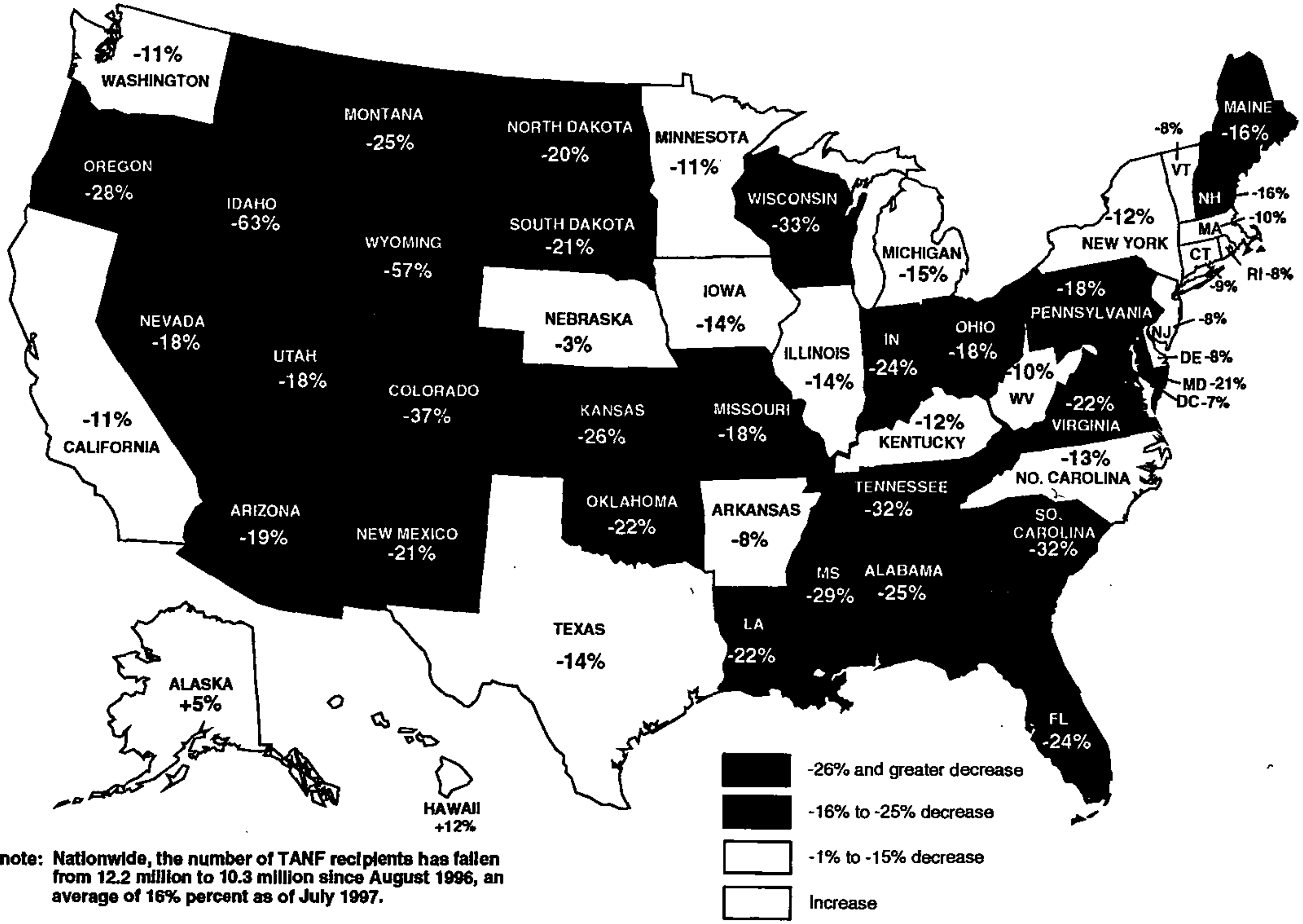
NLWJC - Kagan
DPC - Box 064 - Folder-012

Welfare-Statistics [2]

WR - statistics

CASELOADS DOWN 1.9 MILLION SINCE NEW WELFARE LAW ENACTED



Footnote: Nationwide, the number of TANF recipients has fallen from 12.2 million to 10.3 million since August 1996, an average of 16% percent as of July 1997.

WR - statistics

Cynthia A. Rice 10/01/97 05:00:41 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Christa Robinson/OPD/EOP

cc:

Subject: Welfare Caseload Numbers

The new numbers show welfare caseloads have declined by 26% or 3.6 million since President Clinton took office (down from 24%). Wyoming's caseload has now declined a whopping 70%. Thirteen states have declines over 40%. California is now down by 3%; Hawaii is still the only stae with an increase (36%).

We are holding these for an appropriate announcement -- for example, the child support/fathers radio address this weekend (if we do one).

WR - statistics

Cynthia A. Rice 10/01/97 05:44:22 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP
bcc:
Subject: Re: Welfare Caseload Numbers

case1001.wp

Down another 254,000 in that month, and down 1.7 million since August 1996 -- see attached chart.

Bruce N. Reed

Bruce N. Reed
10/01/97 05:15:59 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc:
Subject: Re: Welfare Caseload Numbers

So what was the monthly drop -- another 200,000?

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Percentage Drop	Decline since Jan. 93	Decline since Aug. 96
May 96 (data we had when law was signed)	14.115	12.499	11%	1.616	
Aug. 96* (when law was signed)	14.115	12.202	14%	1.913	
Jan. 97	14.115	11.360	20%	2.755	
Feb. 97	14.115	11.262	20%	2.853	
Mar. 97	14.115	11.156	21%	2.959	
Apr. 97	14.115	10.969	22%	3.146	1.233
May 97	14.115	10.748	24%	3.367	1.454
June 97	14.115	10.494	26%	3.621	1.708

*Note that when the welfare law was signed in August 1996, we only had caseload data through the month of May 1996. Our public statements at that time were therefore based on that May 1996 data.

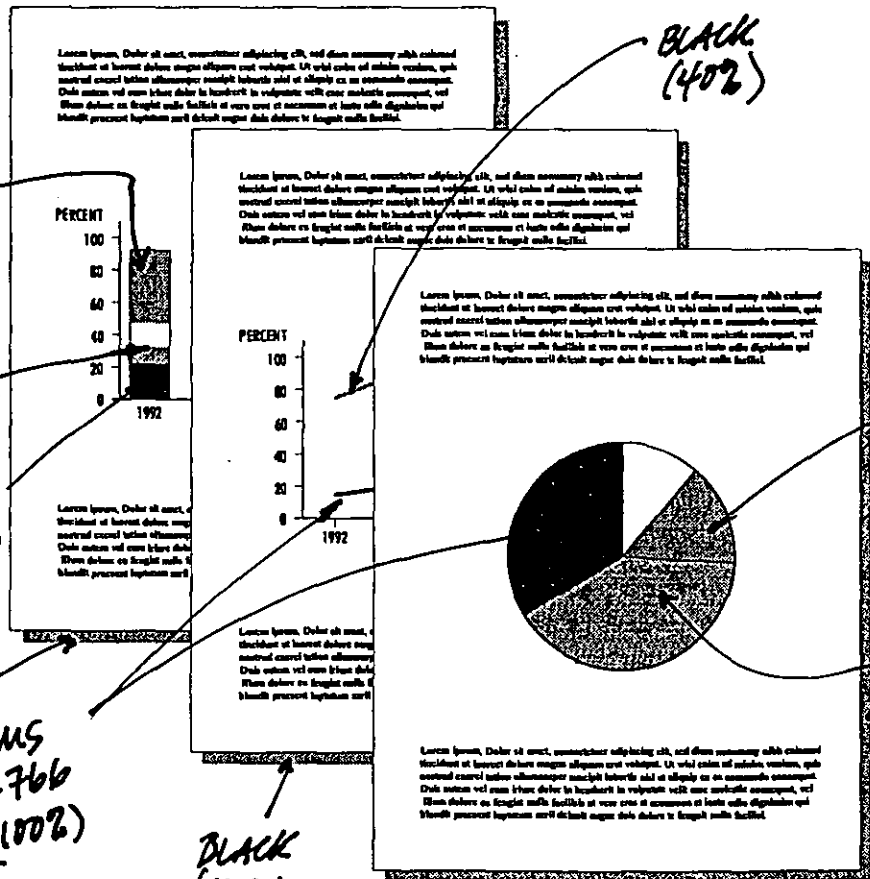
ALL ITEMS PRINT 100% BLACK EXCEPT AS MARKED

WR - Statistics

Indicators of Welfare Dependence

Annual Report to Congress
October 1997

PMS 2766 (100%)



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DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

K/O OF 2766

U.S. Department of Health and Human Services

Foreword

The Welfare Indicators Act of 1994 requires the Department of Health and Human Services to prepare annual reports to Congress on indicators and predictors of welfare dependence. This first *Annual Report on Welfare Indicators* was developed with the advice and recommendations of the bipartisan Advisory Board on Welfare Indicators and the assistance of the U.S. Department of Agriculture, the Social Security Administration and the U.S. Bureau of the Census. This report marks a significant step toward achieving the stated purpose of the law -- "to provide the public with generally accepted measures of welfare receipt so that it can track such receipt over time and determine whether progress is being made in reducing the rate at which and, to the extent feasible, the degree to which, families depend on income from welfare programs and the duration of welfare receipt."

This report is the direct result of the foresight and leadership of Senator Daniel Patrick Moynihan. He sponsored the Welfare Indicators Act of 1994 to make it clear that reduction in welfare dependence is a national goal, and that regular measurement and assessment of progress toward that goal is necessary. The act calls for such measures, just as, for example, the Employment Act of 1946 called for regular measures that led to a better understanding of the critical problem of unemployment in this country. In introducing the bill, Senator Moynihan declared that the policy and responsibility of the Federal Government must be to strengthen families and promote their self-sufficiency. This report is a first step in documenting our progress toward that goal.

We recognize that it is difficult to develop consensus around a single measure of welfare dependence. Nevertheless, in an effort to be responsive to the intent of the Welfare Indicators Act, this report proposes for discussion and debate a definition of welfare dependence that was developed by the Advisory Board:

> A family is dependent on welfare if more than 50 percent of its total income in a one-year period comes from AFDC/TANF, Food Stamps and/or SSI, and this welfare income is not associated with work activities. Welfare dependence is the proportion of all families who are dependent on welfare.

The Advisory Board's recommended definition is consistent with the working definition of "dependence" we adopted in last year's *Interim Report* that incorporated elements of degree and duration of receipt and behavior of the recipient. It takes a comprehensive view of dependence -- one that considers the range as well as the depth of dependence through indicators that measure how much and how long assistance is received, as well as whether the assistance supplements or supplants earnings. The recommended definition would count as work activities only unsubsidized and subsidized employment and work required to obtain benefits.

The proposed definition, unfortunately, cannot be measured precisely at this time with currently available data. Two data issues present potential problems. First, current data do not distinguish between cash benefits where work is required and cash benefits that are paid without any work effort. Thus, while income from private employment can be excluded in calculating welfare benefits, it is not currently possible to exclude work that is required to obtain benefits. Second, this report uses data from the Survey of Income and Program Participation (SIPP) to obtain measures of the proposed definition. The SIPP, like all large-scale surveys, has a significant time lag. For example, the most recent SIPP data currently available are for 1993. In spite of these relatively minor measurement problems, however, we believe this proposed definition of welfare dependence marks an important development, and we welcome further discussion of it.

In addition to discussing the proposed definition of dependence, this report highlights a few specific indicators of dependence that were recommended for consideration by the Advisory Board at their most recent meeting. It also presents for consideration a broader set of indicators of welfare recipiency and dependence, as well as a wide-ranging collection of predictors, or risk factors associated with welfare receipt. The Advisory Board was in agreement that, since the causes of welfare receipt and dependence are not clearly known, the report should include a larger set of risk factors associated with welfare receipt. Nonetheless, the report reduces the overall number of predictors and risk factors by about 20 percent from the number included in last year's *Interim Report*. Indicators of deprivation supplement the dependence indicators to ensure that dependence measures are not assessed in isolation.

Finally, we would note that the annual Indicators reports should be viewed in the context of the wide array of research and evaluation efforts supported and carried out by this Department, other Federal agencies, and the broader research community regarding the effects of the PRWORA and state and local welfare reform efforts on dependency and deprivation. Together, these research efforts should provide us with a rich array of information which no one approach could generate alone. We hope the Indicators report will focus and enrich these efforts and carry out Senator Moynihan's vision, by focusing researchers on the critical issue of dependency and shining a spotlight on national trends.

We are grateful to the members of the Advisory Board on Welfare Indicators for their hard work and wise counsel on this important and difficult issue.

Donna E. Shalala
Secretary
U.S. Department of Health and Human Services

Acknowledgments

This first annual report on Indicators of Welfare Dependence benefits from the contributions of many people and could not have been completed without their efforts. The Advisory Board on Welfare Indicators, established by the Welfare Indicators Act of 1994, and appointed by the House of Representatives, the Senate, and the President, provided critical direction and wise counsel throughout the development of this report. Members of the Advisory Board include:

Eloise Anderson, Director, California Department of Social Services
Jo Anne B. Barnhart
Paul E. Barton, Director, Policy Information Center, Educational Testing Service
Martin H. Gerry, Director, Center for Study of Family, Neighborhood, and Community Policy, University of Kansas
Judith M. Gueron, President, Manpower Demonstration Research Corporation
Robert Greenstein, Executive Director, Center on Budget and Policy Priorities
Wade Horn, Director, National Fatherhood Initiative
Marvin H. Kosters, Resident Scholar and Director of Economic Policy Studies, American Enterprise Institute
Gerald H. Miller, Senior Vice President and Managing Director - Welfare Reform, Lockheed Martin IMS
Kristin A. Moore, Executive Director, Child Trends, Inc.
Joan M. Reeves, Commissioner, Philadelphia Department of Human Services
Gary J. Stangler, Director, Missouri Department of Social Services

Staff from the U.S. Department of Agriculture, Food and Consumer Service, and the Social Security Administration, Office of Research, Evaluation and Statistics, and the U.S. Bureau of the Census, Housing and Household Economic Statistics Division made valuable contributions to the report and were extremely helpful in gathering and providing data for use throughout the report.

Finally, vital assistance was provided by Greg Duncan of the Northwestern University Institute for Policy Research and Johanne Boisjoly of the Universite du Quebec a Rimouski, Departement des Sciences Humaines. They gathered and provided data on proposed indicators and assisted in drafting and producing the Interim Report.

Executive Summary

The Welfare Indicators Act of 1994 (part of Public Law 103-432) directed the Secretary of Health and Human Services to study the most useful statistics for tracking and predicting dependence on three means-tested cash and nutritional assistance programs: Aid to Families with Dependent Children (AFDC), Food Stamps, and Supplemental Security Income (SSI). It also required the submission of annual reports on welfare receipt in the United States that track key indicators and predictors of welfare dependence. An *Interim Report to Congress* addressing the development of welfare indicators and predictors and assessing the data needed to report annually on the indicators and predictors was submitted a year ago. This report is the first of the annual reports required under the law.

Barely two months before the *Interim Report* was due, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was signed into law on August 22, 1996, transforming large parts of the nation's welfare system. In addition to changes with far-reaching implications for the Food Stamp Program and the Supplemental Security Income (SSI) program for children, PRWORA established block grants for states to provide cash and other benefits to help needy families support their children while simultaneously requiring those families to make verifiable efforts to leave welfare for work.

The *Interim Report*

The bipartisan Advisory Board on Welfare Indicators established by the Welfare Indicators Act observed that the PRWORA's Temporary Assistance for Needy Families (TANF) program fundamentally changed the meaning of "dependence" by changing the framework for welfare policy and by providing states with the flexibility to define caseloads and benefits in extremely varied ways. In response, the *Interim Report* addressed the changing, but still evolving and uncertain, welfare environment in a number of ways.

- The *Interim Report* adopted a working definition of dependence as a continuum, incorporating elements of the <u>degree</u> of reliance on means-tested benefits, the <u>duration</u> of receipt, and the <u>behavior</u> of the recipient. The dependence/self-sufficiency continuum ranges from: i) long-term receipt of income from welfare with no significant labor market involvement or training; to: ii) participation in workfare or work-related activities and/or combining income from public assistance with earnings; to iii) short-term episodes of receipt of means-tested assistance programs; to: iv) long-term independence from receipt of means-tested assistance programs.

- To account for the varying degrees of dependence and different dimensions of a dependent family's condition, the report included an extensive list of indicators from a wide range of fields in an effort to present an accurate picture of the range of both dependence and the risk of dependence -- work and job readiness, poverty and deprivation, family structure, and parenting, as well as indicators of child achievement and health.

- The *Interim Report* suggested that the correlation between welfare caseloads and changes in dependence would likely become less close over time as states implement the wide range of policy choices permitted under PRWORA. The report recognized that caseload increases and decreases are the result of some combination of social, economic, demographic, and policy factors, and as such, it noted that dependence is a multi-dimensional measure of how much and how long assistance is received, as well as whether the assistance supplements or supplants earnings.

At the time the *Interim Report* was prepared, the impacts of the PRWORA were still unknown, although no one doubted that changes in "welfare receipt" (as defined by the Welfare Indicators Act for purposes of the annual welfare indicators reports) would occur. States face a dramatically different set of choices, rules and incentives under the PRWORA, and while TANF caseloads may vary in size as a result of changes in the number of people who are employed, they could also vary because states choose to serve families with state funds, to provide services instead of cash, or to expand benefits to working families (thus expanding caseloads without expanding dependence). Care must be taken not to view welfare caseloads as a proxy for welfare dependence. The increased number of possible policy variants under the new welfare law highlights the need to present an accurate and dynamic picture of dependence.

Plan for the First Annual Report

This year's first annual report differs from the *Interim Report* in several important ways. While the *Interim Report* provided a wide-ranging list of indicators, this report highlights a few measures of dependence that were recommended for consideration by the Advisory Board. Although recognizing the difficulties inherent in defining and measuring dependence, the Advisory Board proposed the following definition that could be tracked over time:

> A family is dependent on welfare if more than 50 percent of its total income in a one-year period comes from AFDC/TANF, Food Stamps and/or SSI, and this welfare income is not associated with work activities. Welfare dependence is the proportion of all families who are dependent on welfare.

The Advisory Board's recommended definition would count as work activities only unsubsidized and subsidized employment and work required to obtain benefits. This concept and measures of this definition, as well as a duration of receipt measure, are presented and discussed in Chapter I. A discussion of measures of deprivation is also included in Chapter I to ensure that dependence measures are not assessed in isolation.

Chapter II includes indicators of income and food assistance program participation and program-related measures of dependence. These indicators focus on recipients of cash and nutrition assistance, and reflect both the range and depth of dependence. Data relating recipients' level of welfare income, amount of earnings, duration of receipt, participation in the labor force while receiving assistance, and multiple program receipt are included, along with information on events associated with beginning and ending receipt of means-tested assistance. Trend data on these indicators are provided where available.

Data on risk factors that have been identified as associated with welfare utilization and dependence are provided in Chapter III. While the Advisory Board was in agreement that a smaller set of dependence indicators should be highlighted, they were also in agreement that, since the causes of welfare receipt and dependence are not clearly known, the report should include a larger set of risk factors associated with welfare receipt. Still this report reduces the overall number of predictors and risk factors by about 20 percent from the number included in the *Interim Report*. Most of the deleted indicators are measures of well-being, particularly child well-being, that are tracked in other publications of the Department of Health and Human Services. The risk factors in Chapter III are loosely organized into three categories: economic security measures, measures related to employment and barriers to employment, and measures of teen behavior, including nonmarital childbearing.

Chapter IV addresses some of the complexities of data reporting and collection under the Temporary Assistance for Needy Family (TANF) block grants. Since the 1996 welfare law fundamentally changed the nation's cash assistance programs, it is important to understand the policy and program context that may surround changes in welfare dependence over time. It is crucial to collect a sufficient level of detailed administrative data about the TANF program and its recipients and benefits to permit tracking trends in dependence and deprivation over time. The quality and level of detail of TANF administrative data takes on even greater importance in the context of this report's proposed primary indicator of welfare dependence. In addition, despite the fact that most national survey data are not representative at the state level, they are critical for capturing indicators of adult labor force participation, earnings, program participation, fertility and child well-being, as well as complementing caseload data for tracking changes in dependence.

Because welfare programs have changed substantially in the recent past and are continuing to change rapidly, Appendix A is included to give basic data on each of the three main welfare programs and their recipients over the past several years. Appendix A briefly describes the three programs covered by the Welfare Indicators Act and highlights some of the recent legislative changes that will affect participation and/or expenditures in those programs. It also includes information on the population and characteristics of individuals and families receiving AFDC/TANF, Food Stamps and SSI, and national and state data on program participation and expenditures trends.

Other Appendices provide more detailed information on several related subjects. Appendix B consists of a series of tables on poverty issues. Appendix C includes a comparison between the indicators and predictors included in this *Annual Report* and those recommended in the *Interim Report*. Additional data on nonmarital childbearing is included in Appendix D.

Table SUM 1 shows the percentages of families who receive any welfare benefits and the percentage who would be considered welfare dependent under the above definition for the most recent years for which data are available.[3] There is little trend discernable in these data. While there have been small year to year changes in both recipiency and dependence, the changes seen in the data available so far are not large enough to be statistically significant even in a survey as large as the SIPP.[4] Overall, between four and five percent of all individuals would be considered welfare-dependent based on these data. These families represent about one-third of those who receive any benefits in each year.

Table SUM 1. Percent of the Total Population with More than 50 Percent of Income from Means-Tested Assistance Programs

	1987		1990		1992		1993	
	Any Receipt of Assistance	More than 50% of Income	Any Receipt of Assistance	More than 50% of Income	Any Receipt of Assistance	More than 50% of Income	Any Receipt of Assistance	More than 50% of Income
All Persons	14.9	4.7	14.1	4.2	16.9	4.9	17.0	4.8
Racial Categories								
Non-Hispanic White	9.3	2.2	8.9	2.1	11.0	2.4	10.9	2.3
Non-Hispanic Black	40.9	15.7	36.6	14.6	41.0	15.9	41.8	16.3
Hispanic	28.3	10.9	29.5	8.3	33.3	10.5	33.9	10.3
Age Categories								
Children Age 0 - 5	24.5	10.0	24.0	10.3	28.9	12.2	29.0	11.6
Children Age 6 - 10	23.2	10.1	20.2	8.5	23.8	9.5	24.0	9.2
Children Age 11 - 15	19.8	8.0	18.8	6.4	23.2	7.5	22.6	7.3
Women Age 16 - 64	14.4	4.6	14.1	4.6	17.0	5.0	17.3	5.0
Men Age 16 - 64	10.1	2.0	9.5	1.5	11.8	1.9	12.0	2.1
Adults Age 65 & over	13.6	2.6	12.1	1.9	12.6	2.0	12.2	2.0

Note: Means-tested assistance includes AFDC, SSI and Food Stamps. While only affecting a small number of cases, general assistance income is included under AFDC.
Source: Unpublished data from the SIPP, 1987, 1990 and 1992 panels.

[3] While more recent data from the SIPP have been collected, due to a number of technical issues, they were not available for analysis at the time this report was drafted.

[4] Standard errors can be calculated using the formula published in the *Survey of Income and Program Participation Users' Guide*.

Table A-5. Number of AFDC/TANF Recipients, and Recipients as a Percentage of Various Population Groups, 1970 - 1997

Calender Year	Total AFDC Recipients in the States & DC (in thousands)	AFDC Child Recipients in the States & DC (in thousands)	AFDC Recipients as a Percent of Total Population [1]	AFDC Recipients as a Percent of Poverty Population [2]	AFDC Recipients as a Percent of Pretransfer Poverty Population [3]	AFDC Child Recipients as a Percent of Total Child Population [1]	AFDC Child Recipients as a Percent of Children in Poverty [2]
1970..........	8,303	6,104	4.1	32.7	NA	8.8	58.5
1971..........	10,043	7,303	4.9	39.3	NA	10.5	69.2
1972..........	10,736	7,766	5.1	43.9	NA	11.2	75.5
1973..........	10,738	7,763	5.1	46.7	NA	11.3	80.5
1974..........	10,621	7,637	5.0	45.4	NA	11.3	75.2
1975..........	11,131	7,928	5.2	43.0	NA	11.8	71.4
1976..........	11,098	7,850	5.1	44.4	NA	11.8	76.4
1977..........	10,856	7,632	4.9	43.9	NA	11.7	74.2
1978..........	10,387	7,270	4.7	42.4	NA	11.2	73.2
1979..........	10,140	7,057	4.5	38.9	53.1	11.0	68.0
1980..........	10,599	7,295	4.7	36.2	49.2	11.4	63.2
1981..........	10,893	7,397	4.7	34.2	47.1	11.7	59.2
1982..........	10,161	6,767	4.4	29.5	40.6	10.8	49.6
1983..........	10,569	6,967	4.5	29.9	41.9	11.1	50.1
1984..........	10,644	7,017	4.5	31.6	43.6	11.2	52.3
1985..........	10,672	7,073	4.5	32.3	45.0	11.3	54.4
1986..........	10,851	7,206	4.5	33.5	46.6	11.5	56.0
1987..........	10,842	7,240	4.5	33.6	46.7	11.5	55.9
1988..........	10,728	7,201	4.4	33.8	47.7	11.4	57.8
1989..........	10,799	7,286	4.4	34.3	47.6	11.5	57.9
1990..........	11,497	7,781	4.6	34.2	47.1	12.1	57.9
1991..........	12,728	8,601	5.0	35.6	49.1	13.2	60.0
1992..........	13,571	9,183	5.3	35.7	50.8	13.9	60.0
1993..........	14,007	9,439	5.4	35.7	48.5	14.1	60.0
1994..........	13,976	9,440	5.4	36.7	50.0	13.9	61.7
1995..........	13,240	9,009	5.0	36.3	50.1	13.1	61.4
1996..........	12,150	8,355	4.6	33.3	NA	12.1	57.8
1997 [4]........	10,955	7,580	4.1	NA	NA	10.9	NA

[1] Population numbers used as denominators are resident population. See *Current Population Reports*, Series P25-1106.

[2] For poverty population data see *Current Population Reports*, Series P60-198.

[3] The pretransfer poverty population used as denominator is the number of all persons in families with related children under 18 years of age whose income (cash income plus social insurance plus Social Security but before taxes and means-tested transfers) falls below the appropriate poverty threshold. See appendix J, table 20, *1992 Green Book*. Subsequent years Congressional Budget Office tabulations.

[4] Average for January through June of 1997.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance and U.S. Bureau of the Census, "Poverty in the United States: 1996," *Current Population Reports*, Series P60-198 and earlier years, (Available online at http://www.census.gov/hhes/www/poverty.html).

Table A-9. Average Monthly AFDC Recipients by State, Selected Fiscal Years 1977 - 1996

[In thousands]

	1977	1981	1985	1989	1993	1994	1995	1996	Percent Change 1989-93	Percent Change 1993-96
Alabama	169	171	151	129	140	132	118	105	8.3	-24.7
Alaska	11	16	16	19	36	38	37	36	87.3	-0.5
Arizona	58	62	72	105	197	201	190	172	86.6	-12.8
Arkansas	95	84	64	70	73	69	63	58	4.4	-20.0
California	1,434	1,523	1,619	1,763	2,462	2,639	2,680	2,626	39.7	6.6
Colorado	92	82	79	97	123	119	109	99	26.6	-20.1
Connecticut	135	142	122	106	162	166	171	162	52.1	0.1
Delaware	31	33	24	19	28	27	25	23	44.2	-15.6
Dist. of Columbia	96	81	58	48	67	74	73	70	39.4	5.2
Florida	242	277	271	327	695	669	622	561	112.5	-19.3
Georgia	248	236	239	266	398	393	383	353	49.8	-11.5
Guam	4	6	6	4	5	7	8	8	33.6	44.4
Hawaii	56	62	51	43	56	62	66	67	30.6	19.1
Idaho	20	20	17	17	21	23	24	23	26.6	7.7
Illinois	771	709	735	632	689	712	696	655	9.0	-4.9
Indiana	165	172	165	147	212	216	189	148	44.0	-30.3
Iowa	95	110	123	98	101	110	101	89	3.6	-11.7
Kansas	76	74	67	74	88	87	80	68	19.2	-22.2
Kentucky	202	175	160	156	225	208	189	175	44.4	-22.2
Louisiana	218	216	230	277	263	248	251	236	-5.0	-10.3
Maine	60	57	57	51	67	64	60	56	32.8	-17.2
Maryland	213	221	195	176	221	222	223	204	25.6	-7.7
Massachusetts	373	344	235	242	325	307	274	237	34.6	-27.2
Michigan	651	759	691	640	688	666	598	527	7.5	-23.4
Minnesota	131	149	152	164	191	187	180	171	17.1	-10.6
Mississippi	174	176	155	179	172	159	144	129	-4.0	-24.9
Missouri	265	215	197	203	261	263	254	232	28.7	-11.3
Montana	18	20	22	28	35	35	34	31	24.9	-9.8
Nebraska	34	39	44	41	48	45	41	39	17.6	-19.7
Nevada	12	14	14	20	35	38	41	38	74.9	6.6
New Hampshire	25	24	14	13	29	30	28	24	131.9	-17.9
New Jersey	449	469	367	298	349	335	316	288	17.3	-17.4
New Mexico	55	56	51	59	95	102	104	101	62.6	6.0
New York	1,247	1,108	1,112	979	1,197	1,255	1,256	1,184	22.2	-1.1
North Carolina	200	201	166	200	335	333	313	278	67.1	-17.0
North Dakota	14	13	12	15	19	16	14	13	21.1	-27.6
Ohio	563	590	673	629	719	685	612	546	14.2	-24.0
Oklahoma	89	91	82	103	138	131	124	105	34.0	-24.1
Oregon	122	92	74	87	118	114	104	87	34.8	-26.1
Pennsylvania	655	643	561	523	608	620	596	544	16.3	-10.6
Puerto Rico	188	172	173	185	190	183	168	155	2.6	-18.5
Rhode Island	53	55	44	42	62	63	61	58	47.3	-5.4
South Carolina	140	157	120	107	147	140	129	119	36.4	-18.7
South Dakota	24	19	16	19	20	19	17	16	6.2	-19.0
Tennessee	188	174	155	195	311	300	276	260	59.0	-16.3
Texas	315	325	363	540	782	788	750	684	44.8	-12.5
Utah	37	42	38	44	53	50	46	40	20.6	-23.3
Vermont	22	25	22	20	29	28	27	25	44.7	-11.4
Virgin Islands	4	4	4	3	4	4	5	5	11.1	31.5
Virginia	173	175	154	146	194	195	184	162	33.4	-16.7
Washington	143	155	178	219	288	292	286	274	31.4	-4.8
West Virginia	64	81	106	109	119	114	105	95	8.9	-20.1
Wisconsin	201	241	288	245	237	226	209	170	-3.3	-28.1
Wyoming	7	7	10	14	18	16	15	13	32.8	-29.6
United States	11,130	11,160	10,813	10,934	14,144	14,226	13,666	12,644	29.4	-10.6

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation, *Time Trends, FY 1984-1995*, and unpublished data.

Table A-10. AFDC Caseload by State, October 1989 to May 1997 Peak

[In thousands]

State	Peak Caseload Oct '89 to May '97	Date Peak Occurred Oct '89 to May '97	May '96 Caseload	May '97 Caseload	Percent Decline [1] from May '96	Percent Decline from Peak
Alabama	52.3	Mar-93	41.9	34.3	18.3	34.5
Alaska	13.4	Apr-94	12.9	12.5	3.0	6.4
Arizona	72.8	Dec-93	62.2	53.1	14.6	27.0
Arkansas	27.1	Mar-92	22.6	20.9	7.5	22.9
California	933.1	Mar-95	899.6	807.9	10.2	13.4
Colorado	43.7	Dec-93	35.4	29.6	16.4	32.4
Connecticut	61.9	Mar-95	57.8	55.5	4.0	10.4
Delaware	11.8	Apr-94	10.2	9.6	6.3	19.0
Dist. of Columbia	27.5	Apr-94	25.7	23.8	7.5	13.3
Florida	259.9	Nov-92	204.5	166.0	18.8	36.1
Georgia	142.8	Nov-93	129.0	103.4	19.8	27.6
Guam	2.4	Feb-97	2.1	2.2	-3.1	7.1
Hawaii	23.3	Apr-97	22.0	23.3	-6.0	0.0
Idaho	9.5	Mar-95	9.2	7.5	18.6	21.4
Illinois	243.1	Aug-94	224.7	193.0	14.1	20.6
Indiana	76.1	Sep-93	53.1	44.2	16.8	41.9
Iowa	40.7	Apr-94	32.3	28.8	10.9	29.4
Kansas	30.8	Aug-93	24.8	19.3	22.2	37.5
Kentucky	84.0	Mar-93	71.8	63.5	11.6	24.4
Louisiana	94.7	May-90	69.6	53.4	23.3	43.7
Maine	24.4	Aug-93	20.9	18.6	10.8	23.7
Maryland	81.8	May-95	72.4	57.5	20.6	29.8
Massachusetts	115.7	Aug-93	87.3	75.2	13.8	35.0
Michigan	233.6	Apr-91	177.0	147.8	16.5	36.7
Minnesota	66.2	Jun-92	58.6	52.9	9.8	20.2
Mississippi	61.8	Nov-91	46.9	38.1	18.8	38.4
Missouri	93.7	Mar-94	81.5	68.8	15.5	26.6
Montana	12.3	Mar-94	10.9	8.1	25.6	33.7
Nebraska	17.2	Mar-93	14.2	13.3	5.9	22.3
Nevada	16.3	Mar-95	14.4	11.6	19.7	28.9
New Hampshire	11.8	Apr-94	9.5	8.1	15.0	31.4
New Jersey	132.6	Nov-92	111.6	98.8	11.4	25.5
New Mexico	34.9	Nov-94	33.6	27.0	19.7	22.8
New York	463.7	Dec-94	430.7	379.7	11.8	18.1
North Carolina	134.1	Mar-94	112.3	97.2	13.4	27.5
North Dakota	6.6	Apr-93	4.9	4.2	15.5	37.3
Ohio	269.8	Mar-92	202.6	184.9	8.7	31.4
Oklahoma	51.3	Mar-93	37.8	29.3	22.4	42.8
Oregon	43.8	Apr-93	33.1	23.7	28.5	45.9
Pennsylvania	212.5	Sep-94	189.9	159.1	16.2	25.1
Puerto Rico	61.7	Jan-92	50.6	47.6	6.0	22.9
Rhode Island	22.9	Apr-94	21.1	19.7	6.6	13.9
South Carolina	54.6	Jan-93	45.5	31.3	31.2	42.7
South Dakota	7.4	Apr-93	6.1	5.1	15.9	30.6
Tennessee	112.6	Nov-93	97.5	64.7	33.6	42.5
Texas	289.7	Oct-94	249.8	210.4	15.8	27.4
Utah	18.7	Mar-93	14.6	11.7	19.9	37.4
Vermont	10.3	Apr-92	9.1	8.3	9.0	18.9
Virgin Islands	1.4	Dec-95	1.4	1.2	9.7	13.6
Virginia	76.0	Apr-94	64.8	52.0	19.7	31.5
Washington	104.8	Feb-95	99.7	93.1	6.6	11.2
West Virginia	41.9	Apr-93	35.6	31.9	10.6	24.0
Wisconsin	82.9	Jan-92	56.9	39.3	30.9	52.6
Wyoming	7.1	Aug-92	4.7	2.2	53.3	68.8
United States	5,098	Mar-94	4,519	3,874	14.3	24.0

[1] Negative values denote percent increase.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation, Division of Data Collection and Analysis.

WR - statistics

EK/CR -
Put in the weekly
- BR

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Percentage Drop	Decline since Jan. 93	Decline since Aug. 96
May 96 (data we had when law was signed)	14.115	12.499	11%	1.616	
Aug. 96* (when law was signed)	14.115	12.202	14%	1.913	
Jan. 97	14.115	11.360	20%	2.755	
Feb. 97	14.115	11.262	20%	2.853	
Mar. 97	14.115	11.156	21%	2.959	
Apr. 97	14.115	10.969	22%	3.146	1.233
May 97	14.115	10.748	24%	3.367	1.454
June 97	14.115	10.494	26%	3.621	1.708

*Note that when the welfare law was signed in August 1996, we only had caseload data through the month of May 1996. Our public statements at that time were therefore based on that May 1996 data.

WR-statistics

Welfare Caseloads

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Percentage Drop	Decline since Jan. 93	Decline since Aug. 96
May 96 (data we had when law was signed)	14.115	12.499	11%	1.616	
Aug. 96* (when law was signed)	14.115	12.202	14%	1.913	
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Feb. 97	14.115	11.262	20%	2.853	
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Apr. 97	14.115	10.969	22%	3.146	1.233
May 97	14.115	10.748	24%	3.367	1.454
June 97	14.115	10.494	26%	3.621	1.708

*Note that when the welfare law was signed in August 1996, we only had caseload data through the month of May 1996. Our public statements at that time were therefore based on that May 1996 data.

1.7

12.2

10.5

138
122 | 170.000
122
480
366
1140

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95 (millions)	Jan.96	Jun.97	percent(93-97)
Families	4.963	5.053	4.936	4.628	3.782	-24%
			1,181,000 fewer families			
Recipients	14.115	14.276	13.918	12.877	10.494	-26%
			3,621,000 fewer recipients			

Total AFDC/TANF recipients by State

state	Jan.93	Jan.94	Jan.95	Jan.96	Jun.97	percent(93-97)
Alabama	141,746	135,096	121,837	108,269	87,417	-38%
Alaska	34,951	37,505	37,264	35,432	34,860	NC
Arizona	194,119	202,350	195,082	171,617	140,292	-28%
Arkansas	73,982	70,563	65,325	59,223	51,845	-30%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,336,238	-3%
Colorado	123,308	118,081	110,742	99,739	79,210	-36%
Connecticut	160,102	164,265	170,719	161,736	153,253	-4%
Delaware	27,652	29,286	26,314	23,153	21,596	-22%
D.C.	65,860	72,330	72,330	70,082	65,331	-1%
Florida	701,842	689,135	657,313	575,553	422,183	-40%
Georgia	402,228	396,736	388,913	367,656	254,890	-37%
Hawaii	54,511	60,975	65,207	66,690	74,179	+36%
Idaho	21,116	23,342	24,050	23,547	16,804	-20%
Illinois	685,508	709,969	710,032	663,212	554,223	-19%
Indiana	209,882	218,061	197,225	147,083	109,772	-48%
Iowa	100,943	110,639	103,108	91,727	76,684	-24%
Kansas	87,525	87,433	81,504	70,758	48,576	-45%
Kentucky	227,879	208,710	193,722	176,601	152,667	-33%
Louisiana	263,338	252,860	258,180	239,247	179,868	-32%
Maine	67,836	65,006	60,973	56,319	48,232	-29%
Maryland	221,338	219,863	227,887	207,800	151,331	-32%
Massachusetts	332,044	311,732	286,175	242,572	194,071	-42%
Michigan	686,356	672,760	612,224	535,704	430,561	-37%
Minnesota	191,526	189,615	167,949	171,916	154,171	-20%
Mississippi	174,093	161,724	146,319	133,029	95,982	-45%
Missouri	259,039	262,073	259,595	238,052	184,441	-29%
Montana	34,848	35,415	34,313	32,557	22,490	-35%
Nebraska	48,055	46,034	42,038	38,653	35,955	-25%
Nevada	34,943	37,908	41,846	40,491	28,725	-18%
New Hampshire	28,972	30,386	28,671	24,519	19,586	-32%
New Jersey	349,902	334,780	321,151	293,833	243,900	-30%
New Mexico	94,836	101,676	105,114	102,648	78,404	-17%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,011,135	-14%

state	Jan.93	Jan.94	Jan.95	Jan.96	Jun.97	percent(93-97)
North Carolina	331,633	334,451	317,836	282,086	234,371	-29%
North Dakota	18,774	16,785	14,920	13,652	10,992	-41%
Ohio	720,476	691,099	629,719	552,304	480,903	-33%
Oklahoma	146,454	133,152	127,336	110,498	75,766	-48%
Oregon	117,656	116,390	107,610	92,182	57,873	-51%
Pennsylvania	604,701	615,581	611,215	553,148	439,333	-27%
Rhode Island	61,116	62,737	62,407	60,654	54,275	-11%
South Carolina	151,026	143,883	133,567	121,703	77,854	-48%
South Dakota	20,254	19,413	17,652	16,821	13,143	-35%
Tennessee	320,709	302,608	281,982	265,320	167,386	-48%
Texas	785,271	796,348	765,460	714,523	561,060	-29%
Utah	53,172	50,657	47,472	41,145	31,931	-40%
Vermont	28,961	28,095	27,716	25,865	22,593	-22%
Virginia	194,212	194,959	189,493	166,012	122,505	-37%
Washington	286,258	292,608	290,940	276,018	248,830	-13%
West Virginia	119,916	115,376	107,668	98,439	75,331	-37%
Wisconsin	241,098	230,621	214,404	184,209	107,490	-55%
Wyoming	18,271	16,740	15,434	13,531	5,392	-70%
Guam	5,087	6,651	7,630	8,364	7,470	+47%
Puerto Rico	191,261	184,626	171,932	149,944	142,156	-26%
Virgin Islands	3,763	3,767	4,345	4,953	4,363	+16%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
September 1997

~~Rtttt~~ WR - strategy

Built up Herman talk; become more proactive? No

Cynthia A. Rice 08/25/97 08:45:51 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Laura Emmett/WHO/EOP

cc:

Subject: Draft Weekly Welfare Agenda

Weekly Welfare Strategy Meeting
August 26, 1997

I. Upcoming FLSA Fight--what do we need to do to prepare?

II. $3 Billion Welfare to Work Implementation
-- VP to announce state-by-state $ on Sept 3rd with Sect Herman
-- Including DPC, others in meeting re: application criteria
-- Possible future events: release application, announce regs, etc.

guidance on application process/criteria.

what constitutes match; timing of a match; how to track performance measurements

III. Child Support Computer Systems--Decide Strategy early Sept.

IV. AFSME Welfare to Work Proposal

V. Letter to D.C. -- did not meet Due Process -- Can HHS send?

VI. Letter to College Presidents -- Going out This Week

VII. New Mexico Housing/Welfare Issue -- HUD/HHS meeting after Labor Day

VIII. Welfare to Work Transportation
-- Strategy Session after Labor Day

IX. Welfare Research and Evaluation: Appropriations Troubles

X. Nat'l Center for Health Stats Report Due out in Sept. (Teen Births, Infant Mortality)

296-4886

WR - statistics

Expanded Welfare Q&A
August 12, 1997

[This Q&A provides additional information about the historical comparison, as requested by McCurry.]

Question: **How many people are now on the welfare rolls nationwide?**

Answer: 10.7 million people were on the rolls in May 1997, down from 14.1 million in

January 1993, a drop of 3.4 million or 24 percent. This is the largest caseload decline in history: in no other comparable time period have as many people come off the rolls. The 10.7 million people on the rolls represent 4 percent of the population -- the smallest percentage of welfare recipients in the population since 1970.

Year	Welfare Caseload (millions)	Population (millions)	Percent
1969	6.706	202.677	3.3%
1970	8.466	205.052	4.1%
1971-1992	between 8-13	between 207-255	between 4.1-5.3%
1993	14.142	258.137	5.5%
1994	14.225	260.660	5.5%
1995	13.652	263.034	5.2%
1996	12.648	265.284	4.7%
May 1997*	10.748	266.789	4.0%

* Data being released 8/12/97.

Attached is a chart which shows this visually.

WR - stats
and
WR - WR-to-work

MR. REED: Thank you, Mike. Let me just say a word about why we're here in St. Louis. The new welfare law has shattered every record on the books in its rookie year. You should have the welfare caseload numbers -- let me go through them for you to put them in some perspective.

In the first three and a half years of the Clinton presidency, we were able to reduce the welfare rolls by about 1.9 million recipients. The welfare caseload was 14.1 million when we took over in January of 1993; it had dropped by 1.9 million when the President signed the bill in August. The new figures that we're releasing today cover the nine months from August of '96 when he signed the bill to May of '97, which is the latest figures available. And they show that in the first nine months of the new welfare law, the welfare caseloads have dropped another 1.45 million, and at its current rate, the caseload is on course to drop nearly 2 million in the first full year of the welfare law, which is as much as it dropped in the first three and a half years of the Clinton presidency.

These numbers are a stunning success, totally unprecedented in the history of welfare. Welfare caseloads have risen almost uninterrupted in the first 60 years of the program. Before President Clinton took office there had only been two years where the caseload had dropped by more than 250,000. And we are about to have our third straight year in which the caseload has dropped by more than a million. The total is 3.4 million for the first four years and four months of the Clinton presidency. That's a 24-percent drop, which again is a record.

And Eli and I can talk a little bit about why that is happening. Certainly some of the success is due to a booming economy and very low unemployment. But there's also something

else going on, which is for the first time most states are taking welfare reform seriously and putting in place impressive programs to move people from welfare to work.

It's no accident that some of the states that have shown the most dramatic drops -- including Wisconsin, where the

drop has been 54 percent; Indiana where the drop has been 45 percent; Tennessee, 47 percent; Massachusetts, 40 percent -- those are all states that received major waivers from the Clinton administration and that are real leaders in welfare-to-work efforts.

The two biggest states that are lagging behind the rest of the country -- New York, which is 45th in caseload drop, and California, which is 48th -- have only recently put in place statewide programs. In fact, Governor Wilson just signed California's program yesterday. And Governor Pataki is scheduled to sign his new law later this week. So if New York and California, which together represent about a third of welfare caseload, have been dropping at the same rate as the rest of the country, we would have seen an additional 750,000 people moved off of welfare in the last four years.

I think one other point worth making is that a year ago when the President signed the bill he promised to fix it in some important ways, and the new budget law that he just signed last week does that. He made good on his promise to undo the harsh cuts in immigrant benefits. The new budget restores $11.5 billion in health and disability benefits to legal immigrants who are in the country at the time the welfare law was signed. And it also expands work opportunities for people who are on food stamps, childless adults who won't get cut off because they'll now have an opportunity to go to work.

We were also able to enact a $3 billion welfare-to-work program that will give money to the hardest-hit communities, the inner city communities where the hardest-to-place welfare recipients tend to be concentrated. And we expect that that $3 billion, along with a welfare-to-work tax credit that was included in the new budget, will go a long way towards meeting the President's goal of moving another million people from welfare to work.

Eli.

MR. SEGAL: Part of the reason that we've seen so much progress in the last year is because the private sector has stepped up to the plate since the legislation was signed. The private sector means a lot of things, but among other things it means the Welfare To Work Partnership, launched at the request of the President of the United States at his State of the Union address this last year. Actually, we began business in May, on May 20th, at the White House, with 100 partners in the Welfare To Work Partnership. Today we're over 800, and we expect to reach our first objective, 1,000, well before the President hoped we would, which was six months from the event in May.

The numbers are impressive, but I think as we go forward, we're going to even be able to produce more information, which is that not only are companies signing up, not only are they making the commitment to hire and retain, but they're actually achieving that objective and, in the process, changing their hiring practices.

Here in St. Louis today was our first regional challenge, the first time since we launched in May that we've actually kind of built around a city the idea of moving a city around the welfare to work initiative. There are 42,000 people on the welfare rolls -- 42,000 adults on the welfare rolls here in the greater St. Louis 12-county area right now. We hope and expect that our 300-plus companies who have signed up today will be actively engaged in hiring people over the course of the next year. We expect to come back and work closely with the people who, in fact, signed up today and make sure that as we go from the poetry to the prose of welfare to work we, in fact, get a lot done.

We're optimistic. We know there are those who continue to be skeptical about this, but we already can begin to report on success stories around the country, companies of different sizes and shapes who are, in fact, doing this not out of a sense of corporate citizenship, although we see some of that, as well, but because of its effect on the bottom line of companies. At the time of this extraordinarily robust economy. Companies really do see this as a new source of labor.

Our essential core message is that welfare to work is good for business, and we think we're going to be able to demonstrate that over and over again as we go forward. St. Louis was first. There will be many other cities in which we operate going forward. In the course of the next 10 days, as we lead up to the 22nd and the anniversary of the welfare reform legislation there will be many other things that the Welfare To Work Partnership is going to speak to. We're going to show small business support. We're going to show industry support. We're going to show support in other states.

So we're highly optimistic about -- there was some skittishness a year ago about some anxiety about this great gamble that the President was taking signing the legislation. I think we're going to be able to show that the business community is going to step up to the plate and really make a difference.

Q Do you have any actual breakdown of the number of people who really left welfare and are at work as opposed to other reasons why they're off the rolls?

MR. SEGAL: We know the following. The welfare system was designed as an income maintenance system, so there are no definitive statements of statistics kept at any level of government -- federal, state or city -- which tracks those moving from welfare to the private sector. On the other hand, we know that our own companies will be tracking -- we can't say anything to it right now; we're just getting off the ground. We wanted to establish our bona fides as a place to turn for information. I think over time, we as a bare minimum will certainly be doing it, and we see some states are beginning to look into tracking welfare to work. We know it's important to do it, and we're going to figure out a way to do it. But at this time we cannot give you specific information.

We know what commitments of industries are, commitments of specific companies are. I'm quite comfortable that when these companies and industries give commitments, they will live up to them. But I can't tell you right this minute on our companies, or I can't even tell you how many specifically, but we will soon.

Q You guys don't know -- you know how many people are dropping from the welfare rolls -- you don't have stats for how many have dropped or kept dropping?

MR. REED: No. That's one of the things that we'll be looking at. The welfare law calls for a work performance bonus which will reward states that are specially affected in moving people from welfare to work and keeping them in jobs. And we'll be tracking that.

I should say that for the national numbers, the vast majority of people who have moved from welfare to work over the last four years have likely done so on their own. The time limits have not taken effect in the overwhelming majority of the country. I think a few counties in Florida, and they may be coming into effect in a few counties in Wisconsin.

A number of states, both through their waivers and since the passage of the new law have put into place tougher work requirements and greater expectations that eventually recipients

will need to move into work. And, in fact, many states are reporting that the very expectation of work has had a significant impact in reducing their caseloads.

Q So are you saying that the law -- the time limits in the law hasn't had an effect yet?

MR. REED: The time limits -- no one has reached the time limits in the new welfare law. There's a five-year lifetime limit in the welfare law, so nobody's going to reach that until at least 2001. Other states have put in place shorter periods by which recipients are required to work. And some people have been sanctioned for refusing to work. But that isn't the case with most of the people who are --

Q How has the law convinced people or pushed people off welfare?

MR. REED: I think that a number of states have found that expectations for everyone involved in the system have changed. Welfare case workers are telling recipients or prospective applicants when they walk in the door that welfare is no longer an income maintenance system, it's a work system and that they're going to be required to go to work. Some people decide not to apply as a result.

Many states have set up so-called grant diversion programs where they give people a lump sum for a short period of time to help them through a tough period, rather than putting them on the welfare caseload and writing them monthly checks. And I think there's been -- again, this will be the most studied social experiment in recent history, so we will know over time exactly where people are going and why. But I think we're also going to see a certain amount of smoke-out effect, some people who were working off the books who have now decided it's not worth the trouble.

MR. SEGAL: I have one little comment to that, anecdotal though it is at this point. In at least one city, Kansas City, we actually tracked the number of people who were learning about LINK, which is one of the finest job training and readiness systems in the United States. Before and after the signing of the welfare legislation there's a tremendous bump in the number of people calling for information, coming down and getting a training program. And we're trying to track some of that information as well. There are a couple of other examples like that, as well, that the law has stimulated at least interest, if not, yes, a change in behavior.

Q The information that you're hearing back from states, are you getting the idea that the flow of people from welfare into actual jobs is a trickle -- is it a few, is it thousands? Are they coming off welfare into training, or off welfare directly into jobs, or off welfare into nothing at all?

MR. REED: Well, the numbers that we've given you today are people who have left the welfare caseload altogether. Most of those people have probably gone to work or gotten married, so that their income no longer makes them eligible.

In a number of states, people are still on the caseload, but also working. Some states allow recipients to stay on the caseload longer and keep a greater portion of their check. As I said, we won't know all the facts on this for some time to come.

Q -- how much of the people have dropped off the rolls because they've gotten married?

MR. REED: We don't know. Historically, that's been -- work has been the number one reason and getting married has been the second.

But to Eli's point, the pace of people leaving -- the pace of caseload reduction doubled around the time of the signing of the welfare law and has continued. But it even was doubling in the months around the signing when nothing else had really changed -- the states hadn't implemented new programs. So there probably is a noticeable impact merely from having a national welfare debate followed by a series of 50 state welfare debates.

MR. SEGAL: It's the accumulation of data that we don't have at this point. At the Welfare To Work Partnership, when we launched in May, one company, United Airlines, committed that in the course of the next three years it was going to hire 2,000 people formerly on public assistance -- 400 the first year, 800 in each of the next two. They're already hired 247 people at this point, against their first year's objective of 400.

One of the problems that we're dealing where with data, is that not only has the law never historically asked companies, states, counties to hold the data, but there have been a whole host of privacy reasons and stigmatization reasons why companies have been reluctant and individuals have been reluctant to share information about where they were before they began working here -- working at their current position.

We believe we're going to be able to figure out some model to start sharing some information with you that will be helpful. It's just going to take a little while.

Q -- also I think a couple of weeks ago the President urged states to kind of save that savings to create jobs during economic downturn. Do you know if they're doing that and what the status of that is?

MR. REED: Well, the welfare law gives states a block grant that is based on peak caseloads back in 1994. So almost every state that's seen significant caseload reduction is receiving more money than it would have under the old law. On average, it's probably about 25 percent more money. In some states it's going to be a good bit more than that.

Most states seem to be reinvesting their savings for a couple of reasons. One is the that law actually requires them to maintain their prior efforts. And since their prior efforts were also based on a much higher caseload, they're required to spend more than they would otherwise be spending now. A number of states have also decided to plow a lot of money into child care. California's new law calls for $1.3 billion in child care a year. Illinois doubled the amount of money that it's spending on child care. So I think most of the states seem to be doing the right thing on this.

Q Could you talk a little bit more about

California and why it's so far behind?

MR. REED: I got in trouble the last time I gave an explanation to this. I think there are a couple of possible reasons. One is that the economic recovery started later in California; there's been population growth. And it's quite possible that the fact that it has taken the state -- that the state has had a long, protracted debate on the subject of welfare reform has kept it from putting into place statewide efforts which will now happen as a result of the new law.

Q Can you tell us why Governor Childs and some of the other governors were wrong, that the portion of the budget did not -- dealing with federal job protections were former welfare recipients? They suggest that this would deal a severe blow to welfare. Why is that wrong?

MR. REED: Well, I think most governors have one legitimate concern, which is that they are worried that down the road the Internal Revenue Service will come to the conclusion that work-fare jobs are taxable income and that recipients would then be eligible for the earned income tax credit and employers -- in this case, the state -- would be required to pay FICA taxes and unemployment insurance. And for a number of states that would be a significant burden.

We've made clear to governors in both parties that we're prepared to make sure that that doesn't happen. In the budget law that just passed, Congress exempted work-fare participants from the earned income tax credit and we will deal with the FICA and unemployment insurance problem as well. I think there's less of a real concern -- I think the governors are wrong to be concerned about the application of basic employment protections which, after all, are standard in the private sector and involve basic civil rights protections -- the minimum wage, which has always been the tradition in work-fare programs.

So on the money issue I think they have a legitimate concern that we can deal with. On the employer protections, I don't think they're right.

Q -- requirements -- see a situation where a certain welfare programs are really -- by the fact that the locals say you have to pay a prevailing wage on this project --

MR. REED: I think it is highly unlikely that you would see a welfare recipient in a work-fare program where Davis -Bacon would apply.

MR. MCCURRY: Other subjects? Any other subjects? Yes.

Q This is sort of the same thing. Missouri and Illinois, how do they fit into some of this? And why was St. Louis picked for this stop?

MR. SEGAL: Came to Missouri for several reasons. First, we believe its strong economy would be a good place to make the argument for welfare to work that the companies were going to have a real need for entry-level work. We can make the case there. Second, it is a city with one of our five founders, a corporate champion; Monsanto has been extremely supportive of all the efforts we've undertaken. And third, it's a city in a state where the elected and the appointed officials have been very much engaged in welfare reform from even prior to the passage of legislation.

With all of that, we just kind of thought this would be a city we could wrap our hands around and tell the story and actually start going from the poetry to the prose, I think is the essential reason why we did it here.

Q -- five-year time limits, how many people are expected to be pushed off, how many jobs --

MR. REED: Well, there are -- of the 10.7 million still on welfare, I think that translates into about 3.9 million adults -- how many people need jobs by the year 2001 depends on what happens between now and then with continued caseload reduction. And I think that -- the welfare law calls for state to meet work participation requirements of 25 percent this year and it goes up 5 percent a year and reaching 50 percent by 2002. A number of states can get close to this year's rate just by their success in caseload reduction alone.

But there's no question that over the long haul this is going to continue to be a challenge. As more and more people move off welfare, the remaining cases get tougher. And that's why we think that it's especially important to engage the private sector, which is the long-term route out of this system.

Q This fundraiser right now, how much is it raising?

MR. MCCURRY: It's raising -- I believe the DNC said $250,000. I think it's predominantly soft money, but I don't have the split. A quarter million being raised at the fundraiser, and I believe it's predominantly soft.

Q How many people --

MR. MCCURRY: I don't know. We can try and get a count for you. There was a receiving line of 70 people that he was seeing. But I'll get the size.

Q Can we make sure that we're able to get a pool report from our pool before we get back to Andrews? The schedule doesn't make it clear that --

MR. MCCURRY: There should have been a pool report already that reported on Secretary Herman's briefing on the plane.

Q From the fundraiser.

MR. MCCURRY: Oh, from the fundraiser. Oh, okay. We're feeding the remarks as soon as they come. We're feeding the remarks the President makes here, but we'll remind the pool that you have a quick depart out of here.

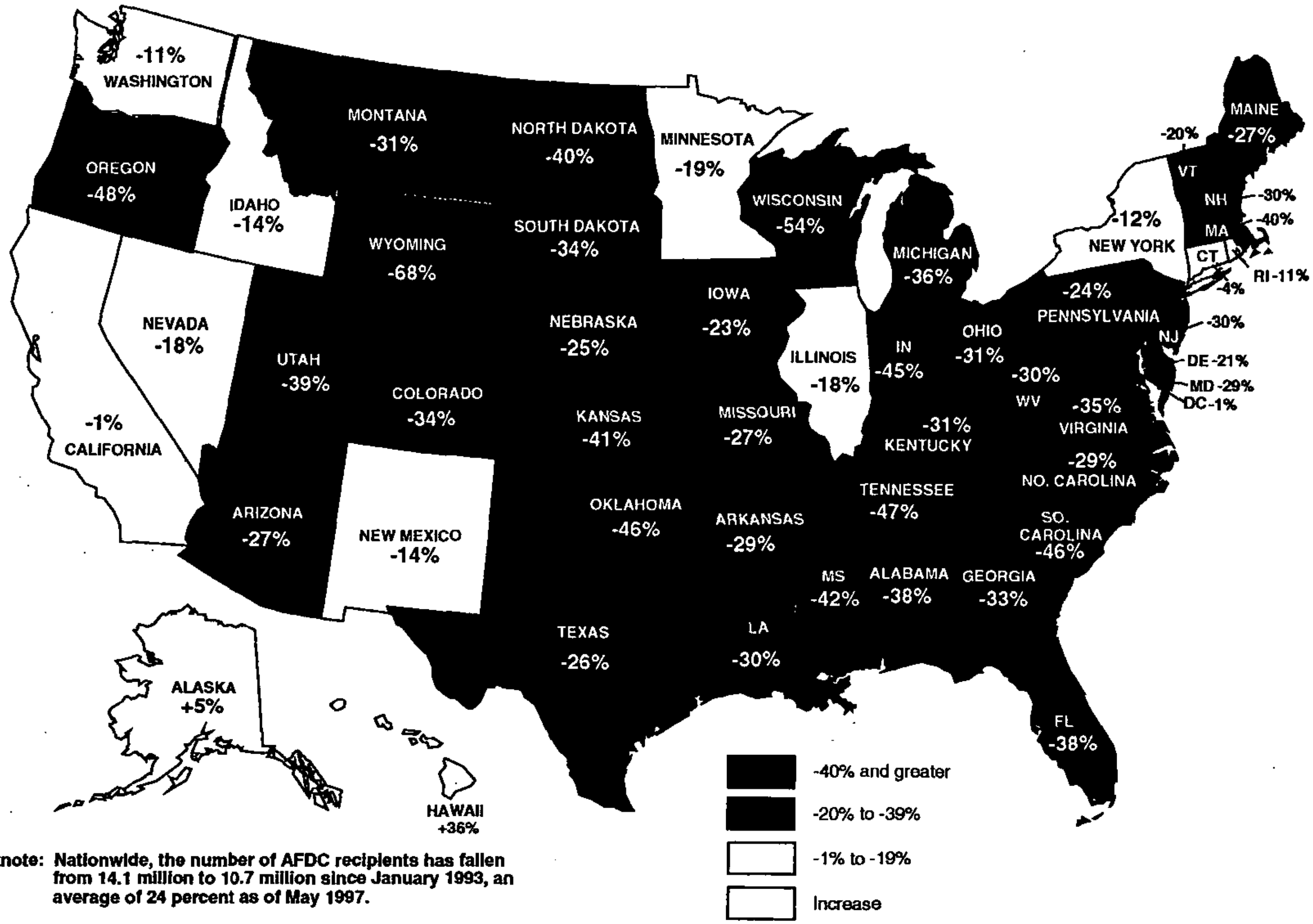
Q -- per person amount?

MR. MCCURRY: I don't have the per person amount. See if anyone from the DNC can give us more data -- ticket price, number, and the total I had which was $250,000.

Q This is primarily for the '98 congressional race or to pay off old DNC debt?

MR. MCCURRY: Well, the DNC has indicated that in

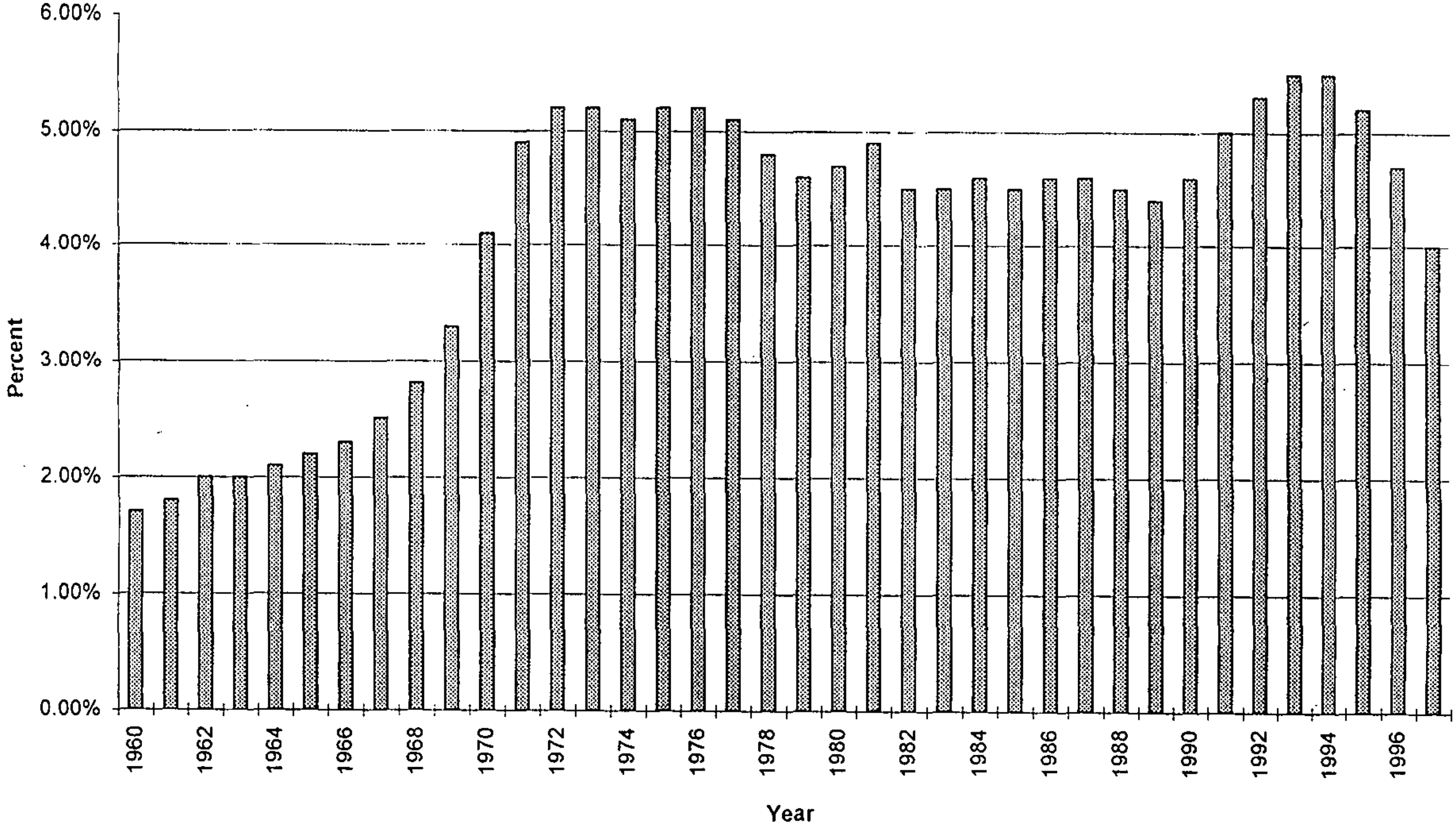
MORE THAN 3 MILLION FEWER PEOPLE ON WELFARE SINCE 1993



Footnote: **Nationwide, the number of AFDC recipients has fallen from 14.1 million to 10.7 million since January 1993, an average of 24 percent as of May 1997.**

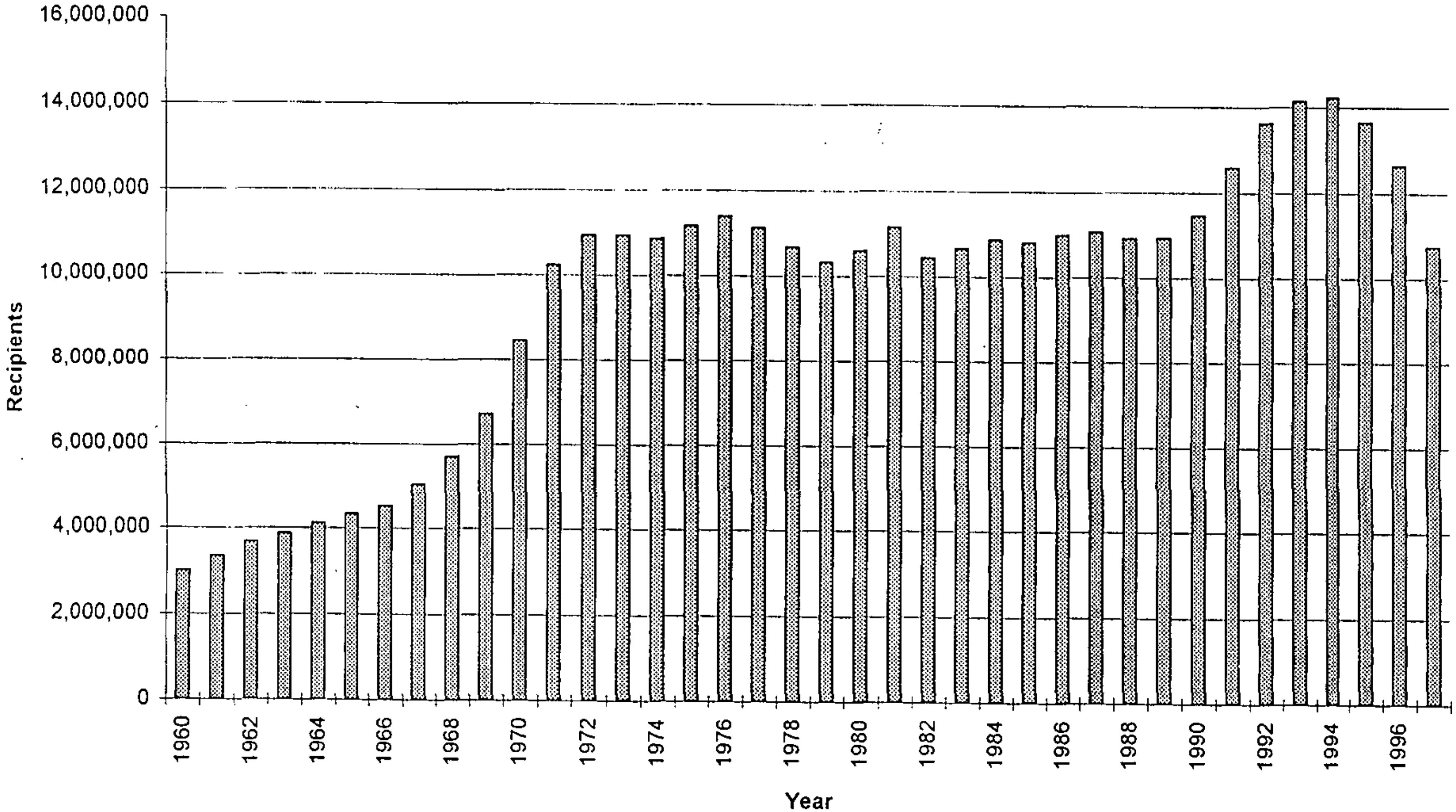
WR - statistics

Percentage of US Population on Welfare Since 1960



Source: U.S. Department of Health and Human Services
August 1997

Number of Recipients on Welfare Since 1960



Source: U.S. Department of Health and Human Services
August 1997

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CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95 (millions)	Jan.96	May 97	percent(93-97)
Families	4.963	5.053	4.936	4.628	3.874	-22%
			1,089,000 fewer families			
Recipients	14.115	14.276	13.918	12.877	10.748	-24%
			3,367,000 fewer recipients			

Total AFDC/TANF recipients by State

state	Jan.93	Jan.94	Jan.95	Jan.96	May 97	percent(93-97)
Alabama	141,746	135,096	121,837	108,269	87,506	-38%
Alaska	34,951	37,505	37,264	35,432	36,528	+5%
Arizona	194,119	202,350	195,082	171,617	142,217	-27%
Arkansas	73,982	70,563	65,325	59,223	52,695	-29%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,382,847	-1%
Colorado	123,308	118,081	110,742	99,739	81,778	-34%
Connecticut	160,102	164,265	170,719	161,736	153,364	-4%
Delaware	27,652	29,286	26,314	23,153	21,797	-21%
D.C.	65,860	72,330	72,330	70,082	65,342	-1%
Florida	701,842	689,135	657,313	575,553	433,847	-38%
Georgia	402,228	396,736	388,913	367,656	270,164	-33%
Hawaii	54,511	60,975	65,207	66,690	73,893	+36%
Idaho	21,116	23,342	24,050	23,547	18,176	-14%
Illinois	685,508	709,969	710,032	663,212	560,847	-18%
Indiana	209,882	218,061	197,225	147,083	115,886	-45%
Iowa	100,943	110,639	103,108	91,727	78,133	-23%
Kansas	87,525	87,433	81,504	70,758	51,489	-41%
Kentucky	227,879	208,710	193,722	176,601	156,511	-31%
Louisiana	263,338	252,860	258,180	239,247	184,997	-30%
Maine	67,836	65,006	60,973	56,319	49,606	-27%
Maryland	221,338	219,863	227,887	207,800	158,221	-29%
Massachusetts	332,044	311,732	286,175	242,572	197,719	-40%
Michigan	686,356	672,760	612,224	535,704	438,346	-36%
Minnesota	191,526	189,615	167,949	171,916	154,770	-19%
Mississippi	174,093	161,724	146,319	133,029	100,984	-42%
Missouri	259,039	262,073	259,595	238,052	188,680	-27%
Montana	34,848	35,415	34,313	32,557	23,950	-31%
Nebraska	48,055	46,034	42,038	38,653	36,073	-25%
Nevada	34,943	37,908	41,846	40,491	28,521	-18%
New Hampshire	28,972	30,386	28,671	24,519	20,261	-30%
New Jersey	349,902	334,780	321,151	293,833	246,500	-30%
New Mexico	94,836	101,676	105,114	102,648	81,129	-14%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,037,712	-12%

state	Jan.93	Jan.94	Jan.95	Jan.96	May 97	percent(93-97)
North Carolina	331,633	334,451	317,836	282,086	236,639	-29%
North Dakota	18,774	16,785	14,920	13,652	11,275	-40%
Ohio	720,476	691,099	629,719	552,304	494,743	-31%
Oklahoma	146,454	133,152	127,336	110,498	78,611	-46%
Oregon	117,656	116,390	107,610	92,182	60,633	-48%
Pennsylvania	604,701	615,581	611,215	553,148	446,140	-24%
Rhode Island	61,116	62,737	62,407	60,654	54,539	-11%
South Carolina	151,026	143,883	133,567	121,703	81,363	-46%
South Dakota	20,254	19,413	17,652	16,821	13,328	-34%
Tennessee	320,709	302,608	281,982	265,320	169,413	-47%
Texas	785,271	796,348	765,460	714,523	580,282	-26%
Utah	53,172	50,657	47,472	41,145	32,325	-39%
Vermont	28,961	28,095	27,716	25,865	23,162	-20%
Virginia	194,212	194,959	189,493	166,012	125,668	-35%
Washington	286,258	292,608	290,940	276,018	254,546	-11%
West Virginia	119,916	115,376	107,668	98,439	83,622	-30%
Wisconsin	241,098	230,621	214,404	184,209	110,645	-54%
Wyoming	18,271	16,740	15,434	13,531	5,840	-68%
Guam	5,087	6,651	7,630	8,364	7,382	+45%
Puerto Rico	191,261	184,626	171,932	149,944	143,178	-25%
Virgin Islands	3,763	3,767	4,345	4,953	4,418	+17%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
August 1997

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Welfare Caseloads

What we've said recently:

April 10 Cabinet meeting on Welfare Hiring Down 2.755 million (1/93-1/97)

May 9 Council of Economic Down "nearly 2.8 million"(1/93-1/97)
Advisors study

May 20 Welfare to Work Partnership event No data announced

July 4th Radio Address "I am pleased to announce that today there are 3 million fewer people on welfare than there were the day I took office -- a remarkable 1.2 million fewer since I signed welfare reform into law. This is the largest decrease in the welfare rolls in history, giving us the lowest percentage of our population on welfare since 1970." (1/93-4/97)

Caseload Data (in millions)

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Percentage Drop	Decline
May 96 (data we had when law was signed)	14.115	12.499	11%	1.616
Aug. 96* (when law was signed)	14.115	12.202	14%	1.913
Jan. 97	14.115	11.360	20%	2.755
Feb. 97	14.115	11.262	20%	2.853
Mar. 97	14.115	11.156	21%	2.959
Apr. 97	14.115	10.969	22%	3.146

*Note that when the welfare law was signed in August 1996, we only had caseload data through the month of May 1996. Our public statements at that time were therefore based on that May 1996 data.

WR - statistics

Cynthia A. Rice 08/05/97 03:57:02 PM

Record Type: Record

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

cc: Diana Fortuna/OPD/EOP

Subject: HHS estimate of Number Needed to Work

080511em.wp HHS has completed a draft analysis (attached) of how many people the welfare law would require to participate under two caseload reduction scenarios -- one "maximum caseload reduction" scenario which assumes states get credit for all the caseload reduction between 1995-1997, and second scenario assuming no caseload reduction credit.

In the year 2000, these scenarios predict that between 732,000 and 1,174,000 people will have to participate in a work-related activity for states to meet the work rates. Keep in mind that in FY 1994*, 579,213 individuals participated in the JOBS program, thus the additional number of people "working" in the year 2000 would be between 152,787 and 594,787.

*FY 1994 is latest year listed in Green Book. I've asked HHS for FY 1996 data.

DRAFT*DRAFT*DRAFT*DRAFT*DRAFT*DRAFT*DRAFT

Projecting the Number of Welfare Recipients Required to Enter Work-Related Activities

Below are preliminary estimates of the number of welfare recipients required to enter work-related activities, based on the attached methodology.

The upper bound estimates are derived using no adjustment in the work participation rates for caseload reduction, while the lower bound estimates assume maximum caseload reduction, based on caseload reduction from 1995 - 1996 and 1995 - 1997. Additionally, these estimates are based on an assumption of continued 1997 levels of program participation. Estimates are based on average monthly caseload and cannot be summed.

Preliminary Estimate of the Number of Welfare Recipients Required to Enter Welfare-Related Activities Under TANF
FY 1997 - FY 2000

FY	Work Participation Rate	**Maximum Caseload Reduction**	**No Caseload Reduction**
1997	25	546,000	734,000
1998	30	441,000	881,000
1999	35	586,000	1,027,000
2000	40	732,000	1,174,000

July 30, 1997

Summary of Method
The estimation of the size of the work program under TANF for FY 1997 through FY 2000 is based on the most recent data on states' welfare caseloads. These data are estimates and are subject to change as the data from the states are finalized. As caseload projections are not available beyond FY 1997, out year projections of work program size are based on FY 1997 caseload applied to the relevant year's work participation rate.

The estimates of the number required to participate in a work program will be very sensitive to decisions that states make in the design and implementation of their programs under the Temporary Assistance for Needy Families.

The method employs an estimate of total AFDC cases and subtracts an estimate of the number of child-only cases and cases with a child under age one who could be, at state option, exempt from the work requirement. The work participation rate is applied to the resulting nonexempt adult caseload.

Detail on Method
The total number of adult cases is based on an estimate of the average monthly caseload for FY 1997 based on state caseload reports covering October 1996 through March 1997. The total caseload is adjusted for child-only cases using unpublished data from the FY 1996 Quality Control Data System.

The estimate of the number of nonexempt adult cases is calculated assuming that all states will take the option to exempt single parent families with children under age one from the work participation requirements. The proportion of single parent families with a child under age one is taken from the FY 1996 Quality Control Data System.

Pending the issuance of final regulations, the methodology for calculating the caseload reduction factor is unknown. In this analysis a lower and upper bound estimate is produced by using two values for the work participation rate. The upper bound is simply the work rate as specified in the law -- 25% in FY 1997 rising to 40% in FY 2000 and continuing to rise to 50% in FY 2002.

The lower bound work participation rate is estimated by assuming that states take the full caseload reduction credit for the decline in caseloads from FY 1995 to FY 1996. While the caseload reduction factor should be calculated based on the combined AFDC and Emergency Assistance caseloads, an unduplicated count of cases is not available for this analysis. Therefore, the caseload reduction factor is based on the AFDC cash assistance caseload only. The caseload reduction factor for FY 1997 is calculated by the percentage change between the FY 1995 caseload and the FY 1996 caseload. The caseload reduction factor for FY 1998 - FY 2000 is calculated by the percentage change between the FY 1995 caseload and the 1997 caseload. To maximize the caseload reduction, the most advantageous of either the total caseload change or the Unemployed Parent (UP) caseload change is applied to the UP cases.

The projections of the number of adults required to work for states to meet their work requirements in future years (FY 1998 through FY 2000) would not be adjusted for either changes in caseloads or changes in the caseload reduction factor.

WR - statistics

Cynthia A. Rice 08/05/97 02:18:55 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Elisabeth Stock/OVP @ OVP

cc:
Subject: We have new caseload numbers! HHS will hold for Tuesday

The May numbers show the rolls down another 200,000, to about 10.75 million (I'm still getting the exact number...) a nearly 24% decrease since January 1993.

Judy Havemann has already called HHS looking for them, but I told HHS they have to hold them.

Welfare - statistics

Diana Fortuna
08/01/97 04:17:42 PM

Record Type: Record

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

cc: Cynthia A. Rice/OPD/EOP, Laura Emmett/WHO/EOP
Subject: 8/22 paper on whether there are enough jobs available for welfare recipients

We have been working with NEC, CEA, OMB, HHS, Treasury, and Labor on a possible paper for the 8/22 welfare anniversary that would outline how many people must leave welfare for work and whether jobs will be available for them. Attached is the outline of such a paper by Emil Parker; Cynthia asked me to forward it to you to see if you think we are heading in the right direction and if you think such a paper would be worth doing.

We are not entirely confident such a paper can be done well and serve our purposes. Two methodology questions have arisen that can probably be resolved. First, HHS has been very slow to agree with us on what should be measured, and doesn't want to use the law's requirements as a benchmark for success. (By the way, they now agree that their goal for NPR purposes should exactly match the President's goal of moving 1 million people to work in the year 2000.) On the jobs side, while the economist-types think the analysis will probably show there will be enough jobs absent a recession, they are reluctant to project the number of jobs that will be available. They argue instead we can prove our point by pointing to analogous past experiences like the 80's immigration wave, where new workers were absorbed.

In addition to the thorny question of who should author this, the final concern is perhaps most important: it seems quite possible that the analysis will show that, because of the huge caseload reduction to date, not that many people will actually have to go to work in a given year for the law to succeed. This was Sawhill's finding.

paper.wpd

Bruce /

Hard call. I lean toward going forward + seeing what we come up with — check out both ways of calculating the number of jobs needed, insist on real projections, and (as Emil says) fold the historical stuff in. Diana's "final concern" is the most important — I wonder whether that disappears if we calculate the # of jobs needed by looking at time limits (but I also wonder if we'll be able to show, using that reference point, that there will be enough jobs).

Elena

STRUCTURE OF PAPER
August 1, 1997

Number of jobs needed

There are at least two ways to think about this concept:

1) *Number required to participate in work activities under the bill* (national estimate)

Possible Assumptions:

a. No caseload growth between 1997 and 2000; or a modest decline or increase in the caseload between 1997 and 2000 (e.g., consistent with prior law CBO or HHS projections).
b. Upper bound: all those participating in work activities would be in subsidized or unsubsidized employment; lower bound: percentage of recipients working (i.e., with earnings) equal to double the figure under prior law--e.g., roughly 20 percent of the caseload, as opposed to 10 percent under AFDC.
c. Single-parent households with a child under one would be excluded from the denominator; or a percentage of these cases would be excluded, if a substantial number of States have set the exemption level at less than a year.
d. Growth in child-only cases as a share of the caseload to be projected by fitting a curve to the historical data (curve fitting to be explored by CEA).
e. The percentage of cases with two parents remains constant.

The estimated caseload reduction credit would be based on the reduction from 1995 through 1997 and the caseload growth assumptions for subsequent fiscal years. The percentage of recipients who would have been employed under prior law (i.e., with earnings) could be deducted from the participation figures to determine the number actually in need of/entering employment as a result of welfare reform. This is the approach taken in the Urban Institute paper.

2) *Number who will reach the five-year time limit*
Number who will reach a two-year time limit (national estimates)

- Estimate the number of recipients who will be on assistance for a cumulative total of 60 months between the date of enactment and, for example, 2005 (since no one will reach the five-year limit in the year 2000; also see "available jobs" discussion below).

- Estimate the number who will accumulate 24 months between date of enactment and 2000.

The actual figure will lie between these two numbers, since sixteen States, including Florida, Illinois, Massachusetts, North and South Carolina, have set full-family time limits of two years (or less, in Tennessee and Connecticut). Four other States have time limits greater than 24 months but less than 60. [source: HHS State pages].

Number of suitable jobs available

- The figure should be based on the number of low-skill jobs that BLS estimates will be produced over the relevant period--1997 through 2000 (through 2005 for purposes of the five-year time limit number).

The paper provided by Ed Montgomery of Labor summarizes the BLS job growth projections for the period from 1994 to 2005. The economy is, for example, expected to create about 20 million new jobs requiring only short-term training and experience. At least eight of the 20 occupations that are predicted to experience the greatest numerical (as opposed to percentage) increases over the period are jobs that welfare recipients could realistically obtain, including home health aide, cashier, janitor, guard, receptionist and child care worker.

The paper also includes a brief discussion of labor force growth, suggesting that BLS also publishes projections in this area.

- If possible, estimated growth in low-skill jobs would be compared to the projected increase, absent welfare reform, in labor force members with no more than a high school diploma or GED and little training or experience.

Possible Assumptions:
a. Job growth spread evenly over the 1994-2005 period--the 1997-2000 figure would be a pro-rated share of the total.
b. Steady labor force growth over the period.

Conclusion

The number of jobs needed (under the two frameworks discussed above) would be compared to the difference between projected growth in low-skill jobs and estimated growth in labor force participants with no postsecondary education and little or no training/experience. Net growth in low-skill positions greater than the number of jobs needed would suggest that the economy can, even in the short term, absorb the labor supply shock resulting from welfare reform.

NOTE: In any case, part or all of the CEA displacement paper that discusses past labor supply shocks (the baby boom, the Mariel boatlift) should be either folded into or released along with this "jobs needed/available" paper.

February 17, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
LYN HOGAN

SUBJECT: Welfare Caseload Statistics

We have been working with HHS to compile a ~~series~~ set of estimates ~~which~~ that you may find useful as you talk about the challenges ahead in welfare reform. The numbers are daunting, but not as impossible as you might think.

I. Caseload Reduction, 1993-96

When you took office, there were 14.1 million people on welfare, including nearly 5 million adults. By October 1996 (the latest figures available), the caseload had dropped to 11.9 million people, fewer than 4.3 million of them adults. The 2.25 million decline (a 16% decrease) is the largest caseload drop in history.

The decline is even more striking when you consider that the caseload did not peak until March 1994, when it reached 14.4 million (5.1 million adults). The caseload dropped 18% between March 1994 and October 1996.

If these trends hold, the total decline from January 1993 to January 1997 should be more than 2.5 million people and between 900,000 and 1 million adults.

No studies have been done to determine how much of the recent caseload decline is due to a good economy and how much to state welfare reforms. Historically, the food stamp caseload has closely tracked the business cycle, but the welfare caseload has not. More than half the welfare caseload has never worked; an economic downturn is not what landed them on welfare. A CRS study of the surge in welfare rolls during the Bush years attributed most of the increase to the rising number of births to never-married mothers, not the 1990 recession.

Over the last four years, the largest drops have come in states with the most aggressive welfare reform experiments -- including 40% declines in Wisconsin and Indiana. The past four years have been a time of unprecedented state experimentation in welfare reform, and all the tough talk from Washington on down has probably had some behavioral impact as well. (The caseload drop was sharpest during the three-month period around the signing of the welfare law, even though no recipient was affected by the new law during that period.)

Still, it would be a mistake to give welfare reform all the credit for caseload changes over the past four years. Virtually every state with a vigorous statewide effort has cut caseload by a quarter or more. But some states did little or nothing to reform their welfare systems, and others experimented in only a few counties -- and still achieved significant caseload reductions.

Four states had caseload increases between January 1993 and October 1996: Alaska, Hawaii, New Mexico, and most important, California, which has 20% of the national caseload. In each state, a mix of factors is at work: None of them has done much statewide on welfare reform, and each has experienced population growth. California was late to join the economic recovery, and leads the nation in child-only cases -- U.S.-citizen children of illegal immigrants who are eligible for welfare because they were born here.

Not clear to me why this should be associated with a caseload increase.

II. Key Facts about the Caseload

Family Size: The average size of a welfare family is 2.8 people. Moving 360,000 adults off welfare will reduce the caseload by 1 million people.

Able-Bodied Recipients: HHS estimates that 80-90% of adult welfare recipients are capable of joining the workforce. The other 10-20% are considered unable to work because of health, age, or severe mental or physical disabilities.

III. Meeting the New Work Requirements

Under the new welfare law, every able-bodied adult is supposed to work within 2 years of receiving benefits. (About 35% of current recipients have been on the rolls less than 2 years.) It is up to the states whether to enforce that requirement. The only enforceable federal requirements are the 5-year lifetime limit on federal benefits and the work participation rates.

Time Limits: Every welfare recipient now has a 5-year lifetime clock, which begins ticking when a state's new plan is certified complete, and stops every time

This section ignores the question of how welfare reform is responsible for caseload changes. On one extreme, reform could move everyone into jobs. At another, it could heighten eligibility standards and leave everyone to starve. Is there a way of breaking this down? do we have any hints?

the recipient goes off welfare. States can exempt 20% of the caseload from the 5-year limit, and use state dollars to exempt others if they choose. Most recipients will take longer than 5 years to reach the 5-year limit, because all but the permanent underclass (about a quarter of recipients) cycle on and off the caseload. Until we have a national time clock -- which was envisioned in our 1994 bill, but not included in the final law -- some recipients also may be able to circumvent the lifetime limit by moving from state to state.

Work Participation Rates: Under the new welfare law, states must have 25% of their adult caseload in work activities in 1997, 30% in 1998, 35% in 1999, 40% in 2000, 45% in 2001, and 50% in 2002 and beyond. But states get credit for people they move off welfare altogether in the meantime. If a state's caseload has dropped since FY1995, the state's work participation rate is reduced accordingly. Effective work rates for this year and beyond have already been reduced 8% nationwide by recent declines in the caseload. (Many states have lowered their caseloads and their effective work rates by twice that much. A few haven't lowered their caseloads at all.)

The following projections were calculated by HHS but are considered preliminary and are under review. About a quarter of the adult caseload is [exempt] for a variety of reasons, primarily ~~the exemption for parents with~~ children under one. By these estimates, states will be required to put 1 million adults into work activities by the year 2000, and 1.1 million by the year 2002. That number will be lower if caseload declines are greater than projected. (The current caseload is already slightly smaller than the FY2000 projection.)

because they have

	FY 95	FY 96	FY 2000 (projected)	FY 2002 (projected)
Average monthly caseload	4.9 million	4.5 million	4.3 million	4.0 million
Non-exempt adult caseload		**3.3 million**	**3.2 million**	**2.9 million**
Work participation rate			40%	50%
Caseload reduction from '95		6.7%	8%	12%
Effective work participation rate (minus caseload reduction)			32%	38%
Total number of adults required to work			**1 million**	**1.1**

million
(Effective work rate multiplied by non-exempt caseload)

?

Only a portion of the 1 million would be in subsidized work programs in the private or public sector. States can count vocational education as "work" toward a fifth of its participation requirement. Several states may raise their earnings disregards so that they can count more of the working poor toward their participation rates.

ask - how does pres whr.

We will ask HHS to run these numbers on a state-by-state basis as well. By these estimates, New York State, with more than 9% of the national caseload, will have to place around 100,000 in work by the year 2000.

IV. Hiring Power in the U.S.

There are 826,000 U.S. businesses with more than 20 employees.

There are 135,119 congregations with more than 200 members, and 205,583 congregations with more than 100 members.

There are 1.1 million nonprofit organizations (not including congregations).

We will run these numbers on a state-by-state basis as well.

V. Miscellaneous Statistics

<u>State Plans</u>: So far, 42 states have submitted their new state plans to HHS under the new law. Of the 42, HHS has certified 35 complete (including New York).

<u>Work Supplementation</u>: As of August 22, 1996, when you signed the welfare law, 11 states had received waivers to modify work supplementation rules. Oregon and Missouri pioneered this concept. Most of those waivers sought to combine AFDC and food stamp benefits to subsidize jobs.

<u>Out-of-Wedlock Births</u>: The birth rate for unmarried women dropped 4% in 1995, the first decline in 19 years. The proportion of all births to unmarried mothers declined slightly to 32.0% in 1995, from 32.6% in 1994. Three years ago, Senator Moynihan predicted that the ratio would rise to 40% or even 50% over the next decade.

Teen Pregnancy: The teen birth rate has declined four years in a row by a total of 8% between 1991 and 1995. Half a million teenagers 15-19 give birth every year. Moynihan wrote an op-ed last month criticizing us for taking credit for reducing teen pregnancy when the illegitimacy ratio for teenagers actually rose (from 70% in 1992 to 72% in 1995). But the teen birth rate fell faster than the teen illegitimacy ratio went up, and the overall illegitimacy ratio has stopped rising. ?

Child Support: Child support collections increased 50%, from $8 billion in 1992 to $12 billion in 1996.

Paternity Establishment: Paternity establishments have increased under the Clinton Administration from 554,637 in 1993 to 903,000 in 1995. %age?

Poverty: The number of people in poverty dropped by 2.9 million between 1993 and 1995, after four straight years of increases.

VI. Other Questions

Childless Adults: Most states do not provide welfare benefits for single, childless adults. This population will be hit hard by the 3-month time limit on food stamps. Our budget would restore their eligibility (unless they turn down a work slot), provide states with funds for 380,000 new work slots, and make childless adults eligible for our expanded Work Opportunities Tax Credit, which gives employers a 50% credit on the first $10,000 in annual wages.

Organizing CEOs: Eli Segal has drafted a strategic plan for a non-profit organization to recruit businesses to hire people off welfare. He will send us a copy after his board approves it next week. Eli will probably serve as president of the organization, with most of the CEOs you met as a governing board.

Organizing Non-Profits and Religious Organizations: We have spoken with Maria Echaveste about the need for a full-time staffer in Public Liaison to organize religious institutions, non-profits, and businesses to move people from welfare to work.

WR - Statistics

Diana Fortuna
07/30/97 12:25:03 PM
●●●●●●●●●●●●●●●●●

Record Type: Record

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

cc: Cynthia A. Rice/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
Subject: HHS goal for welfare success with NPR

For some weird reason, HHS has developed a preliminary NPR "reinvention" goal for successful welfare reform that differs from the President's goal of moving 1 million people from welfare to work by the year 2000. Instead, HHS's preliminary paper says that their goal is to move "1.25 million welfare recipients into new employment within the first two years of welfare reform." The VP is actually having a meeting on Monday with 15 agencies, including ACF, to go over these preliminary goals. Not clear what NPR's public release schedule is.

We are inclined to call Olivia and NPR leaders and tell them that this is not appropriate, and it's hard to envision any circumstance where we would want HHS to have a different goal than the President, but wanted to make sure you agree.

Diana Fortuna
07/30/97 03:00:41 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
bcc:
Subject: Re: HHS goal for welfare success with NPR

We think their 1.25 million reduction is cumulative, i.e., you add together 500,000 in '98 and 750,000 in '99, or whatever.
Bruce N. Reed

Bruce N. Reed
07/30/97 12:47:54 PM

Record Type: Record

To: Diana Fortuna/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
Subject: Re: HHS goal for welfare success with NPR

Do they mean 1.25m reduction in welfare rolls, or a total of 1.25m over 2 yrs (ie. 500k in year 1, 700k in yr 2, etc)?

Either way I think it would be better for them to have the same goal as us, which is either 2m people off rolls or 1m adults into work.

WR - statistics

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95 (millions)	Jan.96	Apr.97	percent(93-97)
Families	4.963	5.053	4.936	4.628	3.950	-20%
			1,013,000 fewer families			
Recipients	14.115	14.276	13.918	12.877	10.969	-22%
			3,146,000 fewer recipients			

Total AFDC/TANF recipients by State

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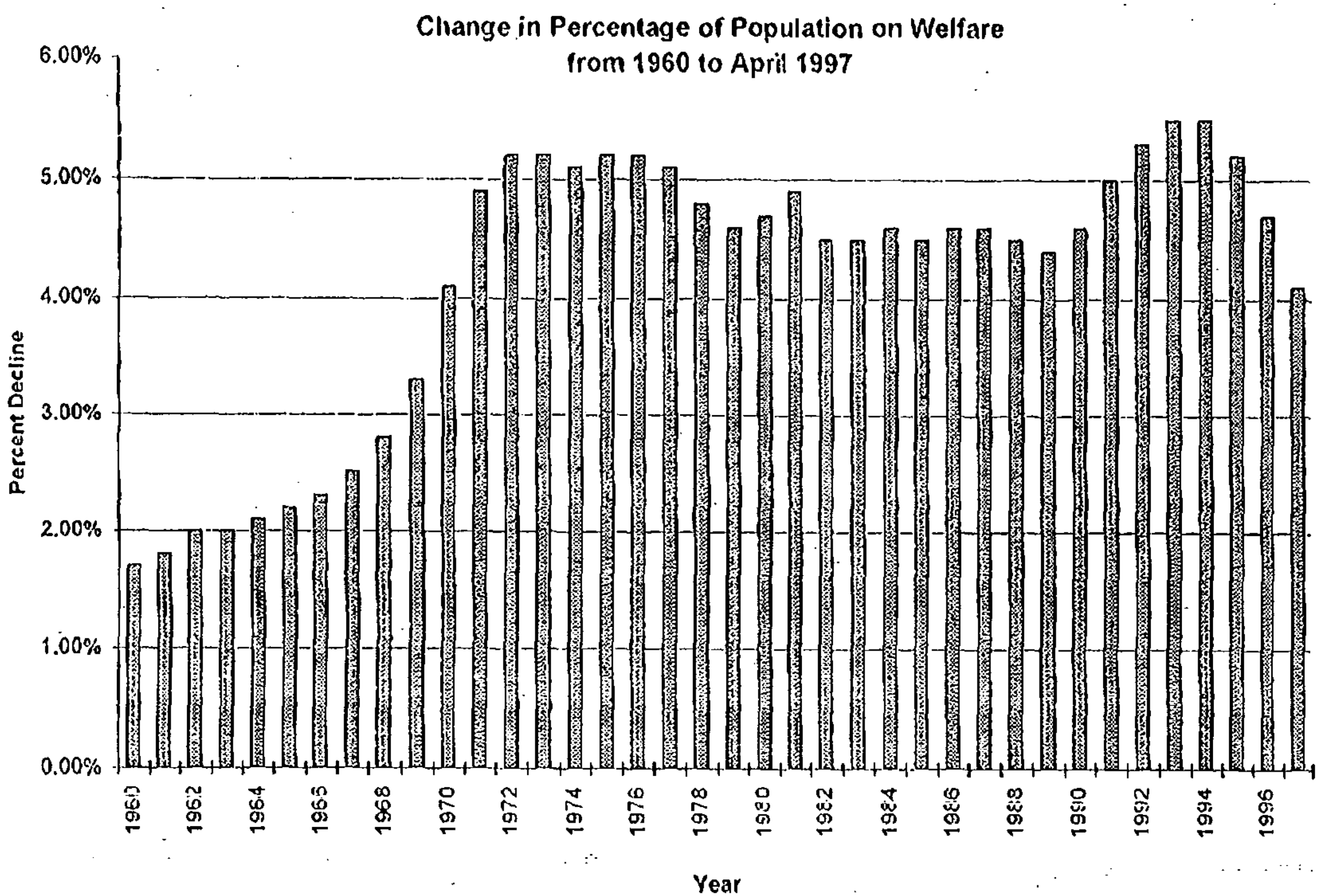
Alaska	34,951	37,505	37,264	35,432	37,300	+7%
Arizona	194,119	202,350	195,082	171,617	143,670	-26%
Arkansas	73,982	70,563	65,325	59,223	53,420	-28%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,427,440	+1%
Colorado	123,308	118,081	110,742	99,739	83,820	-32%
Connecticut	160,102	164,265	170,719	161,736	154,220	-4%
Delaware	27,652	29,286	26,314	23,153	21,510	-22%
D.C.	65,860	72,330	72,330	70,082	66,220	+1%
Florida	701,842	689,135	657,313	575,553	447,480	-36%
Georgia	402,228	396,736	388,913	367,656	283,970	-29%
Hawaii	54,511	60,975	65,207	66,690	73,740	+35%
Idaho	21,116	23,342	24,050	23,547	19,180	-9%
Illinois	685,508	709,969	710,032	663,212	568,130	-17%
Indiana	209,882	218,061	197,225	147,083	115,480	-45%
Iowa	100,943	110,639	103,108	91,727	79,490	-21%
Kansas	87,525	87,433	81,504	70,758	54,620	-38%
Kentucky	227,879	208,710	193,722	176,601	155,910	-32%
Louisiana	263,338	252,860	258,180	239,247	190,380	-28%
Maine	67,836	65,006	60,973	56,319	50,880	-25%
Maryland	221,338	219,863	227,887	207,800	160,670	-27%
Massachusetts	332,044	311,732	286,175	242,572	199,980	-40%
Michigan	686,356	672,760	612,224	535,704	442,900	-35%
Minnesota	191,526	189,615	167,949	171,916	157,670	-18%
Mississippi	174,093	161,724	146,319	133,029	103,160	-41%
Missouri	259,039	262,073	259,595	238,052	195,730	-24%
Montana	34,848	35,415	34,313	32,557	24,630	-29%
Nebraska	48,055	46,034	42,038	38,653	36,360	-24%
Nevada	34,943	37,908	41,846	40,491	28,990	-17%
New Hampshire	28,972	30,386	28,671	24,519	20,580	-29%
New Jersey	349,902	334,780	321,151	293,833	250,200	-28%
New Mexico	94,836	101,676	105,114	102,648	83,390	-12%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,050,640	-11%

state	Jan.93	Jan.94	Jan.95	Jan.96	Apr.97	percent(93-97)
North Carolina	331,633	334,451	317,836	282,086	242,950	-27%
North Dakota	18,774	16,785	14,920	13,652	11,420	-39%
Ohio	720,476	691,099	629,719	552,304	507,620	-30%
Oklahoma	146,454	133,152	127,336	110,498	79,960	-45%
Oregon	117,656	116,390	107,610	92,182	63,160	-46%
Pennsylvania	604,701	615,581	611,215	553,148	463,430	-23%
Rhode Island	61,116	62,737	62,407	60,654	53,240	-13%
South Carolina	151,026	143,883	133,567	121,703	85,990	-43%
South Dakota	20,254	19,413	17,652	16,821	13,420	-34%
Tennessee	320,709	302,608	281,982	265,320	175,150	-45%
Texas	785,271	796,348	765,460	714,523	592,070	-25%
Utah	53,172	50,657	47,472	41,145	33,360	-37%
Vermont	28,961	28,095	27,716	25,865	23,310	-20%
Virginia	194,212	194,959	189,493	166,012	129,050	-34%
Washington	286,258	292,608	290,940	276,018	258,190	-10%
West Virginia	119,916	115,376	107,668	98,439	88,680	-26%
Wisconsin	241,098	230,621	214,404	184,209	114,960	-52%
Wyoming	18,271	16,740	15,434	13,531	6,240	-66%
Guam	5,087	6,651	7,630	8,364	7,290	+43%
Puerto Rico	191,261	184,626	171,932	149,944	143,670	-25%
Virgin Islands	3,763	3,767	4,345	4,953	4,450	+18%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
July 1997



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

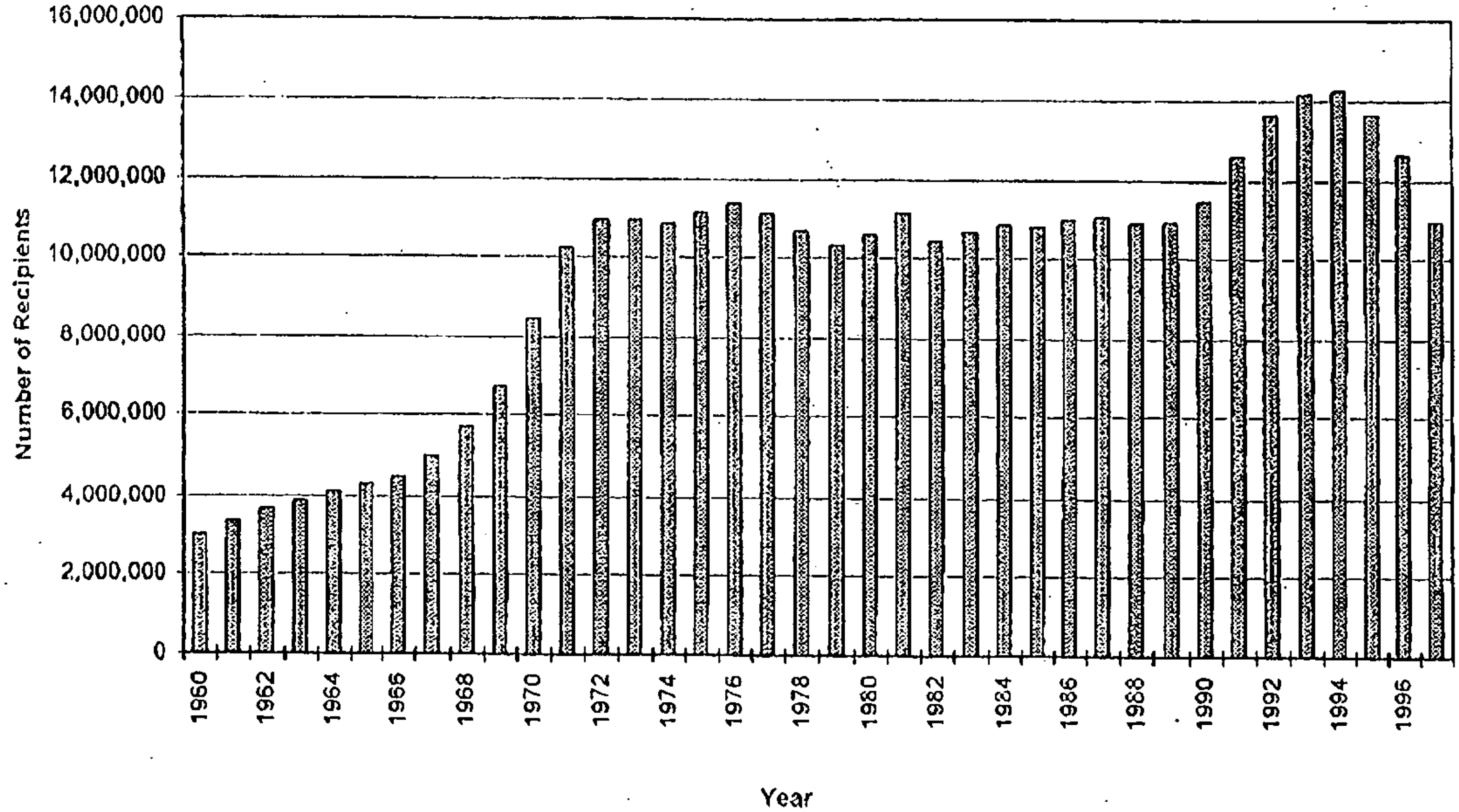
Aid to Families with Dependent Children (AFDC)
Temporary Assistance for Needy Families (TANF)
Percent of Total U.S. Population, 1960-1997
Source: HHS Administration for Children and Families

year	recipients	U.S. pop.	% of pop.
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	260,660,000	5.5%
1995	13,652,232	263,034,000	5.2%
1996	12,648,859	265,284,000	4.7%
Apr. 1997*	10,969,000	266,789,000	4.1%

Note: unless noted, caseload numbers are average monthly

*most recent available

Number of Recipients on Welfare Since 1960



U.S. Department of Health and Human Resources, April 1997

WR - teen pregnancy

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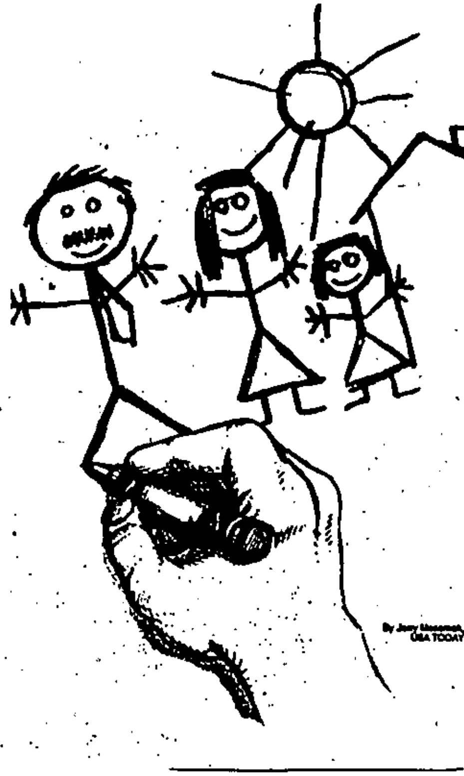
Quietly, a trend away from out-of-wedlock births emerges

By Ben Wattenberg



Out-of-wedlock births have soared and are America's No. 1 social problem. In 1960, 5% of children were born illegitimately. Now the ratio is a third (32%). Scary, straight-line projections have shown it could go to 50%.

Yet, unheadlined, major changes are going on. The most critical components of high illegitimacy rates — birthrates among teen-agers and blacks — have fallen dramatically.

Why no headlines? Due to a temporary statistical anomaly, the trend is seen only faintly in the most publicized index of illegitimacy. But the turnaround will be showing up soon.

The National Center for Health Statistics' (NCHS) most recent statistics, through mid-year 1996, reveal the startling changes.

Teen-age fertility (ages 15-19) dropped by 10% from 1991-96, while the decrease for the total population was only 5%. White teen birthrates decreased by 7% — and black teen birthrates by 20%.

That's important. These days, catastrophically, about three-quarters of teen-age births are illegitimate. But among women over 20, the illegitimacy ratio is 25%. There is also a big racial difference in illegitimacy: 25% for white teen-agers, 70% for blacks.

If there's such stunning headway, why no headlines? After all, illegitimacy, particularly by teen-agers, correlates with major social problems: poverty, crime, welfare, dropouts, cyclical illegitimacy.

The problem is that illegitimacy is usually talked about as a simple ratio, out-of-wedlock births as a percentage of all births. It's important. It's understandable. We concentrate on it.And it's changed little in recent years.

How can the out-of-wedlock ratios decline so minutely while the rates decline so sharply among the very groups — teen-agers and blacks — that contribute so heavily to it?

Teen-agers comprise a small proportion of the population. Women are considered statistically fertile for the 29 years from 15-44. During the four years teen-agers are statistically fertile, they bear 13% of the babies. So, when teen-age fertility falls, it has only a limited effect on the ratio.

Moreover, fertility decreased not only for teen-agers (mostly illegitimate) but also among older women (mostly legitimate). If both sides of the proportion shrink, the ratio won't move much. Demographer Stephanie Ventura of NCHS says, "The out-of-wedlock ratio is a flawed index because it doesn't properly take into account the sharp decline in married fertility."

So why is this good news? Because teen-agers become adults. (Flash!)

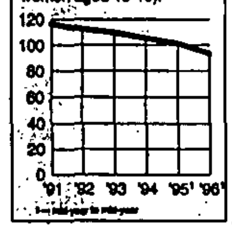
If unmarried teen-agers refrain from childbirth, they likely will have children later on, after they are married (perhaps at increased rates). This means that the illegitimacy ratio will go down solidly — but slowly. Each year only 1/29th of the fertility spectrum moves from teen-ager to 20-something. Martin O'Connell, chief of fertility and family statistics for the Census Bureau, says, "Once out-of-wedlock birth is delayed, it may never happen. Personal responsibility and contraceptive techniques learned as teen-agers are likely to stick."

Is this trend definite? Part of the coming illegitimacy ratio decline is already baked into the cake — by teen-agers who haven't borne children during the past five years. The illegitimacy ratio will go on falling if teen-age fertility rates simply don't go up. It will fall faster if they continue to decline.

Douglas Besharov, welfare expert at the American Enterprise Institute, says: "The data correlate with other indicators. Contraceptive use among teen-agers is up. Abortion is down partly because of fewer conceptions. Welfare recipiency and high school dropout rates are down."

Teen births decline

Since 1991 teen birth rates have fallen, mostly among blacks (births per 1,000 black women aged 15-19).



Why now? Tighter state-by-state welfare provisions, made possible by federal waivers granted in the first part of the 1990s, probably discouraged young women from bearing out-of-wedlock children. An "announcement effect" of the federal welfare-reform bill had an impact even before the law was passed. There have been publicity campaigns. A growing economy lifted many poor people to higher economic status, where fertility is lower.

What will it mean? Plenty. Consider "income inequality." It's said the poor are getting poorer while the rich get richer. Yes, but. In part that's coming from the increase in single-parent households, caused partially by out-of-wedlock teen-age births. Median income for female-headed households was $21,348 in 1995, compared to $47,129 for married couples. Fewer female-headed households in the future will mean less income inequality.

Who should get the credit? Most welfare waivers have been granted during the Clinton presidency. But mostly GOP governors did the asking. Clinton says he "ended welfare as we know it." The Republicans say their tough bill passed. Conservatives point to a campaign for teen-age abstinence. Liberals look at sex education.

Let everyone take credit. There's work to be done. Illegitimate birth is still problem No. 1. But something is going on that bodes better. That will show up in the illegitimacy ratios. Then it will be headline news.

Ben Wattenberg, a senior fellow at the American Enterprise Institute and moderator of PBS' Think Tank, *is a member of USA TODAY's board of contributors.*

USA TODAY · THURSDAY, JULY 24, 1997

Wr - Wr-to-work CEOs

Cynthia A. Rice 07/18/97 11:05:06 AM

Record Type: Record

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

cc: Thomas L. Freedman/OPD/EOP, Mary L. Smith/OPD/EOP, Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP

Subject: Update on Welfare to Work St. Louis plans

Here's what the Welfare to Work Partnership is planning for the mid-August St. Louis event, which some of us will discuss with them at today's 4:00 meeting w/Ann Lewis et. al.

The St. Louis event which will be part of a "Welfare to Work Week" of probably three events (we would be involved only in the St. Louis event):

The St. Louis event, which will launch their local welfare to work campaign which will in time include 6 to 12 cities;
A press club event in D.C. with small business, releasing data from Coopers and Lybrand survey showing many small businesses want to hire welfare recipients, but see challenges in doing so, and underscoring the Partnership's commitment to providing them with technical assistance to be successful;
A media event in Milwaukee with the mayor and Governor Thompson on August 22nd celebrating the success of welfare reform in that city.

In St. Louis, the Partnership wants to:

1) Release its print and radio public service announcements with a "This is good for business, and good for the country" theme, and providing a toll free number (1-888-USA-JOBS) number for companies to call who want to learn more about hiring welfare recipients.

2) Release its Blueprint for Business, a 50 page guide for companies who want to hire and retain welfare recipients

3) Unveil their web page (www.welfaretowork.org), which will contain a copy of the Blueprint, forms for companies to sign up as Welfare to Work "partner" (what they call companies that have made the commitment), and other information. (Eventually, companies will be able to accept the database of services through the web site, but they don't expect to have that ready by mid-August).

4) Announce 300 plus corporate commitments in St. Louis and release the packet of information they've prepared for these companies, outlining service providers, state assistance, and local success stories. They are working to secure a commitment from the Ford Foundation, Strive, and others to provide funds for services in the 6-12 cities; if they're ready, they'll announce that too.

They plan the day itself to look like:

8:00 - 11:00 am: Session for local business and service providers, with breakout sessions, addresses by the mayor and Eli Segal to be held at the downtown Marriott.

Early afternoon: Event at Keiner Plaza, and open air amphitheatre in downtown St. Louis. Like on May 20th, they're planning a very long program: the CEO of Monsanto; a local success story; the mayor; Eli Segal; the Governor; the President. They have a plan for a high tech visual which will project behind the speakers the signatures of the St. Louis companies pledging their commitment during the event (the CEOs would be signing during the event, and as they signed, the signatures would appear on stage).

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Diana Fortuna/OPD/EOP
Christa Robinson/OPD/EOP
Elisabeth Stock/OVP @ OVP
Emily Bromberg/WHO/EOP
Cheryl M. Carter/WHO/EOP

CHANGE IN WELFARE CASELOADS

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Maryland	221,338	219,863	227,887	207,800	169,723	-23%
Massachusetts	332,044	311,732	286,175	242,572	207,932	-37%
Michigan	686,356	672,760	612,224	535,704	460,793	-33%
Minnesota	191,526	189,615	167,949	171,916	159,855	-17%
Mississippi	174,093	161,724	146,319	133,029	108,365	-38%
Missouri	259,039	262,073	259,595	238,052	208,132	-20%
Montana	34,848	35,415	34,313	32,557	26,294	-25%
Nebraska	48,055	46,034	42,038	38,653	36,490	-24%
Nevada	34,943	37,908	41,846	40,491	28,817	-18%
New Hampshire	28,972	30,386	28,671	24,519	20,627	-29%
New Jersey	349,902	334,780	321,151	293,833	256,000	-27%
New Mexico	94,836	101,676	105,114	102,648	89,814	-5%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,100	-9%
North Carolina	331,633	334,451	317,836	282,086	252,564	-24%
North Dakota	18,774	16,785	14,920	13,652	11,904	-37%
Ohio	720,476	691,099	629,719	552,304	518,595	-28%
Oklahoma	146,454	133,152	127,336	110,498	87,144	-40%
Oregon	117,656	116,390	107,610	92,182	66,919	-43%
Pennsylvania	604,701	615,581	611,215	553,148	483,625	-20%

state	Jan.93	Jan.94	Jan.95	Jan.96	Jan.97	percent(93-97)
Rhode Island	61,116	62,737	62,407	60,654	54,588	-11%
South Carolina	151,026	143,883	133,567	121,703	97,146	-36%
South Dakota	20,254	19,413	17,652	16,821	14,050	-31%
Tennessee	320,709	302,608	281,982	265,320	194,860	-39%
Texas	785,271	796,348	765,460	714,523	625,376	-20%
Utah	53,172	50,657	47,472	41,145	35,442	-33%
Vermont	28,961	28,095	27,716	25,865	23,515	-19%
Virginia	194,212	194,959	189,493	166,012	135,908	-30%
Washington	286,258	292,608	290,940	276,018	263,792	-8%
West Virginia	119,916	115,376	107,668	98,439	68,600	-43%
Wisconsin	241,098	230,621	214,404	184,209	123,758	-49%
Wyoming	18,271	16,740	15,434	13,531	10,117	-35%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
April 1997

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95 (millions)	Jan.96	Jan.97	percent(93-97)
Families	4.963	5.053	4.936	4.628	4.104	-17%
			859,000 fewer families			
Recipients	14.115	14.276	13.918	12.877	11.360	-20%
			2,755,000 fewer recipients			

Total AFDC/TANF recipients by State

state	Jan.93	Jan.94	Jan.95	Jan.96	Jan.97	percent(93-97)
Alabama	141,746	135,096	121,837	108,269	91,569	-35%
Alaska	34,951	37,505	37,264	35,432	36,189	+4%
Arizona	194,119	202,350	195,082	171,617	151,526	-22%
Arkansas	73,982	70,563	65,325	59,223	54,751	-26%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,474,689	+2%
Colorado	123,308	118,081	110,742	99,739	87,074	-29%
Connecticut	160,102	164,265	170,719	161,736	155,578	-3%
Delaware	27,652	29,286	26,314	23,153	23,141	-16%
D.C.	65,860	72,330	72,330	70,082	67,871	+3%
Florida	701,842	689,135	657,313	575,553	478,329	-32%
Georgia	402,228	396,736	388,913	367,656	305,732	-24%
Hawaii	54,511	60,975	65,207	66,690	65,312	+20%
Idaho	21,116	23,342	24,050	23,547	19,925	-6%
Illinois	685,508	709,969	710,032	663,212	599,629	-13%
Indiana	209,882	218,061	197,225	147,083	121,224	-42%
Iowa	100,943	110,639	103,108	91,727	78,076	-23%
Kansas	87,525	87,433	81,504	70,758	57,528	-34%
Kentucky	227,879	208,710	193,722	176,601	161,150	-29%
Louisiana	263,338	252,860	258,180	239,247	206,582	-22%
Maine	67,836	65,006	60,973	56,319	51,031	-25%
Maryland	221,338	219,863	227,887	207,800	169,723	-23%
Massachusetts	332,044	311,732	286,175	242,572	207,932	-37%
Michigan	686,356	672,760	612,224	535,704	460,793	-33%
Minnesota	191,526	189,615	167,949	171,916	159,855	-17%
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Wyoming	18,271	16,740	15,434	13,531	10,117	-35%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
April 1997

WR - statistics

Cynthia A. Rice 03/31/97 12:10:12 PM

Record Type: Record

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

cc: Diana Fortuna/OPD/EOP
Subject: CEA White Paper on Welfare Caseloads

On Friday, the Council of Economic Advisers gave me a draft of a white paper on the reasons for the recent decline in welfare caseloads from 1993-1996. They've asked for comments by close of business tomorrow. Bottom line: their statistical analysis concludes that

42% due to economic expansion
32% due to welfare waivers
26% due to other, unidentified factors

There are many comments I'd like to make about how this information is presented (information is often stated that exaggerates the findings on the economy -- i.e. 42% becomes "almost half" and there are some gratuitious comments about possible effects of the new law.) Fundamentally, the analysis seems sound, although adding some other variables correlated with economic expansion (i.e. increase in state child care spending) may have resulted in a lower percentage being attributed to economic expansion.

Question: besides these types of minor changes, what do you want me to do about this?

File: welfare - statistics

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Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95	Dec.96	percent(93-96)
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		820,000 fewer families			
Recipients	14.115	14.276	13.918	11.496	-19%
		2,619,000 fewer recipients			

Total AFDC/TANF recipients by State

state	Jan.93	Jan.94	Jan.95	Dec.96	percent(93-96)
Alabama	141,746	135,096	121,837	87,966	-38%
Alaska	34,951	37,505	37,264	35,198	+1%
Arizona	194,119	202,350	195,082	157,270	-19%
Arkansas	73,982	70,563	65,325	55,074	-26%
California	2,415,121	2,621,383	2,692,202	2,488,308	+3%
Colorado	123,308	118,081	110,742	89,298	-28%
Connecticut	160,102	164,265	170,719	156,361	-2%
Delaware	27,652	29,286	26,314	23,011	-17%
District of Columbia	65,860	72,330	72,330	68,378	+4%
Florida	701,842	689,135	657,313	491,021	-30%
Georgia	402,228	396,736	388,913	309,227	-23%
Hawaii	54,511	60,975	65,207	65,365	+20%
Idaho	21,116	23,342	24,050	20,094	-5%
Illinois	685,508	709,969	710,032	608,543	-11%
Indiana	209,882	218,061	197,225	120,041	-43%
Iowa	100,943	110,639	103,108	80,416	-20%
Kansas	87,525	87,433	81,504	57,951	-34%
Kentucky	227,879	208,710	193,722	162,282	-29%
Louisiana	263,338	252,860	258,180	213,551	-19%
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Vermont	28,961	28,095	27,716	23,303	-20%
Virginia	194,212	194,959	189,493	139,177	-28%
Washington	286,258	292,608	290,940	261,164	-9%
West Virginia	119,916	115,376	107,668	66,993	-44%
Wisconsin	241,098	230,621	214,404	128,212	-47%
Wyoming	18,271	16,740	15,434	11,200	-39%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
March 1997

Rahm / Bruce

THE PRESIDENT HAS SEEN
2-18-97

Elena

ARTICLE

Fyi - BR

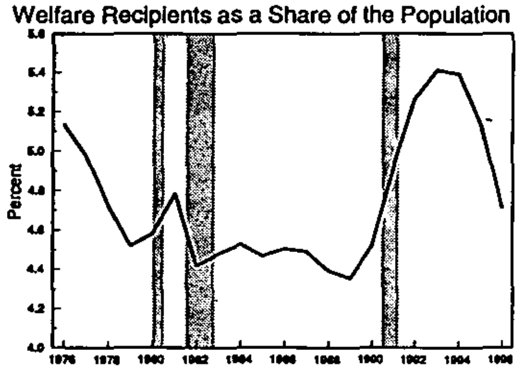
Declining Welfare Rolls: You Were Right, Mr. President

> *The welfare rolls have gone down 2.1 million in the last 4 years...I think a fair reading of it would say about half of this decline came from an improved economy and about half of it came from intensified efforts to move people from welfare to work. Now I don't have any scientific division. But anyway, there is some division there.* President's Press Conference, January 28, 1997

Indeed, a preliminary statistical analysis suggests that about half the reduction in the welfare rolls over the past 4 years can be attributed to economic growth and about 30 percent to waivers that allowed states to impose time limits on receipt of benefits. Other unidentified factors account for the remainder of the reduction.

Trends in welfare receipiency. The fraction of the population receiving AFDC fell from 5.4 percent in 1993 to 4.7 percent in 1996 (see chart). One important factor affecting caseloads is the business cycle. As the economy expands, more of the poor are able to find jobs and move off welfare. For example, a growing economy helped lower the welfare caseload between 1975 and 1979, and again, to a lesser extent, between 1984 and 1989. A faltering economy in 1980 and 1981 contributed to rising welfare rolls.

Welfare Recipients as a Share of the Population



Two anomalous episodes in the chart illustrate that the economy is not the only driving factor. First, policy changes enacted in the Omnibus Budget Reconciliation Act of 1981 substantially reduced welfare eligibility. As a result, welfare recipiency declined sharply in 1982 despite a worsening economy. Second, the dramatic rise and subsequent sharp decline in welfare recipiency between 1989 and 1996 stands out as much sharper than previous cyclical movements.

Waivers and other factors affecting caseloads. Recent waivers granted to states to experiment with innovative programs may have contributed to the dramatic caseload reduction over the past few years. The types of waivers that have been granted include time limits on welfare receipt, "family caps" that restrict benefit increases brought about by having an additional child while on welfare, and expanded job search and training requirements.

Other changes in a state's environment are important contributors to its welfare caseload. Some states offer benefits that are far more generous than others, generating a larger pool of eligible people. Attitudes towards welfare recipients may

File - welfare - statistics

affect caseloads because stigma is a potential cause of low take-up rates among those who are eligible. The share of households headed by women is also relevant because AFDC is a categorical program mainly targeted at single mothers with children.

The statistical analysis. State-level data from 1976 through 1996 were used to determine the separate contributions of economic growth and approved state waivers in explaining the decline in welfare receipt over the past 3 years. The methodology controls for differences across states that are roughly constant over time (such as whether the state is relatively generous or relatively parsimonious), differences over time that are constant across states (such as changing national attitudes toward welfare), and gradual trends over time that may differ among states (such as the rate of growth of female-headed households). This approach allows the effects of economic growth and waivers on the welfare caseload to be separated from all of these other factors that potentially affect caseloads.

Both economic growth, as measured by changes in the unemployment rate, and waivers that impose time limits on receipt of benefits have a significant effect on changes in the welfare caseload. The analysis shows that economic growth reduced the welfare caseload by 48 percent. Time limit waivers reduced the caseload by 29 percent. Assorted other factors accounted for the remaining 23 percent of the decline.

Conclusion. Economic growth does account for about half of the reduction in the welfare caseload. Time limits are also important. What the data cannot tell us, however, is how many people who left welfare due to time limits actually found jobs.

File - WR - statistics

New and Improved? Not Quite

By Paul Offner

WASHINGTON

When President Clinton announced recently that welfare caseloads are down by 2.1 million from four years ago, he called it "the biggest drop in welfare rolls in history." The President pointed to the waivers he has granted to 43 states, making it easier for them to place welfare recipients in jobs and training programs. Republican leaders gave the credit to Governors like John Engler of Michigan and Tommy Thompson of Wisconsin.

But the impressive caseload reduction occurred under the old, discredited welfare law that Mr. Clinton and the Republicans have repealed. Neither party seemed interested in explaining why, if it was working so well, we had to scrap that system for an approach that will put millions of children at risk of becoming destitute.

The President's waivers may well have helped states move welfare recipients off the rolls. But the business cycle, historically, has been the primary influence on the number of welfare recipients. From 1989 to 1993, a period of rising unemployment, the welfare caseload grew from 10.8 million to 14 million. After that, unemployment declined, and by October 1996, the number of welfare recipients was down to 11.8 million. The system worked.

So why the need for such a drastic fix? The public seems to think that welfare dependence has been on the rise. It has not. Actually, a smaller proportion of the population is on the dole today compared with 25 years ago. From 1972 to 1989, about 4.8 percent received Aid to Families with Dependent Children. By 1993, about 5.4 percent did. Today, it's down to 4.6 percent.

MAKING WELFARE WORK

Timing is everything in politics, and in this area, the conservatives have had all the luck. In 1988, a Democratic Congress passed, and President Ronald Reagan signed, the Family Support Act, which encouraged modest state and Federal investments in job training, day care and other services welfare mothers need to become self-sufficient. Then the economy soured, caseloads started growing, and governors found their states short of money to invest in reform efforts. The Family Support Act did finance a number of experimental programs that increased employment, earnings and school attendance. But because of the economic downturn, welfare caseloads increased by 30 percent in the first four years. Obviously, the new law wasn't working, critics said.

The welfare law is being overrated.

Now the economy is strong, the number of welfare recipients is declining and already the new law looks like a success. But eventually the economy will weaken and more people will seek welfare. States will run out of money — the law freezes Federal financing at earlier levels — and will be unable to meet the law's ambitious work requirements.

The President, though, foresees only clear sailing. "Together, we can make the permanent underclass a thing of the past," he said. Yet there's little in the new law to help reverse the high levels of unemployment and out-of-wedlock births in poor urban neighborhoods. In 1964, President Lyndon Johnson articulated a similar vision, saying the nation must make "a commitment to eradicate poverty." Unfortunately, Mr. Clinton is not likely to do any better than his predecessor. □

Paul Offner is the District of Columbia's Commissioner of Health Care Finance.

The New York Times

MONDAY, FEBRUARY 24, 1997

To Rahm / Bruce
FYI — makes some good pts —
BC

THE PRESIDENT HAS SEEN
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busy professionals often endure hour-long commutes.

One camp subscribes to the cell-phone-as-lifesaver theory.

"Let me tell you something," said an emphatic Cecelia Williams, manager of an L.A. Cellular Superstore in downtown Santa Monica. "The cellular phone is the best freeway safety device ever invented. Period.

"Do you know how many times I have reported accidents from my cell phone or called police about drunken or homeless pedestrians wandering the streets? These phones help save lives."

But those who don't own mobile phones see them as obnoxious toys.

"They shouldn't allow them to be used in cars," said one man at Santa Monica's Third Street Promenade. "With all that traffic, what's so important to say that you

cellular phones. It's a place where the car phone has become as ubiquitous as the roadside palm tree. Mobile phones can be purchased at cellular phone specialty shops, electronics boutiques, department stores, drugstores and even from an occasional freeway offramp hustler.

Car phone advocates acknowledge that using a cellular phone can be a distraction while driving, but insist that it's a lot like walking and chewing gum at the same time—anyone can do it.

"We as a company encourage people to drive properly and defensively," said Steve Crosby, a spokesman for L.A. Cellular and a car phone user. "The No. 1 purpose while behind the wheel is to drive the car, not put on your lipstick or shave or even use the telephone."

California Highway Patrol officers said Thursday that

public affairs officer in Glendale.

"If you're on the phone and you come across a dangerous situation, you hang up. But if you're driving, there's no way out. You're deuced. straighten up."

Lund said that although the CHP does not keep statistics on mobile phone accident reports, officers are thankful for the tips. But the sheer volume shows the runaway popularity of cellular phones. get so many duplicate calls, sometimes a dozen for the same accident—even after the help has he said.

More aggravating, he said, were the mobile users who misuse the 911 emergency line.

"For every person doing us a public s

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THE PRESIDENT HAS SEEN
2-18-97

State's Welfare Rolls Stubbornly High

■ **Aid:** Congressional panel says number of caseloads isn't dropping as fast as it is elsewhere in nation. As a result, increase in federal funding probably will be modest.

By MELISSA HEALY
TIMES STAFF WRITER

WASHINGTON—As welfare rolls plummet across the country, California's population of social aid recipients remains stubbornly high, putting the state—and its poor residents—at a disadvantage in the new federal welfare reform funding formula, a congressional panel reported Thursday.

After several years of modest increases, California's welfare caseload dropped 4.19% between 1995 and 1996, and is expected to have dropped by 11% by the end of 1998, the House Ways and Means Committee estimates in a report assessing the state-by-state impact of the 1996 welfare reform bill.

California's modest pace stands in stark contrast to some of the fast movers in the nation's welfare reform sweepstakes. Maryland and Wisconsin have driven their welfare rolls down by more than 28% apiece in the past two years, and Oregon's rolls fell by more than 22% in the same period.

In September 1996, the latest period for which information is available, California maintained 870,200 households—about 2.5 million people—in the federally funded Aid to Families With Dependent Children program, down from 900,000 households in September 1995.

Sacramento's failure to decrease welfare caseloads more dramatically means that California will see a very modest increase in the amount of federal funds it has to spend on each family that remains on the rolls. Under the bill, which transfers federal welfare funds to the states in the form of block grants, the size of a state's block grant will be based in most cases on the amount of federal aid a state received in 1994.

As a result, states that succeed in reducing their welfare rolls significantly from the 1994 level will have more federal funds to spend on the families still on welfare. The congressional report on state welfare caseloads indicates that while virtually all other states will see substantial increases in that aid-per-family index, California's remaining welfare recipients will get an increase of just 14% in federal aid available.

Only Alaska, Hawaii and the District of Columbia fared worse on this measure of progress.

The slow decline in California's welfare rolls, and the wide disparity among different states' records in this area, rekindled debate on one of the central questions of welfare reform: What makes people give up public assistance?

Rep. Clay Shaw (R-Fla.), one of the chief architects of the welfare reform bill passed last year, on Thursday called the declines "remarkable" and said no factor has been more important in driving down welfare

Please see WELFARE, B3

Firm Barred From Discu[ssing] Anti-Tobac[co] Campaign

■ **Health:** In attemp[t] leaks, new state cont[ract] agency must get writ[ten] permission before sp[eaking] to reporters or other[s about] its campaigns.

By DAN MORAIN
TIMES STAFF WRITER

SACRAMENTO—State ment of Health Service under attack from ant groups and others, have gag on the Los Angeles ing California's new an advertising campaign.

In the new contract wi Angeles advertising Asher/Gould, the Depa Health Services is requiri firm obtain written appro speaking to reporters outsiders about the ad car

Negotiations for Headwaters Forest Falter

■ **Conservation:** Charles Hurwitz, who owns the old-growth redwoods, has been critical of government financial terms. New

selling the Headwaters acreage at a bargain price, is angry that federal officials haven't presented him with a formal appraisal of the

:d in leged heft Ring

Photos by BOB CAREY / Los Angeles Times

Sheriff's Deputy Guy Hiles, above, checks cable TV converter box seized in raid. A suspect arrested in the crackdown on alleged cable TV theft ring sits next to seized luxury car in Van Nuys, left.

the raids. "In my estimation this is a multimillion-dollar operation."

About a dozen deputies with search warrants stormed the hub of the operation, a large storage and office facility in the 15500 block of Erwin Street in Van Nuys. Officers shattered an office window to reach suspects who they believed were destroying evidence.

Though the ringleaders were not expected to be armed, deputies wore tactical gear because some of the illegal equipment was believed to be purchased from suspects in an Ontario armed robbery.

Three men taken into custody at the Erwin Street location were handcuffed and seated on the ground against a late-model Mercedes convertible that authorities suspect was purchased with profits from the operation.

A nearby van filled with cases of converter boxes was confiscated by authorities, who were trying to determine where they came from.

The investigation will continue to determine if the ring stretches to other locations in other states. "There may be some [police] knocking on doors nationwide," Hiles said.

Two other men were taken into custody at the other locations. The identities of those arrested were not immediately available.

The other sites raided were a residence in the 6300 block of Langdon Avenue, In and Out Stereo in the 14300 block of Victory Boulevard, and a residence in the 5600 block of Murietta Avenue, all in Van Nuys.

Deputies also searched a residence in the 9500 block of Rhea Avenue in Northridge and J and R's Electronics in the 7200 block of Geyser Avenue in Reseda. The illegal gear had yet to be cataloged, but deputies said they recovered hundreds of cases of equipment, most appearing to be illegal converter boxes, known as "black boxes."

"Black boxes" are modified converter devices used to receive encoded television signals. Generally sold for about $150, they allow viewers to see cable and pay-per-view events for free.

Perry C. Parks, a vice president of public affairs for Continental Cablevision, said there would be further investigation, including looking into the names of customers who purchased the boxes. The company plans to pursue civil action against the most serious offenders, in addition to pressing law enforcement to assess the maximum $1,000 misdemeanor fine for receiving the illegal equipment, the spokesman said.

Under state law, a person advertising four or more illegal converter boxes for sale or possessing nine or more illegal converter boxes for eventual sale faces up to one year in jail, a $25,000 fine or both.

Continental spends $1 million a year for 18 security officers to combat illegal cable use, which costs the company tens of millions of dollars annually.

"The money lost through this activity is a cost that generally gets passed on to the legitimate customer," Parks said.

"We're doing this to take a tough stance on people organizing this theft. But we also want to send a message to the end user that he is doing something that's against the law."

Parks said most cable companies, including Continental, will offer amnesty to people caught receiving illegal cable if they purchase a subscription package.

Nevertheless, about 250,000 to 500,000 people use illegal decoder boxes in Los Angeles and Orange counties, according to industry estimates.

The National Cable Television Assn.'s office of signal theft estimates that the cable black market cheats the U.S. cable industry out of $4.7 billion annually.

And because most cable franchises, like Continental, pay a percentage of their revenue to the cities they serve, municipalities are losing millions from their coffers.

Thursday's raids come five months after charges were brought against nine people believed to be involved in the nation's largest cable television piracy scam—allegedly bilking cable companies and taxpayers out of hundreds of millions of dollars.

That alleged scheme included the theft of more than 16,000 cable converter boxes, including 3,500 stolen from a Los Angeles Police Department evidence room in July 1994.

WELFARE

Continued from B1

rolls than the "signal effect" from the political debate over welfare. Confronted with the prospect of strict work requirements and lifetime limits on benefits, Shaw said Thursday, those on welfare and those considering applications have gotten out—often ahead of statutory deadlines—and sought work or some other alternative to public assistance to make ends meet.

Shaw credited existing state welfare reform initiatives, which were undertaken with waivers from the federal government, as another important factor in reducing caseloads. Although the upturn of the economy has contributed to the trend, Shaw suggested that it was third in importance, behind political and policy shifts.

President Clinton, in a recent news conference, reckoned that policy changes and the economy's resurgence have had roughly equal effects on the nation's welfare rolls.

With few formal evaluations in place, the relative weight of these factors remains a topic of heated debate among economists, policymakers and politicians. In the absence of hard data, observed one government policy expert, "This is a politician's dream: You can say anything you want to."

The decline of welfare rolls in states that have been aggressive in reforming their programs—particularly among those that have instituted work-oriented welfare reform programs—appears to add weight to the argument that policy changes have had the greatest impact. In addition to Wisconsin, Oregon and Maryland, Virginia, Massachusetts and Michigan also have experienced substantial drops in their rolls.

But some economists cautioned that the sluggish decline in California's rolls suggests the strong influence of a state economy that has yet to fully recover from recession. While the nation's unemployment rate hovers around 5.4%, joblessness in California remains close to 7%.

"California should not be lashing itself for its failure. If the state had a better unemployment rate, it'd look better on this count too," said Gary Burtless, an economist who studies the impact of welfare reform at the Brookings Institution in Washington.

Burtless said that historically, policy changes do appear to play a lead role in pushing welfare rolls up or down, often at times when economic circumstances would suggest otherwise. But in cases where aid recipients are being pushed into the job market, the strategy is successful only if jobs are there for them, he noted.

Burtless cited two reasons for California's slow paring of its welfare rolls. First, the state shifted relatively late from a welfare reform program that emphasized basic education to a work-oriented approach. Second, the state's economy has not created the necessary jobs.

In 1998, according to the congressional study released Thursday, California will probably get $4,973 a year in federal funds to spend on each household on public assistance—an increase from the $4,282 spent per welfare family in 1994.

Experts said Thursday that beyond holding down an increase in the state's funds-per-family, California's stubbornly high welfare rolls have another effect: Because more than one in five aid recipients in the nation lives in the Golden State, California's inability to pare its welfare rolls more dramatically holds down the national average.

"California," said one Republican congressional aide, "is the 800-pound gorilla of welfare reform."

ns Victory—but No Refund—in IRS Battle

$7,000 mistakenly paid by ipts president to seek a /erpayments.

However, this little-noticed tax change, contained in the president's budget, will apply only to overpayments beginning next year—too late for the overpaying taxpayer's daughter.

"There's no question the law needs to be changed. That's why I got into this," said Marian Brockamp, the retired teacher, who now lives in Prescott, Ariz.

Encino tax attorney Robert F. Klueger, who has appealed Brockamp's case at no charge all the way to the Supreme Court, said he was disappointed that the change will not help his client.

"She has succeeded in changing the law, which is good. But it doesn't seem fair that she is shut out from benefiting from it," Klueger said.

Not optimistic about winning in the high court, the attorney said he may ask a member of Congress to introduce a special bill to obtain a refund for Brockamp.

Her case, U.S. vs. Brockamp, 95-1225, shines a harsh light on how strict enforcement of the rules, rather than a sense of fairness, reigns in the area of tax law.

"The IRS interprets the law quite strictly when it is to their advantage to do so," said San Francisco tax attorney Frederick Daily.

In an interview, Brockamp described her father as a brilliant mathematician who devised actuarial tables for insurance companies and models to predict bond income. Upon his retirement, he moved to the Los Angeles area to live with his daughter. After a while, she noticed he could not be trusted to handle his financial affairs.

"He would write a check for $4,000 for a $400 bill," she said.

Unbeknownst to her, however, he continued to write some checks, including the $7,000 payment to the IRS in April 1984.

She found the canceled checks after his death.

"When I contacted them [the IRS], they admitted he didn't owe the money. But all I got from them was very arrogant letters. And it made me mad," she said. "If a business kept money they weren't owed, they would be in trouble. I can't do that and you can't do it, but the IRS does it," she said.

She wrote Klueger about her case, and when he was unable to obtain a refund, he filed a lawsuit on her behalf.

And, to the government's surprise, Brockamp won in the U.S. 9th Circuit.

But last year, the Justice Department announced it was appealing this ruling to the Supreme Court. The tax agency should not be forced to reopen thousands of old cases, regardless of the reason, its attorneys said.

On the same day the appeal was filed, Clinton announced he was ordering the Treasury Department to study a change in the law. That move resulted in last week's proposal, which is expected to win easy approval in Congress.

Generally, taxpayers who file a return but overpay their taxes have three years to seek a refund.

Under the proposal, this time limit will be waived for years when the taxpayer was incapacitated and "unable to manage his or her financial affairs." However, the time limit will not be waived for periods when "the taxpayer's spouse or another person is authorized to act on the taxpayer's behalf."

The change will take effect for "tax years ending after the date of enactment," the department said. The proposal will eventually cost the government an estimated $50 million per year in lost revenue.

During the high court argument in December, the justices suggested that they were not ready to waive the time limits set in current law.

"I expect to lose 8-1 or 9-0," Klueger said. "The very first question, from [Justice] Ruth [Bader] Ginsburg was: 'What does your case have to recommend itself, other than fairness?' " he recalled. "I knew I was in trouble at that point."

DEPARTMENT OF HEALTH & HUMAN SERVICES

File w/ stats

Melissa T. Skolfield
Assistant Secretary for Public Affairs
Phone: (202) 690-7850 Fax: (202) 690-5673

To: Bruce Reed
Elena Kagan

Fax: Phone:

Date: 2/21 Total number of pages sent: 3

Comments:

Here are the November caseload numbers -- which show a further decrease to 11.631 million recipients and 4.202 million families nationwide -- an 18% drop since Jan. 1993.

Please let me know if you have questions.

Thanks,
Toby

CHANGE IN WELFARE CASELOADS

Total AFDC families and recipients

	Jan.93	Jan.94	Jan.95	Nov.96	percent(93-96)
		(millions)			
Families	4.963	5.053	4.936	4.202	-15%
		761,000 fewer families			
Recipients	14.115	14.276	13.918	11.631	-18%
		2,484,000 fewer recipients			

Total AFDC recipients by State

state	Jan.93	Jan.94	Jan.95	Nov.96	percent(93-96)
Alabama	141,746	135,096	121,837	88,111	-38%
Alaska	34,951	37,505	37,264	35,137	+1%
Arizona	194,119	202,350	195,082	160,398	-17%
Arkansas	73,982	70,563	65,325	55,248	-25%
California	2,415,121	2,621,383	2,692,202	2,513,470	+4%
Colorado	123,308	118,081	110,742	90,557	-27%
Connecticut	160,102	164,265	170,719	156,715	-2%
Delaware	27,652	29,286	26,314	22,486	-19%
District of Columbia	65,860	72,330	72,330	68,594	+4%
Florida	701,842	689,135	657,313	507,263	-28%
Georgia	402,228	396,736	388,913	313,984	-22%
Hawaii	54,511	60,975	65,207	65,993	+21%
Idaho	21,116	23,342	24,050	20,006	-5%
Illinois	685,508	709,969	710,032	606,979	-11%
Indiana	209,882	218,061	197,225	125,637	-40%
Iowa	100,943	110,639	103,108	81,442	-19%
Kansas	87,525	87,433	81,504	58,927	-33%
Kentucky	227,879	208,710	193,722	163,538	-28%
Louisiana	263,338	252,860	258,180	216,339	-18%
Maine	67,836	65,006	60,973	51,612	-24%
Maryland	221,338	219,863	227,887	177,351	-20%
Massachusetts	332,044	311,732	286,175	212,989	-36%
Michigan	686,356	672,760	612,224	478,082	-30%
Minnesota	191,526	189,615	167,949	160,741	-16%
Mississippi	174,093	161,724	146,319	114,609	-34%
Missouri	259,039	262,073	259,595	212,739	-18%
Montana	34,848	35,415	34,313	26,263	-25%
Nebraska	48,055	46,034	42,038	36,392	-24%
Nevada	34,943	37,908	41,846	31,121	-10%
New Hampshire	28,972	30,386	28,671	21,233	-27%
New Jersey	349,902	334,780	321,151	262,500	-25%
New Mexico	94,836	101,676	105,114	96,835	+2%
New York	1,179,522	1,241,639	1,266,350	1,103,068	-6%
North Carolina	331,633	334,451	317,836	255,799	-23%
North Dakota	18,774	16,785	14,920	12,149	-35%
Ohio	720,476	691,099	629,719	527,174	-27%

state	Jan.93	Jan.94	Jan.95	Nov.96	percent(93-96)
Oklahoma	146,454	133,152	127,336	89,915	-39%
Oregon	117,656	116,390	107,610	68,535	-42%
Pennsylvania	604,701	615,581	611,215	488,059	-19%
Rhode Island	61,116	62,737	62,407	54,482	-11%
South Carolina	151,026	143,883	133,567	103,131	-32%
South Dakota	20,254	19,413	17,652	14,215	-30%
Tennessee	320,709	302,608	281,982	214,855	-33%
Texas	785,271	796,348	765,460	626,940	-20%
Utah	53,172	50,657	47,472	36,360	-32%
Vermont	28,961	28,095	27,716	23,239	-20%
Virginia	194,212	194,959	189,493	141,430	-27%
Washington	286,258	292,608	290,940	260,916	-9%
West Virginia	119,916	115,376	107,668	71,240	-40%
Wisconsin	241,098	230,621	214,404	134,407	-44%
Wyoming	18,271	16,740	15,434	10,767	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
February 1997

Sylvia Mtg 2/14/97

Memos early next wk
Meetings late next wk

1. Education –

Just wants a mtg - substantive
DoEd / Cohen – W/ Tucker
Diff between a std. + a test. (Podesta)

2. Welfare –

- Statistics
- State-by-state analysis of Plans
- Non-profit orgs + businesses by states
- Eli - make some support
- person for non-profits – how to incorp??
- need team in WH (Chris org'd)

Dr wants in ~~April~~ Mar 10 connected to Cong. stuff

3. Children's Initiative
Is Tennessee the answer?
Facts on uninsured kids
What our policy does

Comprehensive kids memo
more than 2pp.

4. DC – Budget proposal
Next steps / where we're going
Strategy? Launch DC bill?
Tax proposals / econ dev piece
Fed gov't role - assistance

Talking to Frank about a team.

A.L: WR Stats