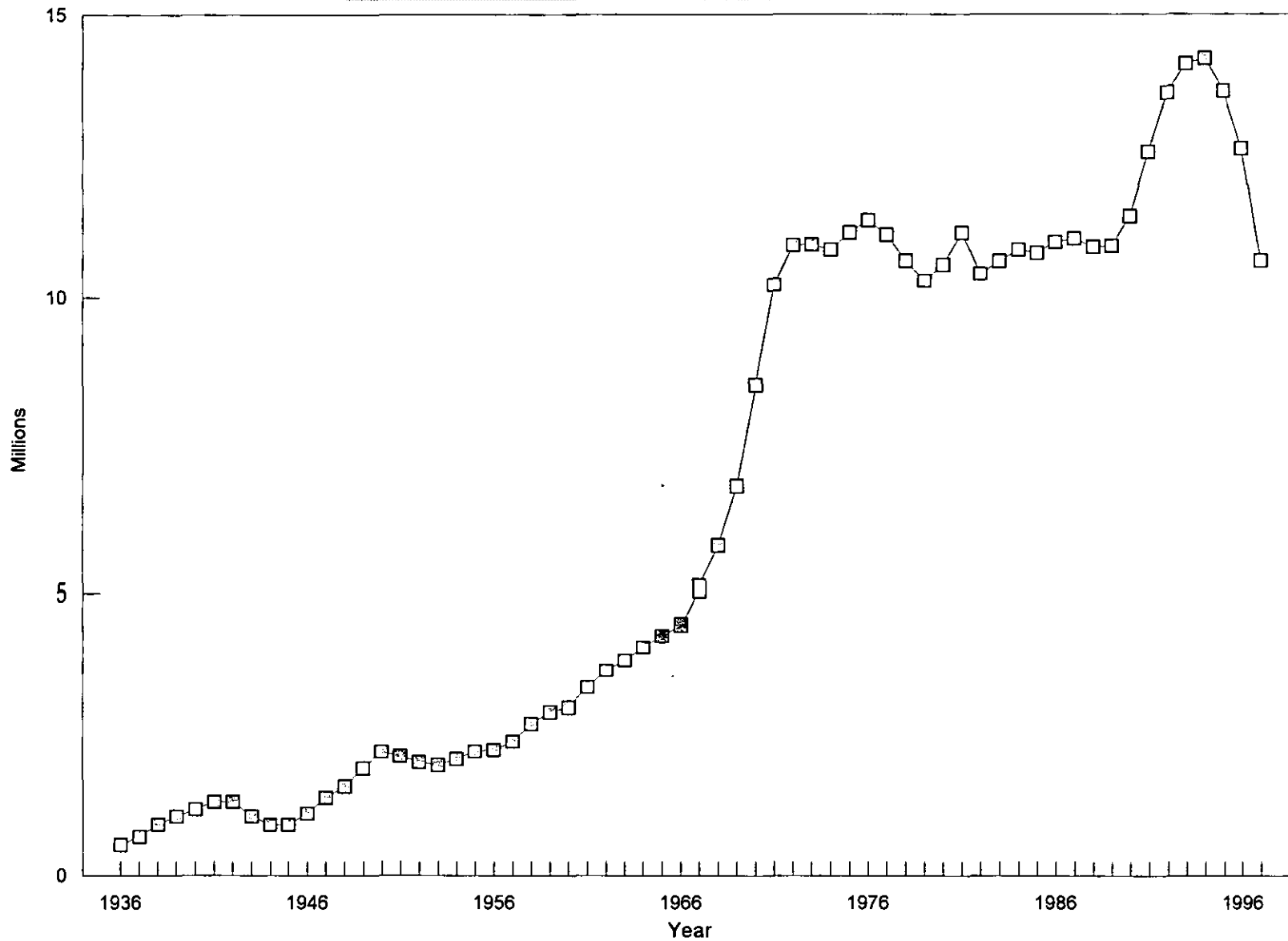
Jan '97	11,360,000	
Feb '97	11,262,000	
Mar '97	11,156,000	
April '97	10,969,000	
May '97	10,748,000	
June '97	10,494,000	
July '97	10,258,000	
Aug '97	9,995,318	
Sept '97	9,804,373	
Aver monthly	10,671,855	
Jan '93	14,115,000	
Jan '94	14,276,000	
Jan '95	13,918,000	
Jan '96	12,877,000	
Aug '96	12,202,000	
Aug '97	9,995,318	
Sept '97	9,804,373	
Drop from 8/96-8/97	(2,206,682)	
% Drop	-18.08%	
Sept '96	12,003,000	
Drop from 8/96-9/96	(2,198,627)	
% Drop	-18.32%	
Drop from 1/93-8/97	(1,913,000)	
Drop from 1/93-9/97	(2,112,000)	2,112,000
Drop from 8/96-9/97	(2,198,627)	2,198,627
Drop from 1/93-9/97	(4,310,627)	

## Welfare Caseloads in the Clinton Administration



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

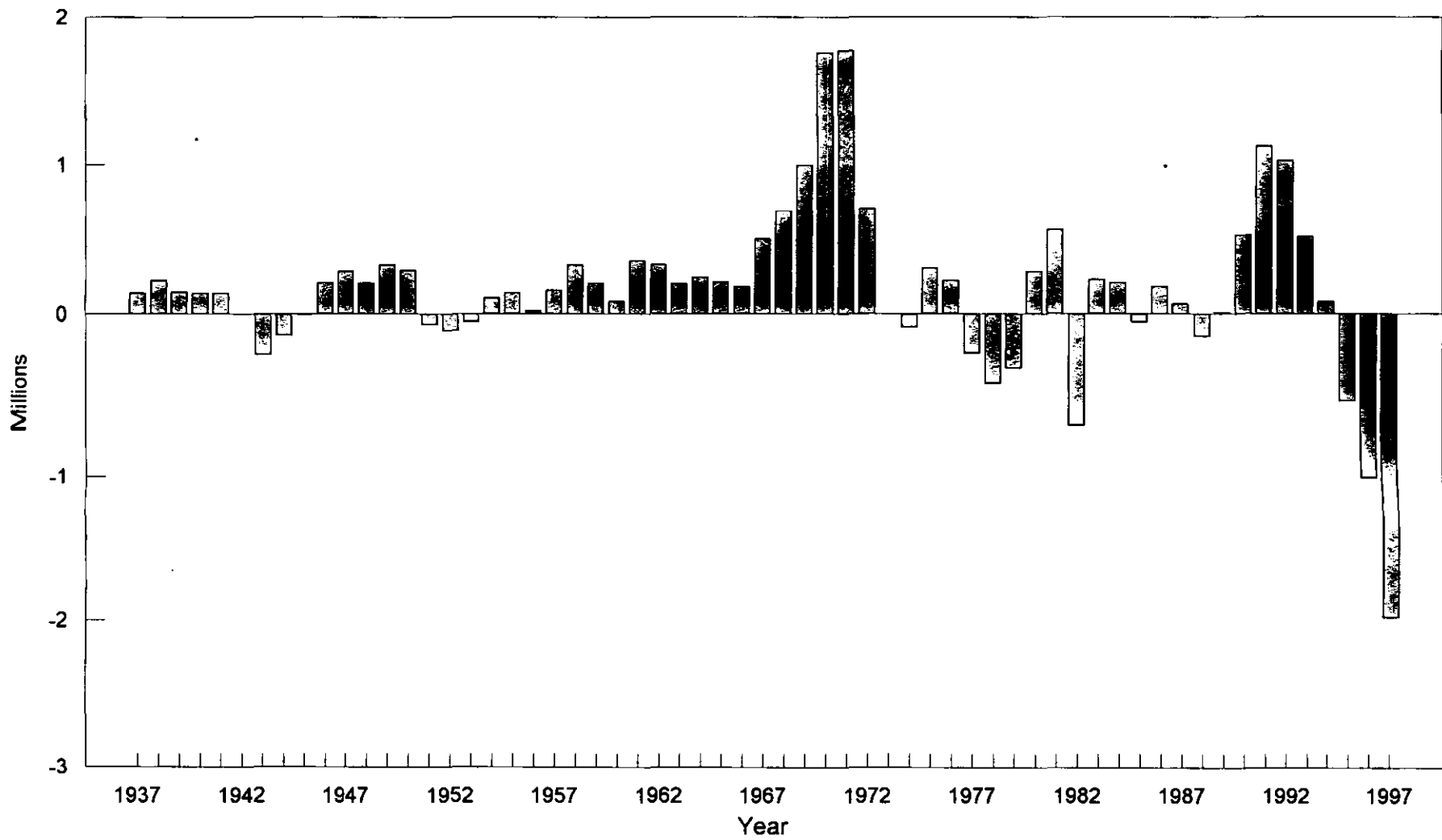
# Welfare Caseloads, 1936-1997



Source: U.S. Department of Health and Human Services  
1997 data is for January - September. Based on comparison of average monthly data for each year.

# Change in Welfare Caseloads

1936-1997

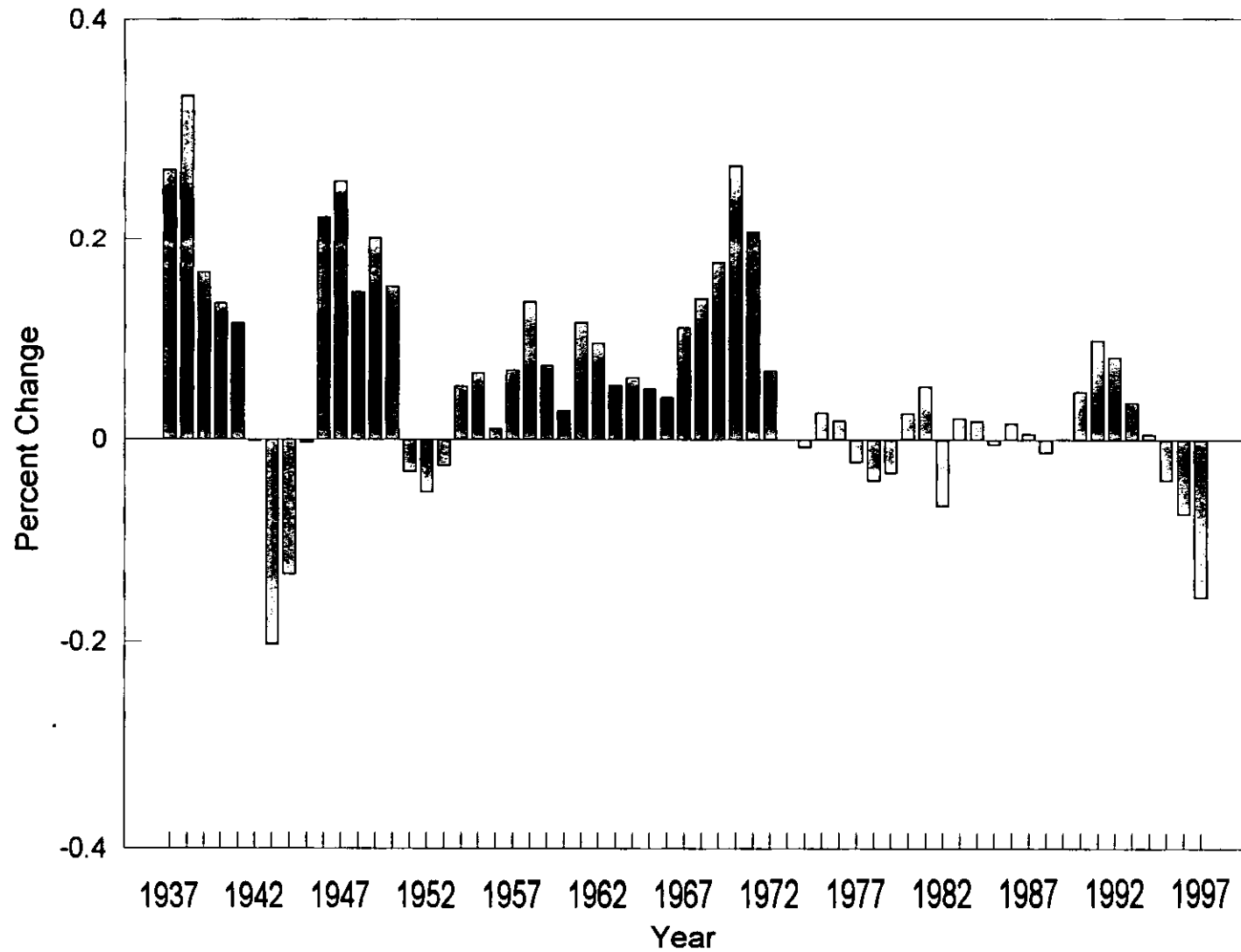


Source: U.S. Department of Health and Human Services  
 1997 data is for January - September. Based on comparison of average monthly data for each year.



# Percent Change in Welfare Caseloads

1936-1997



Source: U.S. Department of Health and Human Services  
1997 data are through September. Based on comparison of average monthly data for each year.

Andrea Kane

Record Type: Record

To: Elizabeth R. Newman/WHO/EOP

cc: Cynthia A. Rice/OPD/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

Subject: Welfare Caseload Q&As

Here are Q&As for NY Times story this morning on welfare caseload reductions. We're also bringing over (1) an historical chart showing caseloads back to 1971 and (2) tables with most recent state-by-state caseloads (August 1997). The chart and tables can get handed out, the Q&As are internal. My number is 6-5573 if you have questions.



welq&a12.wp

## **Welfare Caseloads**

**January 21, 1998**  
**Internal Questions & Answers**

### **Welfare Caseloads**

**1. Today The New York Times reported that welfare caseloads have fallen below 10 million--is this story correct?**

Yes, we have more evidence that welfare reform is working -- the number of Americans on welfare has fallen below 10 million people for the first time since February 1971. The new numbers, from August 1997, show the rolls declined by 2.2 million (or 18 percent) in the year following the President's signing of welfare reform into law, for a drop of 4.1 million (or 29 percent) since the President took office. Since 1993, 49 out of 50 states have lowered their welfare rolls -- 22 states by 40 percent or more. This is the largest caseload decline in history: in no other comparable time period have as many people come off the welfare rolls.

**2. Even with the good economy, some people are concerned that there won't be enough jobs for all the welfare recipients who need work. Is the President concerned about this issue?**

Right now, the nation's jobless rate is at its lowest level in a generation. We've created more than 14 million jobs since this Administration took office -- 370,000 in December alone -- more than enough jobs for all the individuals leaving welfare.

But to make sure there will be enough jobs in every area of the country, the President fought for and won a \$3 billion welfare-to-work fund in the Balanced Budget Act targeted specifically to high unemployment and high poverty areas where jobs may be scarce. He has also challenged companies all across the nation to hire welfare recipients -- over 2,500 have agreed so far -- and have committed the federal government to hire its fair share of workers from the welfare rolls.

[Note: The economy created 370,000 new jobs in December, about six times the approximately 60,000 adults who leave welfare each month (each adult leaving welfare typically brings two children off the rolls, for a monthly decline of roughly 180,000 people).]

**3. The President has said "We know now that welfare reform works." Can you tell us why he says so? Although the welfare rolls have gone down, isn't that due to the economy and harsh new rules like time limits?**

Welfare caseloads are the best measure we have right now of the success of welfare reform. The President asked the Council of Economic Advisors to look at the role of the economy in reducing the welfare rolls, and they attributed about 40 percent of the decline to the strong economic growth, about one-third to the welfare reform waivers we granted, and the rest to other factors -- such as our decisions to increase the Earned Income Tax Credit, strengthen child support enforcement, and increase funding for child care.

Not enough time has passed for full scale research studies to be completed to tell us what recipients are doing once they leave the rolls, but we do know that almost all have left the rolls voluntarily, since very few time limits of any kind have gone into effect yet. Preliminary studies show that most people are leaving welfare for work, and I think even welfare reform critics have been pleasantly surprised by the progress so far.

We are very happy that the new welfare law is off to such a good start, and we will continue to work aggressively to move even more people from welfare to work through new commitments from the private sector and new child care, transportation, and welfare to work housing voucher proposals.



Cynthia A. Rice

01/14/98 06:23:31 PM

Record Type: Record

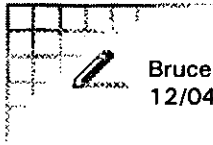
To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Characterizing the new welfare caseloads

How's this? I'm going to look at more historical comparisons, too, but what do you think of this as a start?

Today the President announced that he's met -- two years ahead of schedule -- the goal he set in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The President released new figures showing that the number of Americans on welfare has fallen by 30 percent since he took office and is below 10 million people for the first time since 1970. There are now 4.3 million fewer people on welfare than when the President took office and began to grant waivers to 43 states to reform welfare and 2.4 million fewer than when he made welfare reform the law of the land. (The welfare rolls fell from 14.1 million in January 1993 to 12.2 in August 1996 to 9.8 million in September 1997, the new numbers released today.)



Bruce N. Reed  
12/04/97 10:48:25 PM

Record Type: Record

To: Sylvia M. Mathews/WHO/EOP  
cc: Cynthia A. Rice/OPD/EOP, Elena Kagan/OPD/EOP  
Subject: Welfare announcements

Thanks for your note about whether we were making any welfare announcements this month. We would very much like to do a radio address on welfare reform on the 13th, 20th, or 27th, to announce new caseload numbers on the first full year of the welfare reform bill (likely to show record 2 million drop in one year, record 4 million overall since we took office). In the 1997 SOTU, the President set a goal for his second term of moving 2 million people off welfare. We've virtually met that whole goal in the first year.

The HUD announcement on welfare to work grants for public housing would be a great addition to that radio address -- more evidence that we're doing everything we can to help welfare reform succeed.

Wp - statistics



Cynthia A. Rice

12/03/97 01:28:34 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc:  
Subject: Re: State FY '97 welfare and child care spending

Let me clarify something I wrote:

The federal funds to each state were capped at a certain amount, starting 10/1/96. However, spending before a state began its TANF plan is not considered "TANF spending" and is therefore not on these charts.

For example, Colorado began its TANF plan on July 1. Thus, the federal funds it received between 10/1/96-6/30/97 are not shown on this chart. The 0% shown for Colorado on this chart therefore means that the state did not draw down any federal TANF funds between 7/1/97-9/30/97. Thus, this chart does represent the pro-rated spending since states joined TANF. HHS will add a footnote to that effect before they distribute it (which I've said they can go ahead and do). When they have more complete information, they will also produce a chart showing total federal spending in FY '97 (including the spending before states began their TANF plans).

Cynthia A. Rice



Cynthia A. Rice

12/02/97 01:13:50 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc: Records Management  
Subject: Re: State FY '97 welfare and child care spending

You're right about the importance of MOE-- we don't have that information yet, but we should have it by the end of the month (states will report it as part of their quarterly reports which were due in mid-November but which they can submit as late as Dec. 31st without penalty).

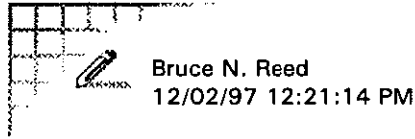
However, the block grant was not pro-rated. Even though states began their TANF plans at different times during FY 1997, financially they were subject to the block grant for the whole fiscal year starting 10/1/96.

HHS says the D.C. at 0% is a real number -- although I'm having them check it again. These are Treasury reported data, showing how much money the states and D.C. actually drew down from the Treasury, so it can't be a state reporting error.


HHS is getting back to me tomorrow with answers to a few more questions. Then, they'd like us

to give them the okay to give copies to interested parties (GAO, APWA, NGA, NCSL, possibly the Hill). They don't intend to play it up.

Bruce N. Reed



Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc:  
Subject: Re: State FY '97 welfare and child care spending 

These numbers don't tell you much about TANF unless you know the overall state spending, because presumably states would spend their full MOE first (which they have to spend) and only what they had to from TANF (since they can save the rest for later). Also, didn't most states get prorated shares for FY97, rather than the full amount? How did DC manage to spend 0%?  
Cynthia A. Rice



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: State FY '97 welfare and child care spending

HHS has sent me tables showing how much each state has spent of its federal TANF and child care block grants. HHS intends to make these data public this week (by providing copies to GAO and APWA which have requested them). I will send you all copies. I don't see anything reason for us to orchestrate the release -- do you? Here's a quick summary:

FY '97 TANF Spending: Most states have spent shockingly little of their FY 1997 federal TANF block grants, perhaps because caseloads have fallen so much. On average, states spent 72% of their FY 1997 block grant in FY '97:

- 1 state (NM) spent 100% of its FY 1997 block grant in FY '97.
- 3 states (CT, IL, and NC) spent between 90% and 100%.
- 9 states (AZ, HI, IA, KY, MA, NH, OR, SC, VT) spent between 80% and 90%.
- 11 states (CA, DE, FL, GA, ME, MO, MS, NJ, TX, UT, WA) spent bet. 70% and 80%.
- 19 states spent between 40% and 70%
- 7 states plus D.C. (AR, CO, ID, IN, ND, WV, WY) spent less than 40%, including Idaho at 18%, Wyoming at 14% and Colorado & D.C. at 0% (I'm checking this out).

The data show how much of the federal funds states spent, not how much of their own state funds they spent as MOE. Because states may reserve federal funds for future years, they have an incentive to use only what they need. Thus, this could mean that states are saving for a rainy day; or it could mean that they are not investing in welfare to work.



An unrelated survey by the National Conference of State Legislatures asked states about planned state MOE spending in FY '98 found that most states planned to spend enough state dollars to qualify for their entire federal block grant (which could be saved for later years). Of the 44 states that responded, 35 planned to spend at least 80% of historic state spending, guaranteeing them their entire federal block grant, and 9 states plan to spend between 75 and 80 percent (which, if they meet the work rates, will be enough to get their entire block grant).

FY '97 Child Care Spending: There are two ways to look at the child care data. One is that states obligated (spent or legally committed to spend) 99.8% of the FY '97 mandatory and matching funds -- these are funds which must be spent in FY '97 or they will be distributed to other states (only ID, MS, and NH fell below the mark). However, when mandatory, matching, and discretionary funds are combined, states spent only 72% of FY '97 funds. States have up to an additional year to spend discretionary funds. I assume folks at HHS are thinking about the best way to describe this in the context of our new child care proposal.

Message Copied To:

Jennifer L. Klein/OPD/EOP  
Diana Fortuna/OPD/EOP  
Andrea Kane/OPD/EOP  
Emily Bromberg/WHO/EOP  
Keith J. Fontenot/OMB/EOP

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Emily Bromberg/WHO/EOP  
Keith J. Fontenot/OMB/EOP

Wp - statistics



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12/02/97 03:59:08 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP  
Subject: CEA uncovered reporting errors in latest caseload numbers

Sandy Korenman of CEA uncovered some state reporting errors in the July caseload numbers. California reported too many families on TANF for July (the number of recipients was right) -- although we didn't release state-by-state numbers for families, this California error made the overall number of families reported for July too high and thus understated the decline in number of families on TANF.

Also due to reporting errors, the number of recipients in Colorado was actually higher than we reported and NJ was lower (see below). We're still getting the details. I doubt these changes affect the overall number -- i.e., down over 3.8 million since 1993, 1.9 million since last August -- since we were "over" 40,000-50,000 on each. In fact, given that NJ's caseload is four times that of Colorado's (253,700 vs. 60,056) and we over-reported NJ and underreported CO, the corrections may result in a slightly larger decline in caseloads than we reported.

----- Forwarded by Cynthia A. Rice/OPD/EOP on 12/02/97 03:16 PM -----

Sanders D. Korenman  
12/02/97 02:04:39 PM

Record Type: Record

To: Rebecca M. Blank/CEA/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP, Maria J. Hanratty/CEA/EOP  
cc:  
Subject: errors in latest caseload numbers

To follow up on my earlier message:

I spoke with Howard Rolston today about the strange difference in the changes in the number of families vs. number of recipients in the latest numbers. As expected, the source is reporting errors. Howard doesn't have the final analysis, but the story is something like the following. California's numbers for families are incorrect due to the reporting of all families rather than those getting \$10 or more in benefits. The number of recipients is correct. There were also problems with NJ and CO. NJ's problems relate to de-linking Medicaid and TANF. I believe as a result CO's reciprocity decline is overstated and NJ's is understated.

-----  
Sandy's earlier message said:

There are couple of odd things you may or may not be aware of in the July welfare numbers on ACF's page. I spoke with Howard Rolston about them this morning, who is looking into them .

The decline in the number of recipients from June to July is about 240,000, which is in line with recent months, and indicates no slowing in the caseload reduction...in fact, a constant monthly decline indicates acceleration in the rate of decline since the base is falling. But the reduction in the number of families between June and July is too low to support the recipient decline...only about 40,000. This would mean the average family size of families leaving is 6, compared to the overall average size of just under 3. While it is theoretically possible for this to be "real" (for example, states may be motivated to move two-parent families off TANF due to work requirements), it more likely reflects an error of some sort.

The other issue is that some of the column headings in tables on the ACF web page are incorrect...for example, the same numbers appear under columns headed "April 97" and "July 97" in different tables. These mistakes are pretty easy to figure out, however.



Cynthia A. Rice

12/01/97 05:30:24 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Jennifer L. Klein/OPD/EOP  
 cc: Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP, Emily Bromberg/WHO/EOP, Keith J. Fontenot/OMB/EOP  
 Subject: State FY '97 welfare and child care spending

HHS has sent me tables showing how much each state has spent of its federal TANF and child care block grants. HHS intends to make these data public this week (by providing copies to GAO and APWA which have requested them). I will send you all copies. I don't see anything reason for us to orchestrate the release -- do you? Here's a quick summary:

FY '97 TANF Spending: Most states have spent shockingly little of their FY 1997 federal TANF block grants, perhaps because caseloads have fallen so much. On average, states spent 72% of their FY 1997 block grant in FY '97:

- 1 state (NM) spent 100% of its FY 1997 block grant in FY '97.
- 3 states (CT, IL, and NC) spent between 90% and 100%.
- 9 states (AZ, HI, IA, KY, MA, NH, OR, SC, VT) spent between 80% and 90%.
- 11 states (CA, DE, FL, GA, ME, MO, MS, NJ, TX, UT, WA) spent bet. 70% and 80%.
- 19 states spent between 40% and 70%
- 7 states plus D.C. (AR, CO, ID, IN, ND, WV, WY) spent less than 40%, including Idaho at 18%, Wyoming at 14% and Colorado & D.C. at 0% (I'm checking this out).

The data show how much of the federal funds states spent, not how much of their own state funds they spent as MOE. Because states may reserve federal funds for future years, they have an incentive to use only what they need. Thus, this could mean that states are saving for a rainy day; or it could mean that they are not investing in welfare to work.

An unrelated survey by the National Conference of State Legislatures asked states about planned state MOE spending in FY '98 found that most states planned to spend enough state dollars to qualify for their entire federal block grant (which could be saved for later years). Of the 44 states that responded, 35 planned to spend at least 80% of historic state spending, guaranteeing them their entire federal block grant, and 9 states plan to spend between 75 and 80 percent (which, if they meet the work rates, will be enough to get their entire block grant).

FY '97 Child Care Spending: There are two ways to look at the child care data. One is that states obligated (spent or legally committed to spend) 99.8% of the FY '97 mandatory and matching funds -- these are funds which must be spent in FY '97 or they will be distributed to other states (only ID, MS, and NH fell below the mark). However, when mandatory, matching, and discretionary funds are combined, states spent only 72% of FY '97 funds. States have up to an additional year to spend discretionary funds. I assume folks at HHS are thinking about the best way to describe this in the context of our new child care proposal.

## ADMINISTRATION FOR CHILDREN AND FAMILIES EXPLANATION OF OBLIGATION AND OUTLAY TABLES

### Obligation/Outlay Status of FY97 TANF Funds:

This table shows the status of FY 1997 TANF funds by State as of September 30, 1997. The column entitled "Federal Obligations" represents the total grant awards issued by the Administration for Children and Families to States for FY 1997. The third column entitled "Outlays" represents the cash drawdown of grant awards by States (also referred to as "disbursements") as reported by the HHS Payment Management System (PMS). The fourth column entitled "% Outlaid" represents the percentage of the total grant award that a State has drawn down. Outlays differ from actual expenditures made by States, which will be reported separately on the ACF-196 financial report. As specified by statute, TANF funds granted to States for a fiscal year are available until expended and thus may be reserved for future fiscal years.

### Obligation/Outlay Status of FY97 Child Care & Development Funds:

This table shows the status of FY 1997 CCDF funds by State. The left section of the table shows Federal Obligations and Outlays (as defined above) as of September 30, 1997 for all three components of the CCDF: the Mandatory and Matching Funds, as well as the \$19 million in Discretionary Funds appropriated for FY 1997. Discretionary Funds are included in the Federal Obligation and Outlay columns because States did not differentiate between the three funding sources when reporting outlays to PMS. Since outlays for the Mandatory and Matching funds alone could not be identified, all three funding sources are included for comparability purposes. For all three parts of the CCDF, States have at least one year beyond the first year of the grant award to expend (liquidate) funds.

The right section of the table shows Federal and State Obligations for the Mandatory and Matching Funds only. The column entitled "State Obligations" represent amounts obligated by States from their Mandatory and Matching Funds, as reported on the ACF 696 financial report. State obligations reflect the amount of binding contracts and agreements which will require the State to make an expenditure and outlay at some later time. The fourth column entitled "% Obligated" represents the percentage of the total grant award that a State has obligated. For those States receiving Matching Funds, both Mandatory and Matching Funds must be obligated by the end of the first year of the grant award. Matching Funds not obligated by States by the end of the first year of the grant award are reallocated to other States.

## OBLIGATION/OUTLAY STATUS OF FY97 TANF FUNDS As of September 30, 1997

STATE	FEDERAL OBLIGATIONS (GRANT AWARDS)	OUTLAYS	% OUTLAID
AK	18,759,063	12,785,918	68.2%
AL	81,313,004	56,401,923	69.4%
AR	19,936,461	7,515,108	37.7%
AZ	222,419,988	191,340,118	86.0%
CA	3,147,715,829	2,502,923,453	79.5%
CO	45,627,939	0	0.0%
CT	266,788,107	242,672,414	91.0%
DC	61,048,692	0	0.0%
DE	14,364,516	11,045,570	75.8%
FL	562,340,120	419,762,373	74.6%
GA	254,339,628	202,690,272	79.7%
HI	28,631,202	23,845,694	83.3%
IA	105,169,272	89,644,313	85.2%
ID	10,600,557	1,878,530	17.7%
IL	134,004,829	129,004,829	96.3%
IN	206,799,109	72,773,531	35.2%
KS	101,931,061	57,480,098	56.4%
KY	170,006,205	148,525,190	87.4%
LA	139,757,495	68,679,724	49.1%
MA	459,371,116	397,322,279	86.5%
MD	183,017,827	114,880,839	62.8%
ME	72,476,874	56,741,860	78.3%
MI	775,352,858	536,270,207	69.2%
MN	111,835,618	44,842,180	40.1%
MO	187,838,524	134,287,863	71.5%
MS	86,767,578	66,144,357	76.2%
MT	31,784,030	18,923,497	59.5%
NC	225,973,410	206,625,422	91.4%
ND	11,066,221	3,106,922	28.1%
NE	49,340,853	25,182,511	51.0%
NH	38,521,261	33,670,378	87.4%
NJ	293,107,525	207,264,333	70.7%
NM	31,991,934	31,991,934	100.0%
NV	34,008,078	22,572,015	66.4%
NY	1,982,294,198	1,353,033,317	68.3%
OH	727,968,260	486,665,134	66.9%
OK	148,013,558	90,669,957	61.3%
OR	167,808,448	145,772,362	86.9%
PA	418,343,381	249,915,633	59.7%
RI	46,025,651	26,180,318	56.9%
SC	93,872,849	77,233,494	82.3%
SD	18,759,543	11,537,251	61.5%
TN	191,523,797	120,396,945	62.9%
TX	431,610,974	322,606,743	74.7%
UT	76,829,219	58,090,502	75.6%
VA	114,733,567	73,777,187	64.3%
VT	47,353,181	41,717,782	88.1%
WA	289,298,269	220,549,307	76.2%
WI	318,139,462	179,618,467	56.5%
WV	82,155,212	31,128,527	37.9%
WY	19,215,579	2,603,712	13.6%
TERR	44,519,238	9,607,075	21.6%
TOTAL	13,402,691,570	9,639,899,368	71.9%

NOTE: Outlays represent cash drawdowns of grant awards as reported by the Payment Management System (PMS). Totals do not include Tribal funds.

# OBLIGATION/OUTLAY STATUS OF FY97 CHILD CARE & DEVELOPMENT FUNDS

As of September 30, 1997

<i>TOTAL CCDF 1/</i>			
STATE	FEDERAL OBLIGATIONS (GRANT AWARDS)	OUTLAYS	% OUTLAI
AL	27,926,853	18,329,649	65.6%
AK	5,610,115	4,720,799	84.1%
AZ	33,009,317	31,453,685	95.3%
AR	12,156,237	5,743,278	47.2%
CA	191,419,162	83,686,052	43.7%
CO	20,670,842	9,904,849	47.9%
CT	27,436,190	23,353,949	85.1%
DC	6,045,074	0	0.0%
DE	7,120,013	6,261,946	87.9%
FL	79,950,897	55,649,835	69.6%
GA	57,341,557	45,336,879	79.1%
HI	8,614,735	8,356,481	97.0%
ID	6,458,213	3,397,358	52.6%
IL	93,357,853	72,796,280	78.0%
IN	41,822,487	32,535,258	77.8%
IA	16,353,592	10,866,603	66.4%
KS	17,133,537	15,581,573	90.9%
KY	26,909,331	22,171,508	82.4%
LA	27,090,865	14,605,828	53.9%
ME	6,327,589	4,186,601	66.2%
MD	37,221,533	28,576,145	76.8%
MA	60,625,908	44,930,622	74.1%
MI	58,858,804	58,858,804	100.0%
MN	36,489,141	24,192,624	66.3%
MS	14,382,687	6,818,062	47.4%
MO	39,275,586	27,634,777	70.4%
MT	5,623,488	3,381,476	60.1%
NE	15,983,845	11,937,142	74.7%
NV	6,957,737	2,276,531	32.7%
NH	8,203,100	7,607,314	92.7%
NJ	52,995,377	45,128,630	85.2%
NM	14,097,126	14,097,126	100.0%
NY	154,582,535	63,626,914	41.2%
NC	89,130,000	86,195,818	96.7%
ND	4,271,224	1,504,161	35.2%
OH	100,676,759	96,242,949	95.6%
OK	34,196,929	33,005,422	96.5%
OR	27,789,219	25,078,034	90.2%
PA	86,275,355	54,490,569	63.2%
RJ	9,211,348	8,454,520	91.8%
SC	20,020,772	16,610,181	83.0%
SD	3,866,368	3,090,306	79.9%
TN	51,658,408	51,658,408	100.0%
TX	118,659,031	87,026,560	73.3%
UT	19,608,284	19,140,224	97.6%
VT	5,699,454	4,977,134	87.3%
VA	38,749,634	25,884,423	66.8%
WA	57,071,362	44,734,934	78.4%
WV	13,120,981	6,049,528	46.1%
WI	38,656,278	29,383,686	76.0%
WY	4,193,464	1,759,249	42.0%
TERR	573,904	13,363	2.3%
<b>TOTAL</b>	<b>\$1,941,480,100</b>	<b>\$1,403,304,049</b>	<b>72.3%</b>

<i>MANDATORY &amp; MATCHING FUNDS 2/</i>			
STATE	FEDERAL OBLIGATIONS (GRANT AWARDS)	STATE OBLIGATIONS	% OBLIGATED
AL	27,538,930	27,538,930	100.0%
AK			
AZ	32,654,444	32,654,444	100.0%
AR	11,928,191	11,928,191	100.0%
CA	189,109,829	189,109,829	100.0%
CO	20,458,829	20,458,829	100.0%
CT	27,297,695	27,297,695	100.0%
DC			
DE	7,079,533	7,079,533	100.0%
FL	78,991,515	78,991,515	100.0%
GA	56,725,095	56,725,095	100.0%
HI	8,544,528	8,544,528	100.0%
ID	6,360,048	3,809,277	59.9%
IL	92,635,041	92,635,041	100.0%
IN			
IA	16,176,667	16,176,667	100.0%
KS			
KY	26,565,371	26,565,371	100.0%
LA	26,579,410	26,579,410	100.0%
ME			
MD	36,968,426	36,968,426	100.0%
MA	60,349,955	60,349,955	100.0%
MI			
MN	36,230,665	36,230,665	100.0%
MS	14,049,912	13,624,205	97.0%
MO	38,926,173	38,926,173	100.0%
MT	5,561,904	5,561,904	100.0%
NE			
NV			
NH	8,153,892	7,338,226	90.0%
NJ	52,638,058	52,638,058	100.0%
NM	13,916,036	13,916,036	100.0%
NY	153,480,403	153,480,403	100.0%
NC	88,590,381	88,590,381	100.0%
ND	4,226,635	4,226,635	100.0%
OH	100,003,527	100,003,527	100.0%
OK	33,904,916	33,904,916	100.0%
OR	27,598,040	27,598,040	100.0%
PA	85,648,280	85,648,280	100.0%
RI	9,159,194	9,159,194	100.0%
SC	19,673,401	19,673,401	100.0%
SD	3,805,883	3,805,883	100.0%
TN			
TX	116,877,750	116,877,750	100.0%
UT			
VT			
VA	38,380,459	38,380,459	100.0%
WA	56,766,466	56,766,466	100.0%
WV	12,973,006	12,973,006	100.0%
WI	38,370,188	38,370,188	100.0%
WY	4,162,276	4,162,276	100.0%
<b>TOTAL</b>	<b>\$1,689,060,952</b>	<b>\$1,685,268,808</b>	<b>99.8%</b>

1/ Includes grant awards and outlays from Mandatory & Matching Funds, as well as the \$19 million in Discretionary Funds for FY97. Outlays represent cash drawdown of grant awards as reported by the Payment Management System (PMS). When reporting to PMS, States did not differentiate between outlays from the three funding sources of the CCDF. For all three parts of the CCDF, States have at least one year beyond the year of the grant award to liquidate funds.

2/ Based on State financial reports received to date (40). State obligations represents amounts obligated by States from their Mandatory & Matching Funds. Matching Funds not obligated by States during the year of the grant award are reallocated to other States.

# U.S. Funds From Overhaul of Welfare Fatten States

By DANA MILBANK

Staff Reporter of THE WALL STREET JOURNAL

Federal welfare overhaul is producing big benefits for one not-so-needy group: the nation's states.

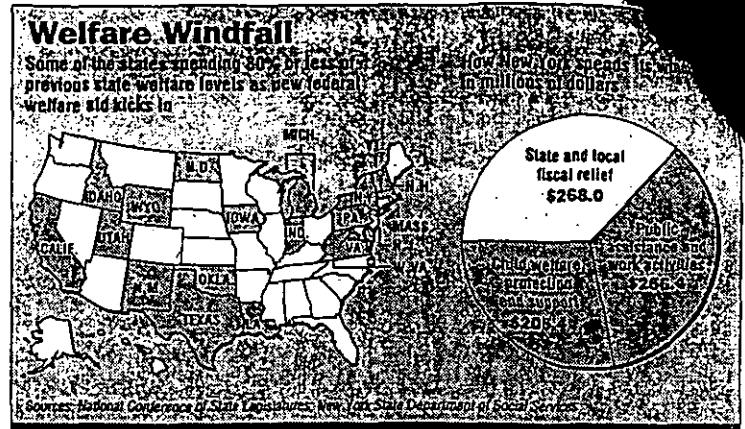
With welfare rolls down, many states are taking advantage of federal welfare aid to cut their own spending and use the funds to help pay for tax cuts and other popular projects. The falling rolls have given the states a windfall of \$3 billion to \$4 billion, says Jack Tweedie, welfare analyst for the National Conference of State Legislatures. And they are free to spend about \$2 billion of that in areas unrelated to poverty if they wish.

As states send the first accounting of their compliance with new welfare requirements to Washington today, it appears many have dropped their own welfare spending to a level at or near the minimum allowed by law. Only a handful are still spending as much of their own money as they had before the federal-law changes, which were designed to get people off welfare and into jobs.

The new federal welfare grants to states, known as Temporary Assistance for Needy Families, or TANF, total \$16.5 billion a year and are based on peak caseloads. But because welfare rolls are off 25% from those peak levels, states are getting a windfall. Some of the money is being used to expand child care, job programs and a variety of initiatives. But the windfall is also being used to displace states' own welfare outlays. "Welfare reform has become, in part, fiscal relief for the states," says Ed Lazere, an analyst with the Center on Budget and Policy Priorities in Washington.

According to a new study by the National Conference of State Legislatures, 20 of the 44 states surveyed are spending 80% or less of the amount they previously spent on welfare. The federal welfare law, enacted last year, allows states to reduce their own spending, or "maintenance of effort," to 75% or 80% of past levels, depending on caseload reductions. Only five are spending at or above prior totals. Using a Surplus

The larger the state and the larger its caseload decline, the more extra money it has to put to nonwelfare uses. New York, which has dropped its welfare spending to 75% of previous levels, plans to use \$268 million of surplus welfare funds for what it calls "state and local fiscal relief."



Texas, according to an analysis by the Austin-based Center for Public Policy Priorities, is siphoning off \$152 million of federal welfare funds for other purposes; the state quarrels with that analysis but acknowledges it has dropped its own spending to 80% of previous levels. Ohio's human-services director, Arnold Tompkins, says earlier welfare savings contributed as much as \$200 million toward a state income-tax cut.

Even Wisconsin, widely regarded as a state willing to spend to make welfare changes work, dropped its "maintenance of effort" to the minimum 75% of previous levels, freeing some \$60 million for other uses. "We feel we're appropriately investing in the program," says Jean Rogers, who runs Wisconsin's welfare-to-work program.

States, of course, would have cut their own spending as rolls fell even if Washington had not changed the rules. Also, despite the cuts in state funding, the federal windfall is large enough that per-capita spending on welfare-related services has risen virtually everywhere. As a result, states say, they have enough funds for innovative new public-assistance efforts while boosting state reserves at the same time.

### More Funds for Child Care

New Jersey has enough surplus to spend \$100 million more than it would have spent on an equivalent welfare population under the old law — while still putting aside another \$100 million for other state uses.

New Jersey has extended postwelfare child care to two years from one year, and boosted spending on teaching English to immigrants, vocational training and feeder routes to public buses. "If you're going to reform welfare, you've got to spend more on clients," says William Waldman, the human-services commissioner.

But even with the increased services, the states are using the new federal welfare law as a cash cow. A spokesman for the U.S. Health and Human Services Department, to which the states will submit their accounting, says it's "probably the case" that states aren't spending much more than the minimum needed to avoid federal penalties.

The law generally requires the federal TANF funds to be used for welfare and not such things as roads or prisons. But it also allows states to convert a small percentage of this money into federal grants classified for use on more general social services. Mr. Lazere says states sometimes use these transfers to save on what they otherwise would spend on these services.

It is difficult to track this money directly because the savings simply wind up in a state's general fund. Mr. Lazere says Connecticut transferred \$24 million from its TANF block grant into its social services block grant and then withdrew an equivalent amount from its social services, spending to return to its general fund. A spokeswoman for the state's welfare agency says she doesn't know the specifics of the transfer, but concedes, "We have used the federal dollars to replace state dollars that had been funding programs for kids."

### 'Rainy Day Fund'

Ohio has used its federal surplus to invest \$75 million in a "Human Services Rainy Day Fund," and it is one of the few states to increase cash welfare benefits — by 6%. It also has extra funds for new training programs and other welfare-related areas. But even after these increases, dropping its welfare spending to 80% of previous levels has freed up about \$100 million for other state uses, most likely education, Mr. Tompkins says.

In Wisconsin, the spending per welfare family climbed to \$15,000 this year from \$12,000 in 1996 — even as the state's welfare spending, reflecting the falling caseload, dropped to 75% of levels earlier in the decade. Wisconsin has used its windfall to intensify its case management by assigning welfare workers fewer families.

But spending more than it already does on welfare, says Ms. Rogers, would be wasteful. "The key in being fiscally responsible," she says, "is to spend enough

THE WALL STREET JOURNAL  
FRIDAY, NOVEMBER 14, 1997



# State MOE Spending for the TANF Block Grant FY98

## States at or over 100% MOE

Nebraska  
Arkansas  
Mississippi  
Kentucky  
South Dakota

## States between 90 and 99% MOE

Kansas  
Hawaii  
Tennessee  
Florida  
Georgia  
Minnesota  
Arizona

## States between 81% and 89% MOE

Delaware  
Illinois  
Connecticut  
Nevada  
Washington  
Maryland  
Rhode Island  
Maine  
Montana  
Alaska  
Alabama  
Colorado

## States between 76% and 80% MOE

Texas  
California  
Louisiana  
North Dakota  
Iowa  
Idaho  
Wyoming  
New York  
Vermont  
Massachusetts  
Pennsylvania

# **State MOE Spending for the TANF Block Grant FY98**

## **States at 75% MOE**

**West Virginia  
Michigan  
Virginia  
Oklahoma  
Indiana  
New Hampshire  
New Jersey  
New Mexico  
Utah**

## **States that have not yet responded to survey**

**District of Columbia  
Missouri  
North Carolina  
Ohio  
Oregon  
South Carolina  
Wisconsin  
Puerto Rico**

**Information from a survey by the National Conference  
of State Legislatures**

WP - statistics



Cynthia A. Rice

12/02/97 01:14:57 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP  
cc: Andrea Kane/OPD/EOP  
Subject: Re: State FY '97 welfare and child care spending

Good point from Andrea

----- Forwarded by Cynthia A. Rice/OPD/EOP on 12/02/97 01:17 PM -----

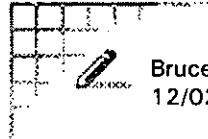


Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
cc:  
Subject: Re: State FY '97 welfare and child care spending

One other factor to consider is the start-up issue. For most states, 97 was a transition year. It takes time to get new programs launched, contracts awarded, etc. I was just talking to MD about this issue. As I think you know, they have a reinvestment strategy where they give back a certain amount of welfare savings to localities. This takes time because: first you need to make sure what the savings are, then you need to go through process of asking locals to submit plans for how they want to reinvest, then you go through procurement process, then you actually get the initiatives up, and only then do you pay the bills. It may be that CO's zero draw down has to do with the fact that they are still negotiating contracts with their counties, who are each getting a welfare block grant.

----- Forwarded by Andrea Kane/OPD/EOP on 12/02/97 12:31 PM -----



Bruce N. Reed  
12/02/97 12:21:14 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc:  
Subject: Re: State FY '97 welfare and child care spending

These numbers don't tell you much about TANF unless you know the overall state spending, because presumably states would spend their full MOE first (which they have to spend) and only what they had to from TANF (since they can save the rest for later). Also, didn't most states get prorated shares for FY97, rather than the full amount? How did DC manage to spend 0%?

Cynthia A. Rice



Cynthia A. Rice

12/02/97 10:20:36 AM



Cynthia A. Rice

12/02/97 01:13:50 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP  
 cc: See the distribution list at the bottom of this message  
 bcc:  
 Subject: Re: State FY '97 welfare and child care spending

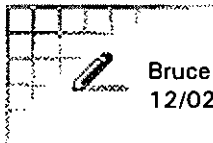
You're right about the importance of MOE-- we don't have that information yet, but we should have it by the end of the month (states will report it as part of their quarterly reports which were due in mid-November but which they can submit as late as Dec. 31st without penalty).

However, the block grant was not pro-rated. Even though states began their TANF plans at different times during FY 1997, financially they were subject to the block grant for the whole fiscal year starting 10/1/96.

HHS says the D.C. at 0% is a real number -- although I'm having them check it again. These are Treasury reported data, showing how much money the states and D.C. actually drew down from the Treasury, so it can't be a state reporting error.

HHS is getting back to me tomorrow with answers to a few more questions. Then, they'd like us to give them the okay to give copies to interested parties (GAO, APWA, NGA, NCSL, possibly the Hill). They don't intend to play it up.

Bruce N. Reed



Bruce N. Reed  
 12/02/97 12:21:14 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
 cc: See the distribution list at the bottom of this message  
 bcc:  
 Subject: Re: State FY '97 welfare and child care spending

These numbers don't tell you much about TANF unless you know the overall state spending, because presumably states would spend their full MOE first (which they have to spend) and only what they had to from TANF (since they can save the rest for later). Also, didn't most states get prorated shares for FY97, rather than the full amount? How did DC manage to spend 0%?

Cynthia A. Rice



Cynthia A. Rice

12/02/97 10:20:36 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: State FY '97 welfare and child care spending

HHS has sent me tables showing how much each state has spent of its federal TANF and child care block grants. HHS intends to make these data public this week (by providing copies to GAO and APWA which have requested them). I will send you all copies. I don't see anything reason for us to orchestrate the release -- do you? Here's a quick summary:

FY '97 TANF Spending: Most states have spent shockingly little of their FY 1997 federal TANF block grants, perhaps because caseloads have fallen so much. On average, states spent 72% of their FY 1997 block grant in FY '97:

- 1 state (NM) spent 100% of its FY 1997 block grant in FY '97.
- 3 states (CT, IL, and NC) spent between 90% and 100%.
- 9 states (AZ, HI, IA, KY, MA, NH, OR, SC, VT) spent between 80% and 90%.
- 11 states (CA, DE, FL, GA, ME, MO, MS, NJ, TX, UT, WA) spent bet. 70% and 80%.
- 19 states spent between 40% and 70%
- 7 states plus D.C. (AR, CO, ID, IN, ND, WV, WY) spent less than 40%, including Idaho at 18%, Wyoming at 14% and Colorado & D.C. at 0% (I'm checking this out).

The data show how much of the federal funds states spent, not how much of their own state funds they spent as MOE. Because states may reserve federal funds for future years, they have an incentive to use only what they need. Thus, this could mean that states are saving for a rainy day; or it could mean that they are not investing in welfare to work.

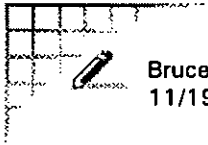
An unrelated survey by the National Conference of State Legislatures asked states about planned state MOE spending in FY '98 found that most states planned to spend enough state dollars to qualify for their entire federal block grant (which could be saved for later years). Of the 44 states that responded, 35 planned to spend at least 80% of historic state spending, guaranteeing them their entire federal block grant, and 9 states plan to spend between 75 and 80 percent (which, if they meet the work rates, will be enough to get their entire block grant).

FY '97 Child Care Spending: There are two ways to look at the child care data. One is that states obligated (spent or legally committed to spend) 99.8% of the FY '97 mandatory and matching funds -- these are funds which must be spent in FY '97 or they will be distributed to other states (only ID, MS, and NH fell below the mark). However, when mandatory, matching, and discretionary funds are combined, states spent only 72% of FY '97 funds. States have up to an additional year to spend discretionary funds. I assume folks at HHS are thinking about the best way to describe this in the context of our new child care proposal.

Message Copied To:

Jennifer L. Klein/OPD/EOP  
Diana Fortuna/OPD/EOP  
Andrea Kane/OPD/EOP  
Emily Bromberg/WHO/EOP  
Keith J. Fontenot/OMB/EOP

Message Copied To:



Bruce N. Reed  
11/19/97 11:27:29 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP  
cc: Elena Kagan/OPD/EOP  
Subject: Caseloads

Sometime in mid-December, we should plan to announce the August '96 to August '97 caseload figures that will show the total drop since the welfare bill was signed. If all goes well, we should reach the 2 million mark for the past year and the 4 million mark for the administration.

We should do a little research now so we can have all our historical factoids ready for this occasion. We don't need a Guinness Book of Welfare Records, but it would be nice to have the annual caseload data going all the way back to 1935. We know this last year will be the largest annual drop ever, but it would be nice to find out whether it's the largest in % terms as well. Also, I bet if you added up all the annual drops over the history of AFDC before we got here, it would be less than the caseload has dropped in the last 4 1/2 yrs. I'm sure you can come up with several eye-popping revelations. Thanks.