

NLWJC - Kagan

DPC - Box 065 - Folder-010

Welfare-Welfare to Work - CEOs

[1]

WP - WP-to-work-CEOs

MEMORANDUM

TO: The President

FROM: Eli J. Segal *ES*

DATE: February 23, 1999

RE: New Welfare to Work Partnership Survey Results

'99 FEB 24 PM5:04

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

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

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

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

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

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

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

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

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

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

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

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

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

#####



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

Fax

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

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

W2 - W2 to work CEO

SCHEDULING PROPOSAL
3/17/99

TODAY'S DATE:

____ ACCEPT

____ REGRET

____ PENDING

TO: Stephanie Streett
Assistant to the President
Director of Presidential Scheduling

FROM: Bruce Reed
Assistant to the President for Domestic Policy and
Director of the Domestic Policy Council

Mary Beth Cahill
Assistant to the President and Director of Public
Liaison

REQUEST: Speak to national, 2,000 person Welfare to Work
Convention sponsored by the Welfare to Work Partnership

PURPOSE: This is an opportunity to highlight the success of
welfare reform on the third anniversary of the new law and to encourage
critical efforts to ensure the success of welfare reform in the nation's largest
cities. Announcements will be identified (could include new numbers
regarding the decline in the welfare rolls and how many recipients are
working).

BACKGROUND: Since the President launched the Welfare to Work
Partnership at the White House in May 1997, it has grown from 100
companies to over 10,000 and these businesses have hired over 410,000
individuals from the welfare rolls -- exceeding the challenges set by the
President.

In February 1998, the Partnership launched the
CityLink initiative to bring together businesses,
government officials, and community organizations
to help people move from welfare to work in 30
cities with high poverty rates and large
concentrations of welfare recipients, including
Atlanta, Baltimore, Chicago, Los Angeles, Miami,

New Orleans, New York, Philadelphia, and Washington, D.C. This initiative is an important part of the President's efforts to ensure welfare reform works in the nation's largest cities (as are his budget proposals for an additional \$1 billion for the Welfare to Work program, and additional funds for welfare to work housing vouchers and transportation).

In August 1999, the Partnership will hold a national convention in Chicago, hosted by Mayor Daley, called "Welfare to Work: A Nation Unites". Delegations of businesses, service providers and public officials from the 30 *CityLink* communities will share best practices to meet the welfare reform challenge in their community, participate in workshops and seminars, and work together to plan for the next phase of welfare reform.

PREVIOUS PARTICIPATION: The President launched the Partnership at the White House in May 1997 and held a first anniversary event here a year later. He has also participated in events in St. Louis and Kansas City in August 1997 and November 1997. The Chicago event will be in lieu of a May 1999 anniversary event.

In both 1997 and 1998 the President did welfare reform events in August to mark the anniversary of his signing welfare reform into law (the 1997 event was with the Partnership, the 1998 one was not). Both generated significant press coverage and greatly influenced accounts of the effect of the new law.

DATE AND TIME: Tuesday, August 3, 1999
(Convention will be held Monday - Wednesday, August 2-4, 1999)

BRIEFING TIME: 30 minutes

DURATION: 2 hours

LOCATION: Navy Pier, Chicago, IL

PARTICIPANTS: Delegations from CityLink communities.

officials. Businesses, service providers, state and local

Welfare to work success stories.

REMARKS REQUIRED: Yes.

OUTLINE OF EVENTS: The President would address a town hall with over 2,000 businesses, community leaders, and welfare to work success stories and then moderate a town hall highlighting businesses and individual success stories. The program would open with remarks by United Airlines CEO Jerry Greenwald and Governors Carper and Thompson.

Optional: The President could attend a closed morning breakfast session with CEOs on the Partnership Board and elected officials.

MEDIA COVERAGE: Open.

FIRST LADY'S ATTENDANCE: N/A

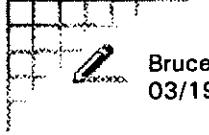
VICE PRESIDENT'S ATTENDANCE: Yes, if possible.

SECOND LADY'S ATTENDANCE: N/A

RECOMMENDED BY: Bruce Reed
Cynthia Rice

CONTACT: Karin Kullman
X61732

ORIGIN OF THE PROPOSAL: Eli Segal
Welfare to Work Partnership



Bruce N. Reed
03/19/99 06:36:57 PM

Record Type: Record

To: John Podesta/WHO/EOP
cc: Karen Tramontano/WHO/EOP
Subject: Welfare to Work Conference in August

You asked me about Eli's proposal for the President to take part in a big welfare-to-work conference in Chicago in early August. I definitely think we should do this. We should have some good deliverables for the President -- we should be able to announce that we've cut the welfare rolls in half since he took office, for example, as well as award bonuses to the states that have done the best at placing people in jobs. The way things are going in Congress, we'll need all the non-legislative press hits like this we can find.

Wp - wp-to-work CEO's



The Welfare to Work
PARTNERSHIP

Fax

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

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

Phone: **Date:** 15 Mar 99

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

Urgent For Review Please Comment Please Reply Please Recycle

John,

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

Regards,

Eli Segal
Eli

*Bruce
Shaw
what do you think*

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

Concept

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

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

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

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

Broad Goals

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

Key messages

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

Overview of the Conference

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

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

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

Day One (Afternoon Only) -- Welcoming Ceremony

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

Regional delegation meetings

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

Evening reception

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

Day Two -**WELFARE TO WORK CONVENTION**

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

Day Three - Community Blueprint/Blueprint for Business Sessions

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

Deliverables

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



The Welfare to Work PARTNERSHIP

MEMBER SURVEY: PROMOTION AND PARTNERSHIP

TRENDS IN EXECUTIVE OPINIONS MEASURED BY WIRTHLIN WORLDWIDE

1999 SERIES NO. 1

COMPANIES ARE FINDING POTENTIAL, PROMOTION AND PARTNERSHIP

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

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

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

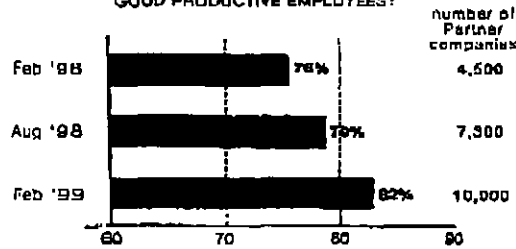
Furthermore, while the partnership has doubled in size over the past year, old and new business partners alike continue to hire employees off welfare at the same or greater rate.

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

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

TRACKING PRODUCTIVITY

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



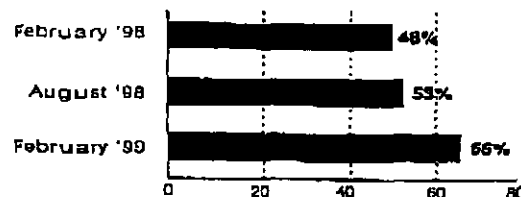
*productivity question asked only of those companies who have hired someone off welfare

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

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

RETENTION RATES INCREASING

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



HIGHLIGHTS

1 SHRINKING POOL?
Executives say no

1 RETENTION
Companies report rates increasing

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

3 WORK READINESS
Companies say they need help addressing this area

3 COMMUNITY PARTNERSHIPS
Expanding promotion potential for welfare hires

4 TOP BARRIERS
Companies work through most hiring barriers



CURRENT TRENDS FOR WELFARE HIRES

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

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

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

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

MENTORING LEADS TO PROMOTION WHEN IT IS FORMAL AND UTILIZES PARTNERSHIPS

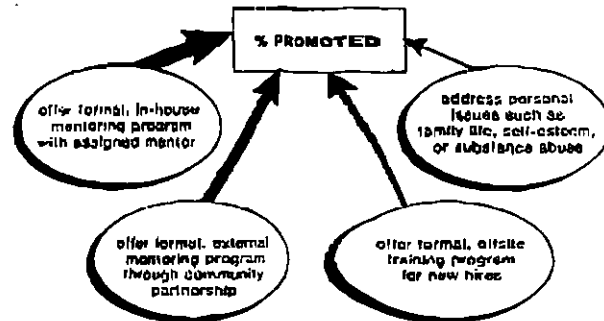
Companies hiring welfare recipients see the need for mentoring, but address this need in a variety of ways.

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

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

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

POSITIVE DRIVERS OF PROMOTION FOR NEW HIRES OFF WELFARE



*results from regression analysis;
thickness of arrow indicates strength of correlation.

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

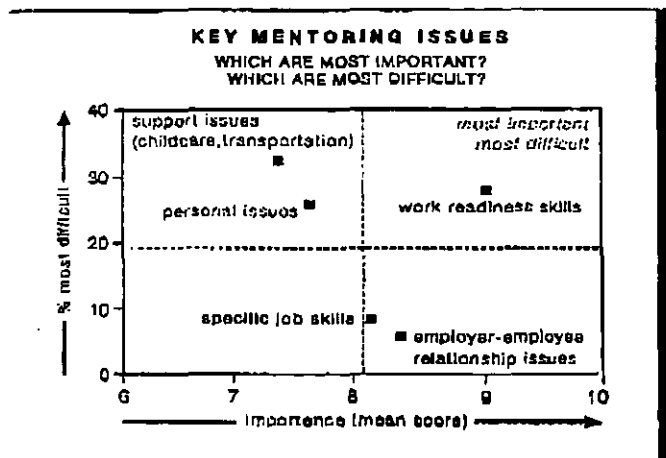
Any of these four practices is a driver toward promotion by itself—but they are not all applicable to every company or circumstance. The important observation is that the most successful mentoring initiatives are formally recognized by the company and are likely to involve partnerships with outside agencies.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

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

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

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

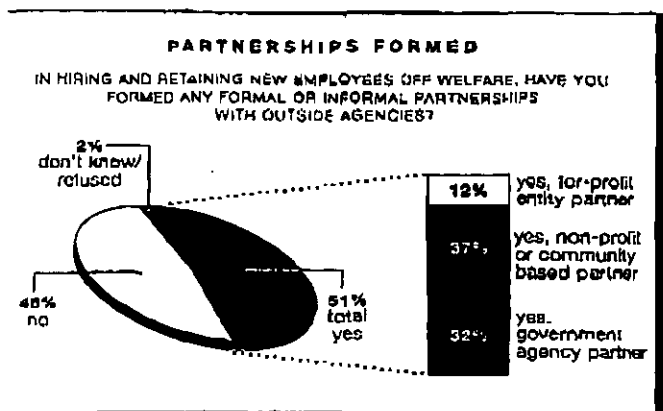
employee relationships less important, but much easier to provide. Finally, support issues such as child care and transportation are seen as the most difficult to provide (33%), while personal issues are seen as slightly more important (7.7) and still quite difficult to address (25%).



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

PARTNERSHIPS ARE GROWING

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



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

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

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

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

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

LOOKING AHEAD: MORE HIRES, MORE SAVINGS IN 1999

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

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

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

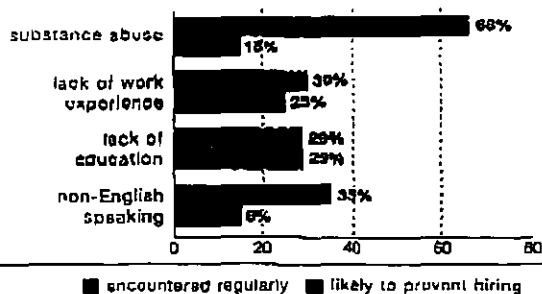
COMPANIES WORK THROUGH MOST BARRIERS TO EMPLOYMENT

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

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

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

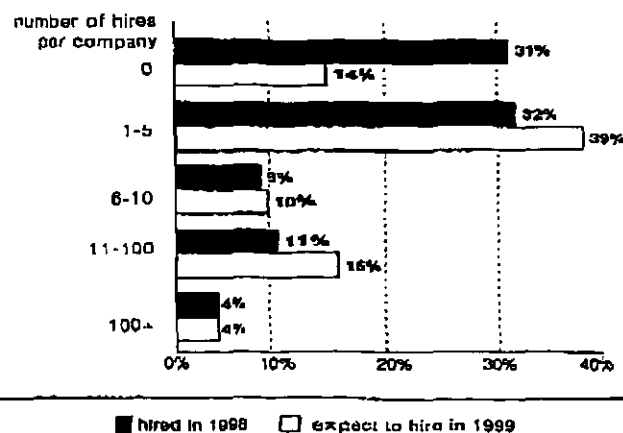
BARRIERS TO HIRING OFF WELFARE



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

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

HIRING EXPECTATION IS STRONG



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

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

ABOUT THE MEMBER SURVEY

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

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

For this survey, 500 business executives (CEOs, owners, vice presidents, managers, directors, and HR executives) from member companies were interviewed by Wirthlin Worldwide. The sample was stratified by company size and region to represent the Partnership's current membership. Telephone interviews were conducted Jan. 27 - Feb. 5, 1999.

The Welfare to Work
PARTNERSHIP
(202) 955-3005
www.welfaretowork.org

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

Wirthlin Survey Results on Businesses Hiring Welfare Recipients

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

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

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

Background

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



Cynthia A. Rice

01/12/99 07:57:51 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
 cc: Andrea Kane/OPD/EOP, Karin Kullman/WHO/EOP, Laura Emmett/WHO/EOP
 bcc:
 Subject: We spoke to Eli about the Welfare to Work Event

Eli's excited about the event and is coming up with CEO ideas.

He stressed that companies now know hiring from the welfare rolls is good for business -- that's why the Partnership's membership has doubled in the last 8 months to 10,000. It's critical that these companies have service providers -- whether they're nonprofits like Goodwill, for-profits, or local governments -- that can help them find and support these new workers so they succeed on the job. The \$1 billion in new Welfare to Work money will help do that.

We're picturing the ideal event would include a CEO from a company that joined the Partnership in the last year, perhaps accompanied by a half dozen or so of his employees hired from the welfare rolls (this would also enable us to have a father or two in the group).

- 1) The CEO speaks, says why hiring from the welfare rolls has helped his business and why we must invest more but the payoff in job retention makes it worth it
- 2) One of his employees introduces the President
- 3) The President speaks

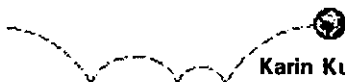
If we need someone from the WH to open, maybe it could be Bruce?

Since we have three Cabinet Secretaries involved in the announcements (Shalala -- new caseload numbers; Herman -- new Welfare to Work funds; Slater -- new welfare to work transportation funds) I think it's critical that none of them speak, least we end up with a whole parade. Thus on stage we have the Cabinet Secretaries and the group of welfare success stories?

If we can get more CEOs in town, we'd put them on stage, and maybe have them do a roundtable with the beat reporters?

We're searching for local off-site locations, but suspect that we'd be more likely to be able to import a good example (CEO and workers) than find the ideal spot nearby.

Karin Kullman



Karin Kullman

01/12/99 11:30:39 AM

THE WHITE HOUSE
WASHINGTON

May 26, 1998

WELFARE TO WORK EVENT

DATE: May 27, 1998
LOCATION: East Room
BRIEFING TIME: 11:30 am
EVENT TIME: 11:45 am (Roosevelt Room Meeting)
12:25 pm (East Room Event)
FROM: Bruce Reed

I. PURPOSE

To demonstrate your leadership in reforming the welfare system by announcing: (1) the accomplishments of the Welfare to Work Partnership in its first year; (2) a new decrease in welfare caseload numbers; (3) the first round of Department of Labor Welfare-to-Work Competitive Grants.

II. BACKGROUND

This event will celebrate the one-year anniversary of the Welfare to Work Partnership. You will announce that the Partnership has grown from 105 to 5,000 companies since it was launched at the White House last May and that its member companies hired over 135,000 welfare recipients in 1997. You will also announce dramatic new caseload reduction figures, showing that over five million people have come off the welfare rolls since you took office and over three million since you signed welfare reform into law. Finally, you will announce the first Welfare-to-Work competitive grants and highlight Congressional action on your welfare-to-work transportation proposal.

Welfare to Work Partnership Success

On May 20, 1997, 105 company executives joined you at the White House to launch the Welfare to Work Partnership. One year later, 5,000 businesses of all sizes from all 50 states have joined the Partnership and pledged to hire and retain welfare recipients without displacing current employees. In 1997, the Partnership's business partners hired 135,000 welfare recipients, and today you will challenge those companies to double their efforts by hiring 270,000 workers from the welfare rolls in 1998.

Record Welfare Caseloads Declines

You will announce new figures showing welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since you signed welfare reform into law and 5.2 million since you first took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent. The latest data from the Census Bureau's Current Population Survey show that 1.7 million adults on welfare in 1996 were working in March 1997, an increase of 20 percent over the previous year.

First Welfare to Work Competitive Grants

You will announce the first round of competitive grants from the \$3 billion Welfare-to-Work program you fought for in the Balanced Budget Act of 1997. The \$186 million in grants from the Department of Labor will support 49 innovative welfare-to-work efforts designed to move long term welfare recipients into lasting, unsubsidized jobs. These awards are the first of five rounds of competitive grants to be awarded in 1998 and 1999. Twenty five percent of the Balanced Budget Act's \$3 billion welfare to work funds are to be awarded on a competitive basis, with the remaining 75 percent to be allocated by formula to states to be used by local Private Industry Councils to help welfare recipients who have significant barriers to employment obtain and retain jobs.

Funding of Welfare-to-Work Transportation Proposal

You will praise the Congress for including your welfare-to-work transportation proposal in the ISTEA transportation bill which passed the Congress on Friday. The proposal will provide up to \$150 million a year for local efforts to help welfare recipients get to where the jobs are.

Attending this event will be: over 100 executives of small, medium, and large companies who belong to the Welfare to Work Partnership, former welfare recipients who are now successful employees, and some of the local organizations receiving the new Welfare-to-Work grants.

III. PARTICIPANTS

Briefing Participants:

Erskine Bowles
Bruce Reed or Elena Kagan
Andrea Kane

Roosevelt Room Meeting Participants:

Secretary Shalala
Secretary Herman
Erskine Bowles
Bruce Reed
Eli Segal, President of the Welfare to Work Partnership
Welfare to Work Partnership Board of Directors (*SEE ATTACHED LIST)

East Room Event Participants:

Eli Segal, President of the Welfare to Work Partnership

Jerry Greenwald, CEO of United Airlines and Chairman of the Welfare to Work Partnership.

Rhonda Costa, former welfare recipient who currently works as an Administrative Assistant at Salomon Smith Barney. Rhonda is featured in one of the Welfare to Work Partnership's PSAs and will be introducing you at this event.

[Rhonda received public assistance for one year following the birth of her first child in 1983, and again after the birth of her second child in 1994. Determined to get off welfare, in July 1996 she enrolled in a job training program at the Wildcat Service Corp., which lead her to an internship at Salomon Smith Barney. She was quickly hired and has been working there for 1 ½ years. She earns \$29,000 per year with full benefits and stock options. She has moved her family from New York City to Irvington, New Jersey, so that her two daughters could attend better schools and live in a safer neighborhood.]

IV. PRESS PLAN

Roosevelt Room Meeting -- CLOSED PRESS

East Room Event -- OPEN PRESS

V. SEQUENCE OF EVENTS

Meeting with the Welfare to Work Partnership Board of Directors in Roosevelt Room

- You will briefly greet each of the meeting participants.
- You will briefly thank the Partnership Board for coming and invite Eli Segal to lead the discussion.
- Eli will make brief remarks, and will open up the conversation. He will call on three Partnership Board Members to speak.
- You will have an opportunity to respond to each speaker and then Eli will close the meeting.

East Room Event

- You will be announced into the room accompanied by Eli Segal, Jerry Greenwald, and Rhonda Costa.
- Eli Segal will make remarks and introduce Jerry Greenwald, CEO, United Airlines.
- Jerry Greenwald will make remarks and introduce former welfare recipient Rhonda Costa.
- Rhonda Costa will make remarks and introduce you.
- You will make remarks, work a ropeline, and then depart.

VI. REMARKS

Talking Points for Roosevelt Room meeting attached.

Remarks for East Room provided by Speechwriting.

Welfare to Work Partnership Meeting Attendees

Erskine Bowles
Bruce Reed
Secretary Shalala
Secretary Herman
Administrator Alvarez

Jerry Greenwald, CEO, United Airlines, and Chairman of the Welfare to Work Partnership

United Airlines hired 760 welfare recipients with an average 69 percent welfare-to-work retention rate (double that of other entry-level employees). It has committed to hire 2,000 welfare recipients by the year 2000.

Mr. Duncan Pollock, President for North America, Ammirati Puris Lintas Advertising Agency
Ammirati Puris Lintas produced pro bono The Partnership's print and television PSA campaign.

Mrs. Barbara Turner, President, Boscart Construction

Boscart has employed 10 former welfare recipients as laborers, receptionists, and apprentices. It works with several churches in Anacostia to help train potential workers.

Mr. James (Jim) Watkins, Senior VP, Worldwide Marketing, Burger King Corporation

Burger King has hired over 6,200 welfare recipients in its corporate stores and has committed to hire 10,000 in corporate and franchise-owned stores. Retention rates are higher than normal hires.

Ms. Carolyn Stradley, President & Owner, C & S Paving Company

C & S has hired a number of parolees, some of whom received public assistance. New hires are supported by a career advancement training program and a van-pool to ease transportation burdens.

Mr. Russell (Russ) Meyer, Jr., Chairman & CEO, Cessna Aircraft Company

Of the 237 individuals who successfully completed Cessna's training program, over 200 are currently employed at Cessna and 26 are currently employed with other local Wichita companies.

Ms. Carol Parry, Executive VP, Community Development Group, Chase Manhattan Corp.

The program's goal is to tailor training programs to hire 100 welfare recipients as branch tellers, call center customer service representatives, and staff for operations functions in several business units.

Mr. John McIlwain, President, Fannie Mae Foundation

The Foundation's goal is to address barriers to employment for welfare recipients in public housing, drawing from the experience of housing programs that foster self-sufficiency.

Mr. George Stinson, Chairman, President & CEO, General Converters & Assemblers, Inc.

GCA has hired over 1,200 people off public assistance since the mid-1980s, and currently employs over 100 who have access to specialized training. An on-site child-care facility is under construction. Mr. Stinson participated in the launch of The Welfare to Work Partnership last May.

Mr. Jonathan Tisch, President & CEO, Loews Hotels

Loews Hotels and the Greater Miami Hotel Association will lead an effort of nearly 40 hotels to hire 800 welfare recipients by the year 2000, and plans to use this program as a model for other cities.

Mr. Mitchell Fromstein, Chairman, President & CEO, Manpower, Inc.

Manpower provided temporary placements and free training to thousands of welfare recipients in 1997, in part by opening offices in impoverished areas.

Mr. Brandon Keegan, Senior Vice President, Marriott International

The more than 1,000 former welfare recipients Marriott has hired have a one-year retention rate of 70 percent, compared to the non-welfare retention rate of 52 percent.

Mr. Barry Corona, Sr., President, Production Products

Production Products has hired more than 800 former welfare recipients and is a founding member of the Mid-Tec Consortium that provides industry-specific job training in the manufacturing industry.

Ms. Rachel Hubka, President & CEO, Rachel's Bus Company

In 1997, Rachel's hired 10 welfare recipients, retaining 5 as full-time office staff and school bus drivers. Ms. Hubka opened another bus company and plans to continue to hire from welfare roles.

Mr. James (Jamie) Dimon, Co-CEO, Salomon Smith Barney

Salomon Smith Barney hired 52 welfare recipients over the last two years for entry-level jobs with an average salary of \$24,000. Their retention rate over two years is 92 percent.

Edward Mueller, President and CEO of Pacific Bell.

In 1997, Pacific Bell hired 100 welfare recipients. Pacific Bell has an aggressive state-wide recruiting program and has plans to hire more welfare recipients in 1998.

Toni Fay, Senior Vice President, Time Warner

Time Warner has committed to air the Welfare to Work Partnership PSAs on all of its television stations throughout next week. Time Warner also has a welfare-to-work program in place.

Mr. James (Jim) Kelly, Chairman & CEO, United Parcel Service of America, Inc.

UPS hired more than 11,000 welfare recipients in the last 17 months. Part-time employees start with full medical benefits and job sharing options. The retention rate exceeds that of non-welfare hires.

Talking points for the President in the Welfare to Work meeting:

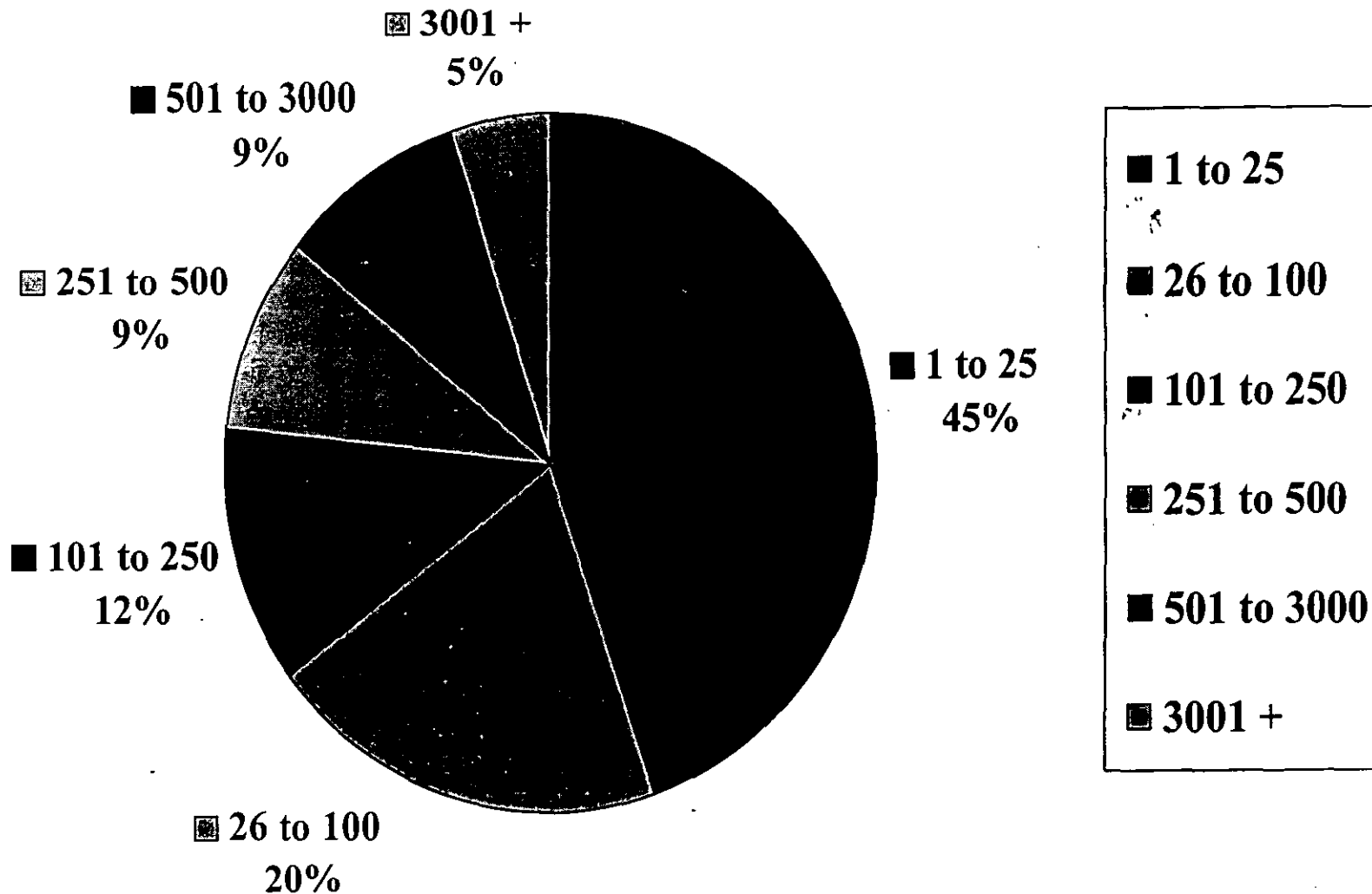
- First and foremost, I want to thank you for all you have done to provide a second chance for people on welfare.
- Most people on welfare want to work -- and they make good employees. I am interested to hear that many of you have found that you have less turnover among your welfare hires than your non-welfare hires.
- I know that the Welfare to Work Partnership could never have grown from 105 companies a year ago to 5,000 companies today without the leadership and commitment of each and every one of you.
- I want you to know that I am personally committed to this effort, and that my Administration stands ready to help. I fought for an extra \$3 billion in welfare-to-work funds in the Balanced Budget, to help provide the least work-ready welfare recipients with the preparation they need to become productive employees. In this year's budget, I made child care and transportation -- concerns raised by you and many of your colleagues -- two of my top priorities. Just last week, we had a great success when Congress, in the ISTEA legislation, agreed to set aside funds for welfare-to-work transportation services.

The Welfare to Work Partnership
Business Partner Profile
May 27, 1998

- 5050 Business Partners representing almost 10 million employees nationwide.
- Business Partners are from all 50 states.
- 86% of Partners have already hired or plan to hire in the coming year.
- 76% of Partners who have hired found new hires to be good, productive employees.
- 135,000 former welfare recipients were hired by Business Partners in 1997.
- 72% of Partners have fewer than 250 employees. 45% have fewer than 25 employees.
- 72% of Partners offer full-time benefits for their welfare to work hires.
- 72% of Partners offer medical benefits for their welfare to work hires.
- The leading industries for hiring include the service industry, temporary staffing, manufacturing, health care, and retail.
- The Partnership represents 38 Fortune 100 companies.
- The Partnership has 26 Governors on its Advisory Council.

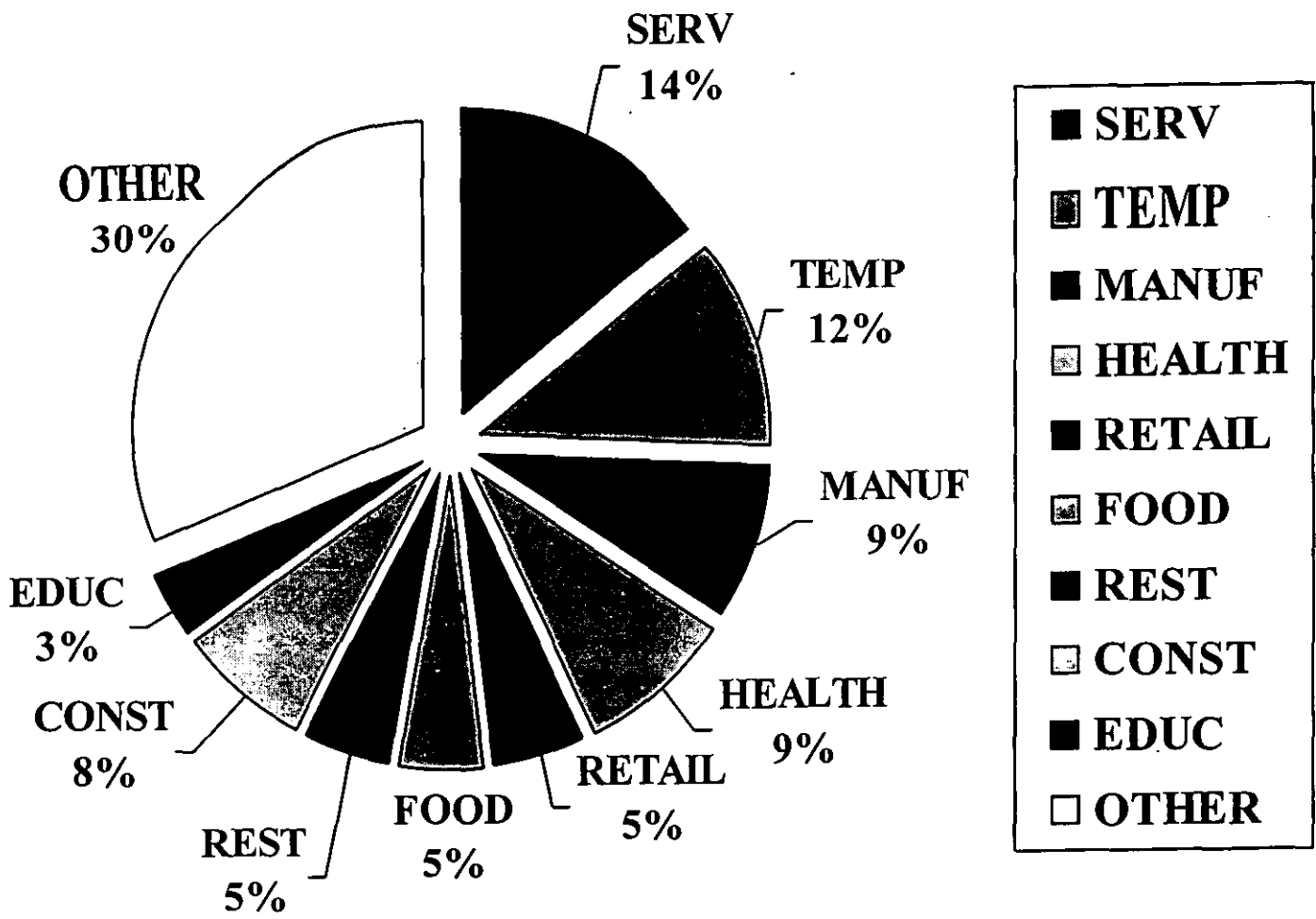
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72% of all Partners have fewer than 250 employees. 45% have fewer than 25.



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The leading industries for hiring include service industry; temporary staffing; manufacturing; health care; and retail.

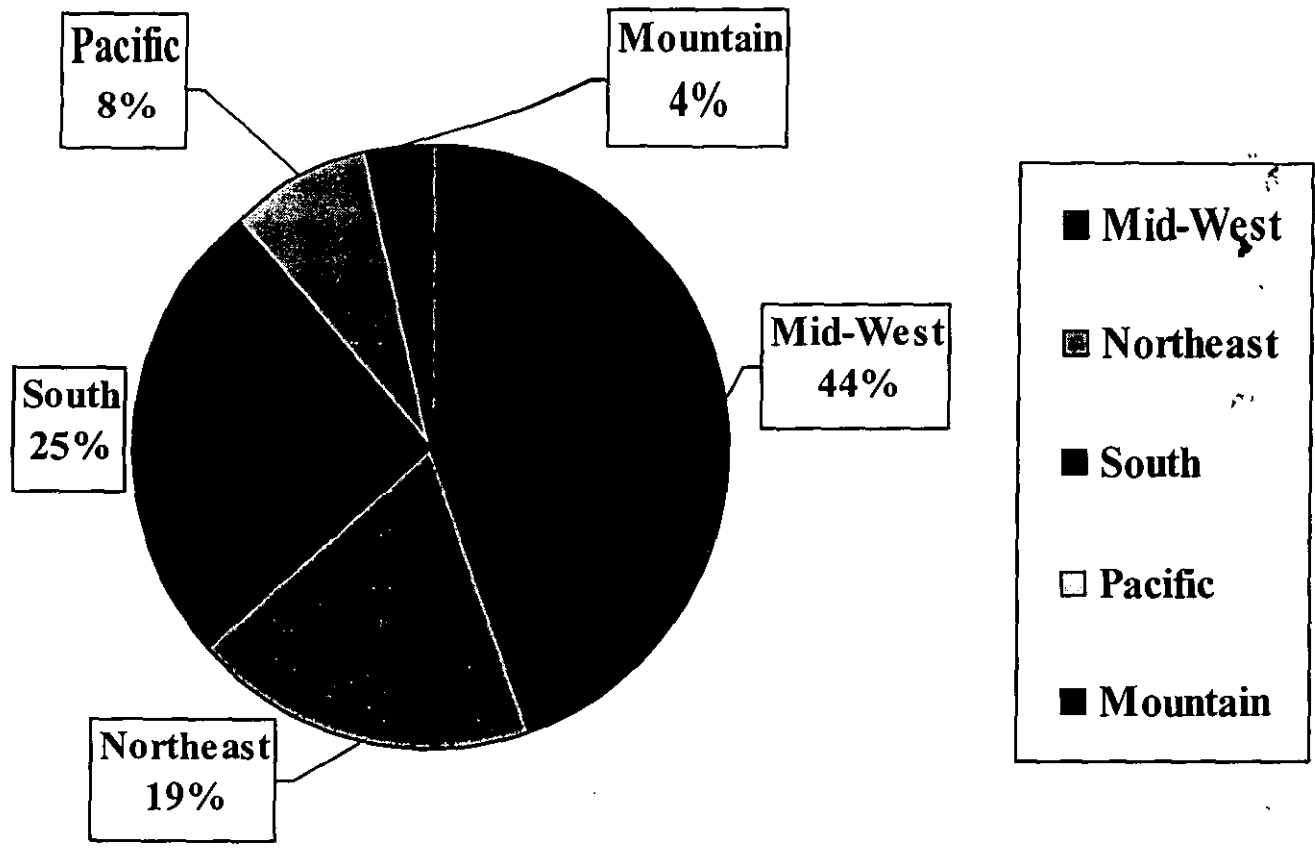


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The Partnership is represented in all 50 states

Note: Mid-West area includes Indiana, Missouri, Wisconsin and Illinois, where The Partnership has held major business events.





The Welfare to Work PARTNERSHIP

MEMBER SURVEY: EXECUTIVES SPEAK OUT

TRENDS IN EXECUTIVE OPINIONS MEASURED BY WIRTHLIN WORLDWIDE

1998 SERIES NO. 1

PARTNERSHIP AND PROMISE: BUSINESS LEADERS SUPPORT WELFARE TO WORK

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

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

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

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

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

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

about welfare to work programs' prospects for success.

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

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

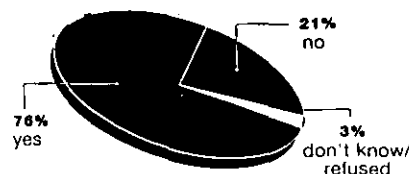
WHY MEMBER BUSINESSES ARE BECOMING INVOLVED

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

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

EMPLOYEE SUCCESS RATES

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



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

HIGHLIGHTS

1 WELFARE TO WORK
A win-win situation

2 FOCUS: TRANSPORTATION
Members comment on problems and solutions

2 MAKING IT HAPPEN
Businesses report what they have accomplished

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

3 ONGOING CHALLENGES
Evaluating the obstacles of hiring off welfare

4 FOCUS: TAX CREDITS
Perks for participating member businesses



FOCUS: TRANSPORTATION

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

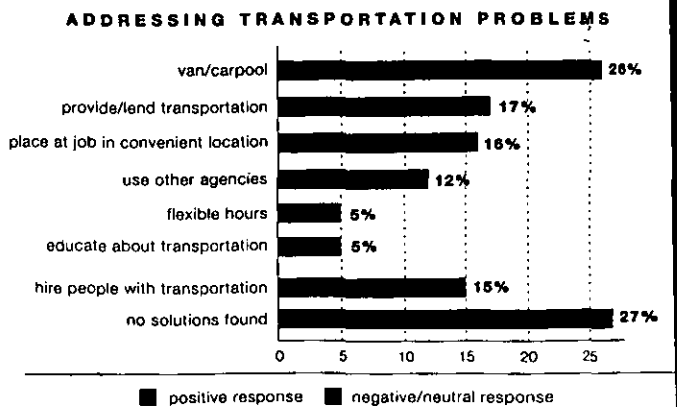
Obviously the need for transportation varies by region, city, and locale. Typically, urban areas are better served by public transportation than their rural counterparts, but even strong public transport systems present costs too high for former welfare recipients to absorb.

Just how serious a problem is transportation in hiring someone off welfare? On a 10-point scale where 1 is not at all a problem and 10 is a very serious problem, just over half (51%) rate it decidedly on the "problem" side with scores of 6 or higher. More than one-third (38%) gauge its severity with ratings of 8, 9, or 10.

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

PROBLEM	PERCENTAGE
New hires cannot afford a reliable vehicle or car insurance	51%
Public transportation does not run near my workplace	34%
Public transportation does not operate during hours needed for our jobs	18%
Company site is in a difficult / hard-to-reach location	11%
Lack of / poor public transportation	6%
New hires live in cities, while jobs are in suburbs	3%
No driver's license	3%
Cost / can't afford transportation	2%

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



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

A smart solution for business, members' involvement in the Partnership has typically been initiated at very high levels within a company or organization: 61% say that the primary initiative for getting involved came from CEOs, owners, presidents or other senior management. In another 28% of organizations, the initiative came largely from middle management.

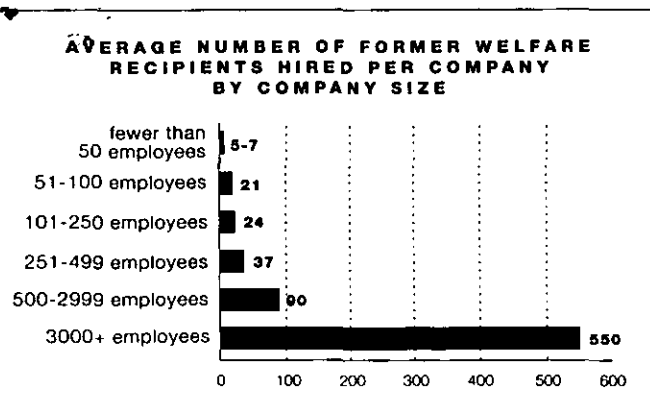
Given this vested interest from high-level personnel within member businesses, it is not surprising to find that most say their companies are quite strongly committed to hiring welfare recipients. On a ten-point scale where 1 means management is not at all committed and 10 means management is extremely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

MAKING IT HAPPEN

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

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

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

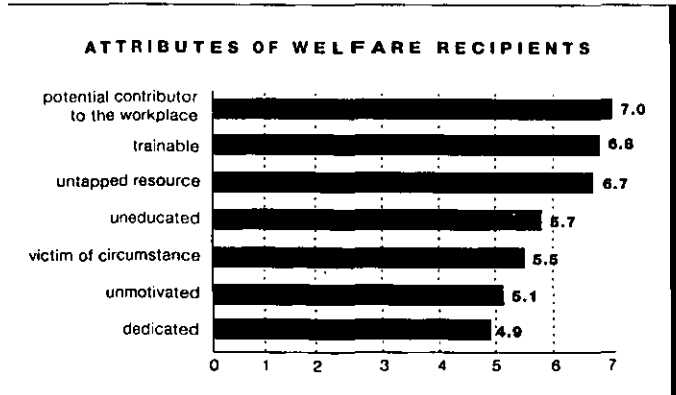


When respondents are asked to project how many people their organization plans to hire off welfare in 1998, we find very optimistic figures. The mean number of expected hires jumps to 81. In fact, just 4% of member businesses expect still to have not hired anyone off welfare by the end of the year, while 10% are not sure.

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

PARTNER PERCEPTIONS OF WELFARE RECIPIENTS

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



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

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

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

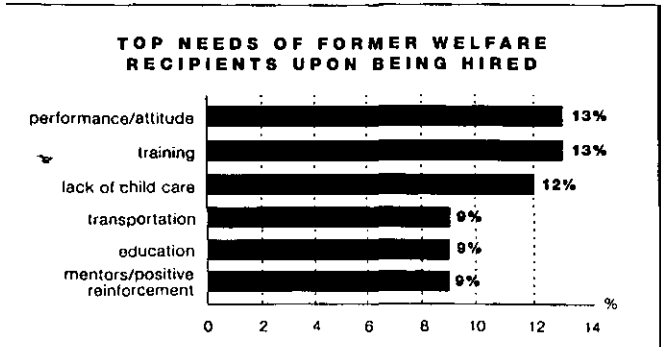
tion government social services offices. Another 25% cite community-based organizations.

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

ONGOING CHALLENGES

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

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



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

FOCUS: TAX CREDITS

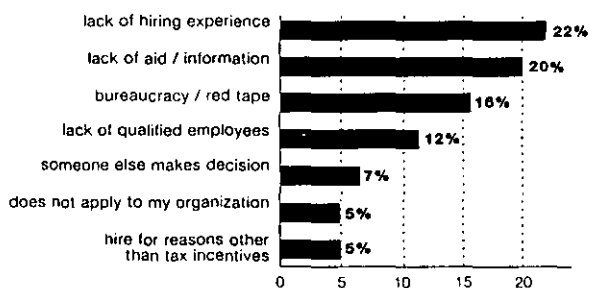
In an effort to encourage private businesses to join welfare-to-work initiatives, the federal government has established several types of tax credits which companies can take advantage of for each former welfare recipient hired.

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

Approximately half (51%) are aware of the credits but never accessed them, while as many as 18% say they have not heard of the credits.

Partnership businesses who have not accessed the WOTC or Welfare to Work Tax Credit give a number of reasons why they have not participated, which are illustrated in the chart below.

ASSESSING TAX CREDITS



When we ask this group what would motivate them to take advantage of the available tax credits, responses center around three key barriers:

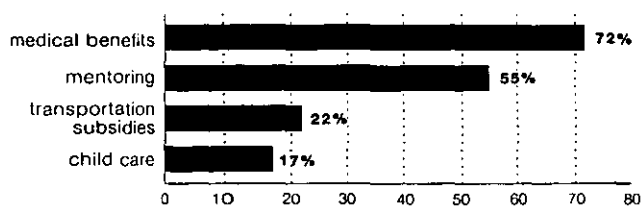
■ **Information.** More than one quarter (27%) say they need more information about the tax credits generally, information about how to identify eligible potential employees, and information about how to determine whether they qualify for the credits.

■ **Hiring Employees Who Qualify.** Nearly one in five (19%) cite primary barriers in finding and hiring people who qualify as well as retaining people long enough to become eligible for the credits.

■ **Red Tape / Procedures.** There is a definite perception that qualifying for and processing the tax credits involves a complicated procedure, as expressed by the 11% who say simplifying the procedure would be a prime motivation for taking advantage of the credits. ■

employers who offer programs which help address these needs. According to study participants, medical benefits and mentoring are services offered by a majority of the Partnership member organizations.

SERVICES OFFERED TO FORMER WELFARE RECIPIENTS



On the other hand, relatively few offer assistance with child care or transportation subsidies which are less traditional but equally important to finding economic self-sufficiency in the workplace.

Significantly, 41% say they provide these services directly. However, 18% primarily rely on another agency for the services, while 39% use some combination of direct and agency-supported efforts.

In short, this benchmark research points to a highly optimistic group of executives who are pioneering the effort to provide jobs for thousands of Americans moving off welfare, but who remain realistic about the challenges involved and the partnership needed between the private and public sector. ■

ABOUT THE MEMBER SURVEY

The Welfare to Work Partnership is a nonpartisan, nationwide effort designed to encourage and assist businesses with hiring people on public assistance.

The primary objective of this study is to establish a benchmark of Partner businesses' perceptions of welfare to work and welfare recipients, as well as their experience to date in hiring welfare recipients.

Out of the total sample of 400 member businesses, 196 interviews were conducted among senior executives, CEOs, and owners, and 204 interviews were conducted among other vice presidents, managers, directors, and human resource executives. In addition, the sample was stratified to represent current Partnership membership by company size.

Interviews were gathered from across the United States and collected between February 11-24, 1998.

The Welfare to Work
PARTNERSHIP
(202) 955-3005
www.welfaretoWork.org

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

THE WHITE HOUSE
WASHINGTON

May 26, 1998

WELFARE TO WORK EVENT

DATE: May 27, 1998
LOCATION: East Room
BRIEFING TIME: 11:30 am
EVENT TIME: 11:45 am (Roosevelt Room Meeting)
12:25 pm (East Room Event)
FROM: Bruce Reed

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On May 20, 1997, 105 company executives joined you at the White House to launch the Welfare to Work Partnership. One year later, 5,000 businesses of all sizes from all 50 states have joined the Partnership and pledged to hire and retain welfare recipients without displacing current employees. In 1997, the Partnership's business partners hired 135,000 welfare recipients, and today you will challenge those companies to double their efforts by hiring 270,000 workers from the welfare rolls in 1998.

Record Welfare Caseloads Declines

You will announce new figures showing welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since you signed welfare reform into law and 5.2 million since you first took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent. The latest data from the Census Bureau's Current Population Survey show that 1.7 million adults on welfare in 1996 were working in March 1997, an increase of 20 percent over the previous year.

First Welfare to Work Competitive Grants

You will announce the first round of competitive grants from the \$3 billion Welfare-to-Work program you fought for in the Balanced Budget Act of 1997. The \$186 million in grants from the Department of Labor will support 49 innovative welfare-to-work efforts designed to move long term welfare recipients into lasting, unsubsidized jobs. These awards are the first of five rounds of competitive grants to be awarded in 1998 and 1999. Twenty five percent of the Balanced Budget Act's \$3 billion welfare to work funds are to be awarded on a competitive basis, with the remaining 75 percent to be allocated by formula to states to be used by local Private Industry Councils to help welfare recipients who have significant barriers to employment obtain and retain jobs.

Funding of Welfare-to-Work Transportation Proposal

You will praise the Congress for including your welfare-to-work transportation proposal in the ISTEA transportation bill which passed the Congress on Friday. The proposal will provide up to \$150 million a year for local efforts to help welfare recipients get to where the jobs are.

Attending this event will be: over 100 executives of small, medium, and large companies who belong to the Welfare to Work Partnership, former welfare recipients who are now successful employees, and some of the local organizations receiving the new Welfare-to-Work grants.

III. PARTICIPANTS

Briefing Participants:

Erskine Bowles
Bruce Reed or Elena Kagan
Andrea Kane

Roosevelt Room Meeting Participants:

Secretary Shalala
Secretary Herman
Administrator Alvarez
Erskine Bowles
Bruce Reed
Eli Segal, President of the Welfare to Work Partnership
Welfare to Work Partnership Board of Directors (*SEE ATTACHED LIST)

East Room Event Participants:

Eli Segal, President of the Welfare to Work Partnership

Jerry Greenwald, CEO of United Airlines and Chairman of the Welfare to Work Partnership.

Rhonda Costa, former welfare recipient who currently works as an Administrative Assistant at Salomon Smith Barney. Rhonda is featured in one of the Welfare to Work Partnership's PSAs and will be introducing you at this event.

[Rhonda received public assistance for one year following the birth of her first child in 1983, and again after the birth of her second child in 1994. Determined to get off welfare, in July 1996 she enrolled in a job training program at the Wildcat Service Corp., which lead her to an internship at Salomon Smith Barney. She was quickly hired and has been working there for 1 1/2 years. She earns \$29,000 per year with full benefits and stock options. She has moved her family from New York City to Irvington, New Jersey, so that her two daughters could attend better schools and live in a safer neighborhood.]

IV. PRESS PLAN

Roosevelt Room Meeting -- CLOSED PRESS

East Room Event -- OPEN PRESS

V. SEQUENCE OF EVENTS

Meeting with the Welfare to Work Partnership Board of Directors in Roosevelt Room

- You will briefly greet each of the meeting participants.
- You will briefly thank the Partnership Board for coming and invite Eli Segal to lead the discussion.
- Eli will make brief remarks, and will open up the conversation. He will call on three Partnership Board Members to speak.
- You will have an opportunity to respond to each speaker and then Eli will close the meeting.

East Room Event

- You will be announced into the room accompanied by Eli Segal, Jerry Greenwald, and Rhonda Costa.
- Eli Segal will make remarks and introduce Jerry Greenwald, CEO, United Airlines.
- Jerry Greenwald will make remarks and introduce former welfare recipient Rhonda Costa.
- Rhonda Costa will make remarks and introduce you.
- You will make remarks, work a ropeline, and then depart.

VI. REMARKS

Talking Points for Roosevelt Room meeting attached.

Remarks for East Room provided by Speechwriting.

Welfare to Work Partnership Meeting Attendees

Erskine Bowles
Bruce Reed
Secretary Shalala
Secretary Herman
Administrator Alvarez

Jerry Greenwald, CEO, United Airlines, and Chairman of the Welfare to Work Partnership
United Airlines hired 760 welfare recipients with an average 69 percent welfare-to-work retention rate (double that of other entry-level employees). It has committed to hire 2,000 welfare recipients by the year 2000.

Mr. Duncan Pollock, President for North America, Ammirati Puris Lintas Advertising Agency
Ammirati Puris Lintas produced pro bono The Partnership's print and television PSA campaign.

Mrs. Barbara Turner, President, Boscart Construction
Boscart has employed 10 former welfare recipients as laborers, receptionists, and apprentices. It works with several churches in Anacostia to help train potential workers.

Mr. James (Jim) Watkins, Senior VP, Worldwide Marketing, Burger King Corporation
Burger King has hired over 6,200 welfare recipients in its corporate stores and has committed to hire 10,000 in corporate and franchise-owned stores. Retention rates are higher than normal hires.

Ms. Carolyn Stradley, President & Owner, C & S Paving Company
C & S has hired a number of parolees, some of whom received public assistance. New hires are supported by a career advancement training program and a van-pool to ease transportation burdens.

Mr. Russell (Russ) Meyer, Jr., Chairman & CEO, Cessna Aircraft Company
Of the 237 individuals who successfully completed Cessna's training program, over 200 are currently employed at Cessna and 26 are currently employed with other local Wichita companies.

Ms. Carol Parry, Executive VP, Community Development Group, Chase Manhattan Corp.
The program's goal is to tailor training programs to hire 100 welfare recipients as branch tellers, call center customer service representatives, and staff for operations functions in several business units.

Mr. John McIlwain, President, Fannie Mae Foundation
The Foundation's goal is to address barriers to employment for welfare recipients in public housing, drawing from the experience of housing programs that foster self-sufficiency.

Mr. George Stinson, Chairman, President & CEO, General Converters & Assemblers, Inc.
GCA has hired over 1,200 people off public assistance since the mid-1980s, and currently employs over 100 who have access to specialized training. An on-site child-care facility is under construction. Mr. Stinson participated in the launch of The Welfare to Work Partnership last May.

Mr. Jonathan Tisch, President & CEO, Loews Hotels

Loews Hotels and the Greater Miami Hotel Association will lead an effort of nearly 40 hotels to hire 800 welfare recipients by the year 2000, and plans to use this program as a model for other cities.

Mr. Mitchell Fromstein, Chairman, President & CEO, Manpower, Inc.

Manpower provided temporary placements and free training to thousands of welfare recipients in 1997, in part by opening offices in impoverished areas.

Mr. Brandon Keegan, Senior Vice President, Marriott International

The more than 1,000 former welfare recipients Marriott has hired have a one-year retention rate of 70 percent, compared to the non-welfare retention rate of 52 percent.

Mr. Barry Corona, Sr., President, Production Products

Production Products has hired more than 800 former welfare recipients and is a founding member of the Mid-Tec Consortium that provides industry-specific job training in the manufacturing industry.

Ms. Rachel Hubka, President & CEO, Rachel's Bus Company

In 1997, Rachel's hired 10 welfare recipients, retaining 5 as full-time office staff and school bus drivers. Ms. Hubka opened another bus company and plans to continue to hire from welfare roles.

Mr. James (Jamie) Dimon, Co-CEO, Salomon Smith Barney

Salomon Smith Barney hired 52 welfare recipients over the last two years for entry-level jobs with an average salary of \$24,000. Their retention rate over two years is 92 percent.

Edward Mueller, President and CEO of Pacific Bell.

In 1997, Pacific Bell hired 100 welfare recipients. Pacific Bell has an aggressive state-wide recruiting program and has plans to hire more welfare recipients in 1998.

Toni Fay, Senior Vice President, Time Warner

Time Warner has committed to air the Welfare to Work Partnership PSAs on all of its television stations throughout next week. Time Warner also has a welfare-to-work program in place.

Mr. James (Jim) Kelly, Chairman & CEO, United Parcel Service of America, Inc.

UPS hired more than 11,000 welfare recipients in the last 17 months. Part-time employees start with full medical benefits and job sharing options. The retention rate exceeds that of non-welfare hires.

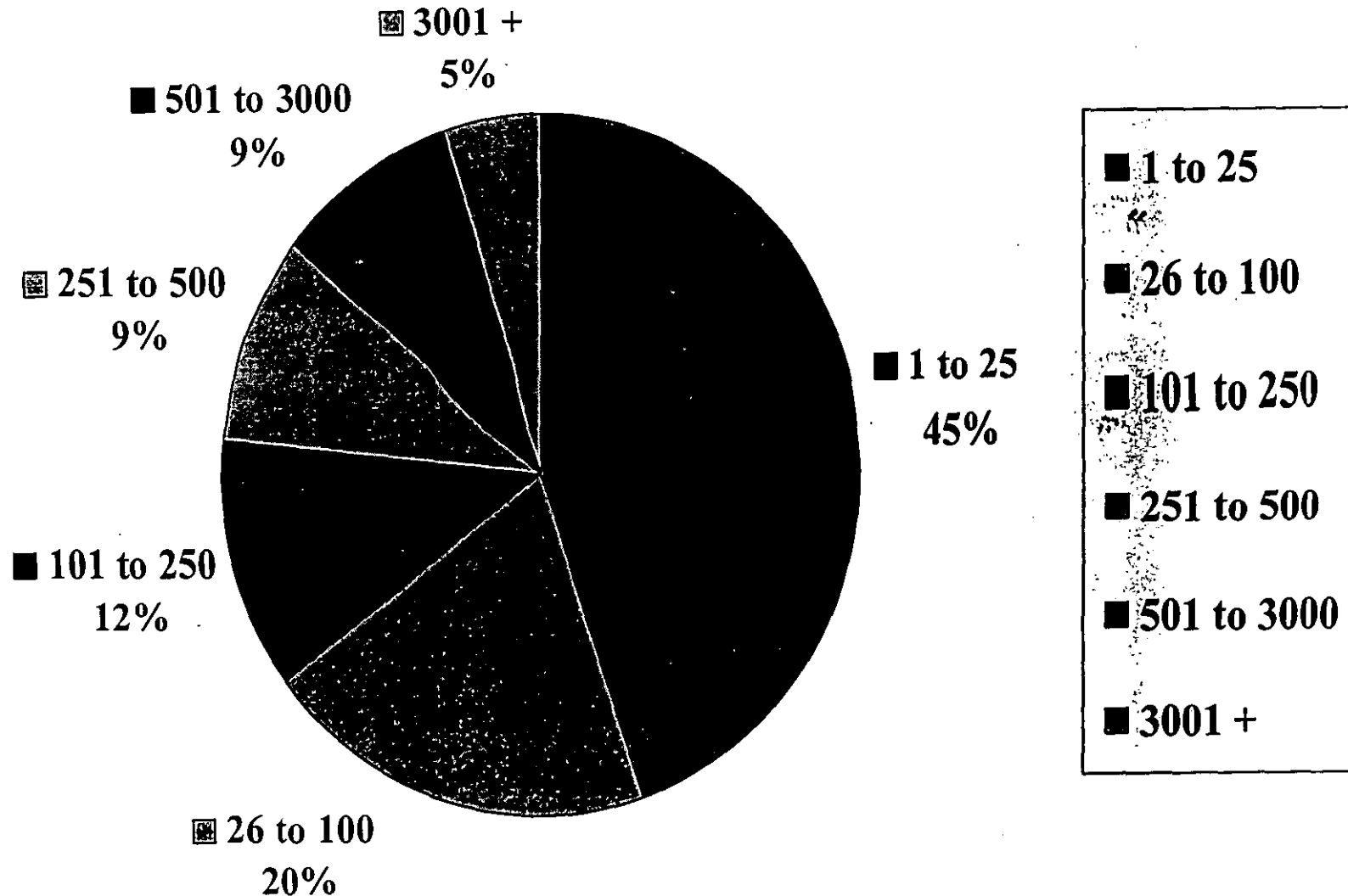
Talking points for the President in the Welfare to Work meeting:

- First and foremost, I want to thank you for all you have done to provide a second chance for people on welfare.
- Most people on welfare want to work -- and they make good employees. I am interested to hear that many of you have found that you have less turnover among your welfare hires than your non-welfare hires.
- I know that the Welfare to Work Partnership could never have grown from 105 companies a year ago to 5,000 companies today without the leadership and commitment of each and every one of you.
- I want you to know that I am personally committed to this effort, and that my Administration stands ready to help. I fought for an extra \$3 billion in welfare-to-work funds in the Balanced Budget, to help provide the least work-ready welfare recipients with the preparation they need to become productive employees. In this year's budget, I made child care and transportation -- concerns raised by you and many of your colleagues -- two of my top priorities. Just last week, we had a great success when Congress, in the ISTEA legislation, agreed to set aside funds for welfare-to-work transportation services.

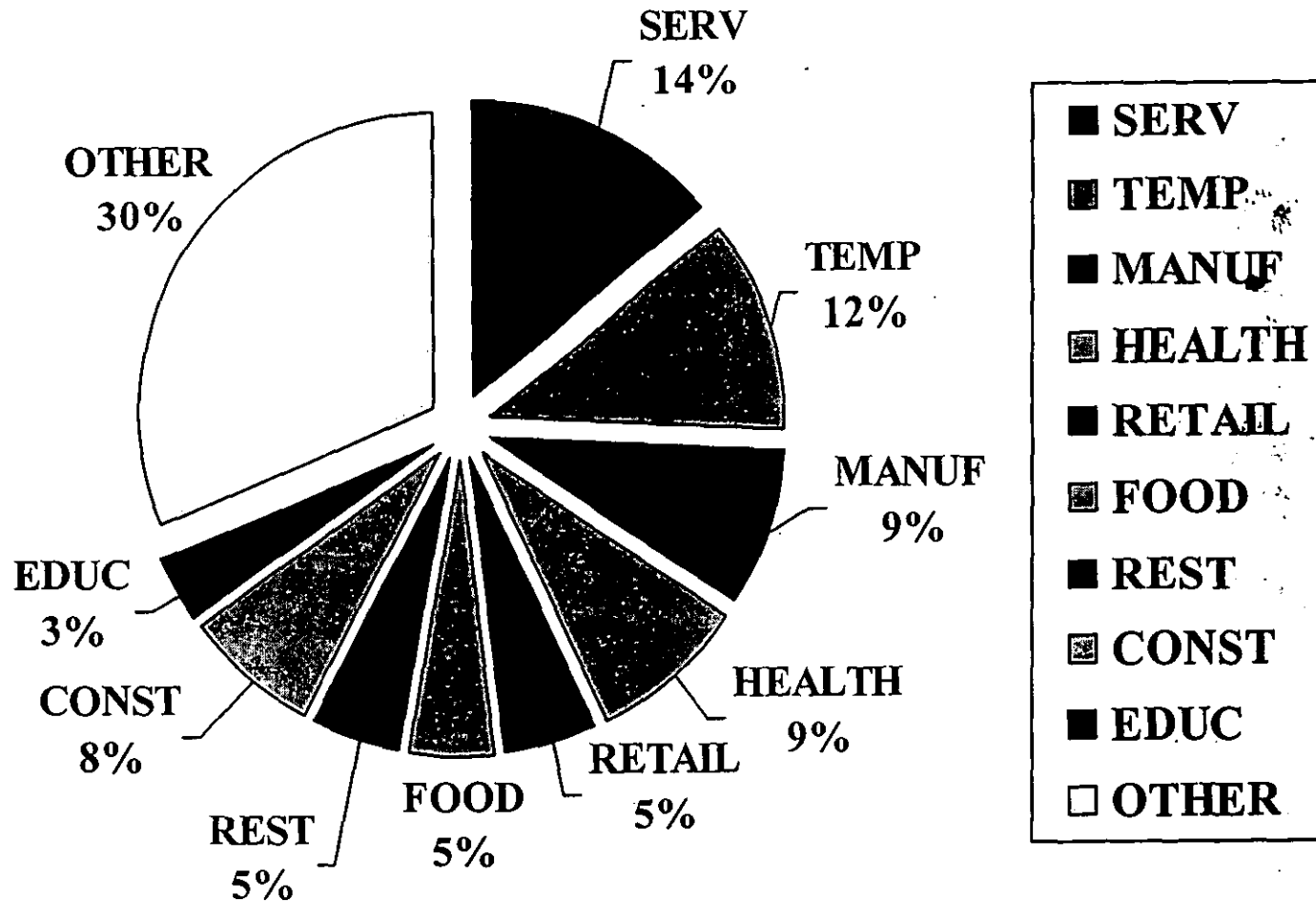
The Welfare to Work Partnership
Business Partner Profile
May 27, 1998

- 5050 Business Partners representing almost 10 million employees nationwide.
- Business Partners are from all 50 states.
- 86% of Partners have already hired or plan to hire in the coming year.
- 76% of Partners who have hired found new hires to be good, productive employees.
- 135,000 former welfare recipients were hired by Business Partners in 1997.
- 72% of Partners have fewer than 250 employees. 45% have fewer than 25 employees.
- 72% of Partners offer full-time benefits for their welfare to work hires.
- 72% of Partners offer medical benefits for their welfare to work hires.
- The leading industries for hiring include the service industry, temporary staffing, manufacturing, health care, and retail.
- The Partnership represents 38 Fortune 100 companies.
- The Partnership has 26 Governors on its Advisory Council.

72% of all Partners have fewer than 250 employees. 45% have fewer than 25.

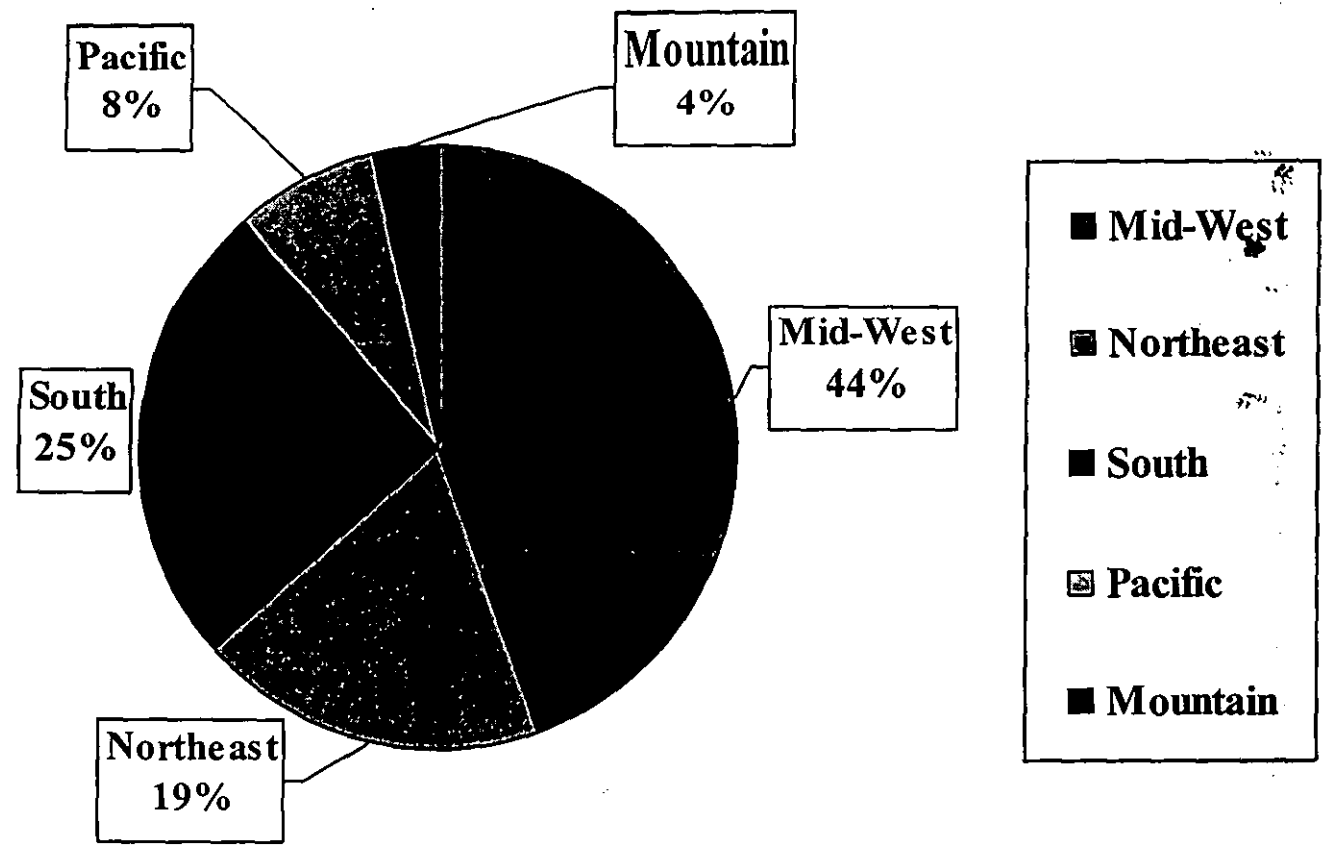


The leading industries for hiring include service industry; temporary staffing; manufacturing; health care; and retail.



The Partnership is represented in all 50 states

Note: Mid-West area includes Indiana, Missouri, Wisconsin and Illinois, where The Partnership has held major business events.





PARTNERSHIP AND PROMISE: BUSINESS LEADERS SUPPORT WELFARE TO WORK

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

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

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

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

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

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

about welfare to work programs' prospects for success.

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

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

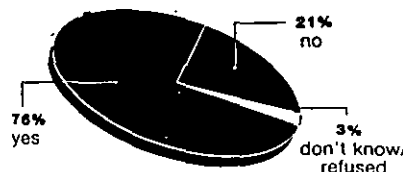
WHY MEMBER BUSINESSES ARE BECOMING INVOLVED

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

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

EMPLOYEE SUCCESS RATES

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



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

HIGHLIGHTS

1 WELFARE TO WORK
A win-win situation

2 FOCUS: TRANSPORTATION
Members comment on problems and solutions

2 MAKING IT HAPPEN
Businesses report what they have accomplished

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

3 ONGOING CHALLENGES
Evaluating the obstacles of hiring off welfare

4 FOCUS: TAX CREDITS
Perks for participating member businesses



FOCUS: TRANSPORTATION

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

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

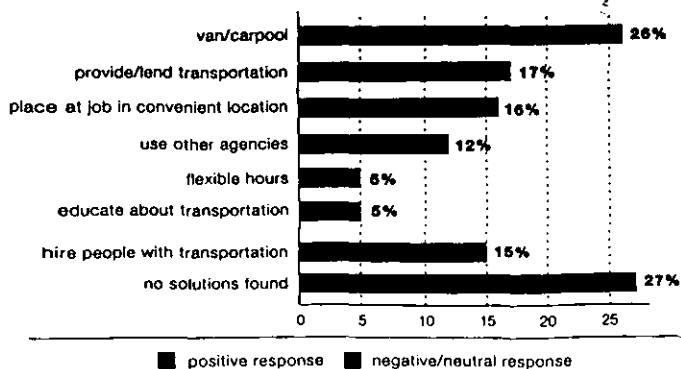
Just how serious a problem is transportation in hiring someone off welfare? On a 10-point scale where 1 is not at all a problem and 10 is a very serious problem, just over half (51%) rate it decidedly on the "problem" side with scores of 6 or higher. More than one-third (38%) gauge its severity with ratings of 8, 9, or 10.

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

PROBLEM	PERCENTAGE
New hires cannot afford a reliable vehicle or car insurance	51%
Public transportation does not run near my workplace	34%
Public transportation does not operate during hours needed for our jobs	18%
Company site is in a difficult / hard-to-reach location	11%
Lack of / poor public transportation	6%
New hires live in cities, while jobs are in suburbs	3%
No driver's license	3%
Cost / can't afford transportation	2%

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

ADDRESSING TRANSPORTATION PROBLEMS



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

A smart solution for business, members' involvement in the Partnership has typically been initiated at very high levels within a company or organization. 61% say that the primary initiative for getting involved came from CEOs, owners, presidents or other senior management. In another 28% of organizations, the initiative came largely from middle management.

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

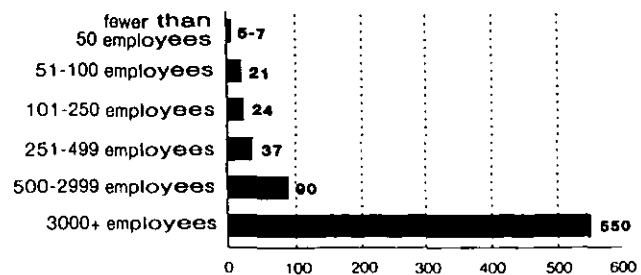
MAKING IT HAPPEN

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

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

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

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

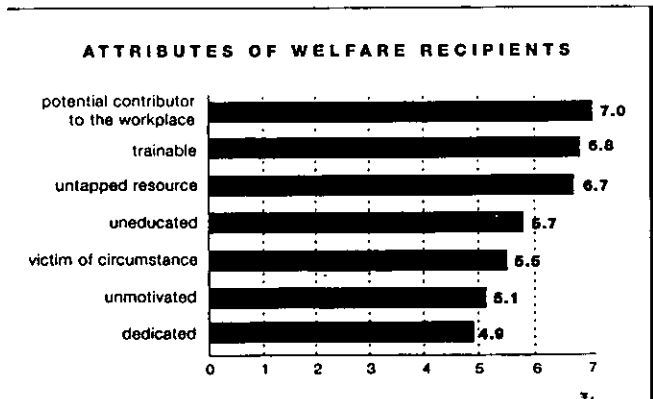


When respondents are asked to project how many people their organization plans to hire off welfare in 1998, we find very optimistic figures. The mean number of expected hires jumps to 81. In fact, just 4% of member businesses expect still to have not hired anyone off welfare by the end of the year, while 10% are not sure.

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

PARTNER PERCEPTIONS OF WELFARE RECIPIENTS

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



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

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

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

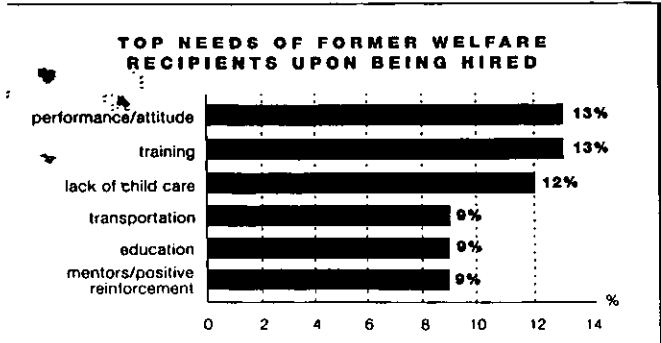
tion government social services offices. Another 25% cite community-based organizations.

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

ONGOING CHALLENGES

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

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



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

FOCUS: TAX CREDITS

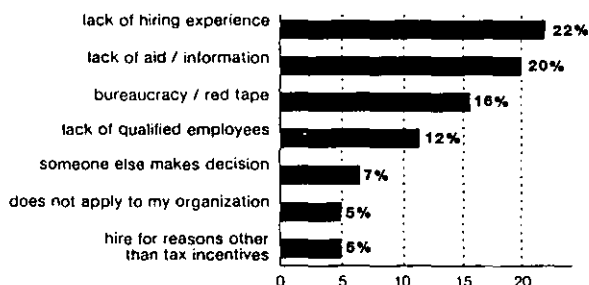
In an effort to encourage private businesses to join welfare-to-work initiatives, the federal government has established several types of tax credits which companies can take advantage of for each former welfare recipient hired.

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

Approximately half (51%) are aware of the credits but never accessed them, while as many as 18% say they have not heard of the credits.

Partnership businesses who have not accessed the WOTC or Welfare to Work Tax Credit give a number of reasons why they have not participated, which are illustrated in the chart below.

ASSESSING TAX CREDITS



When we ask this group what would motivate them to take advantage of the available tax credits, responses center around three key barriers:

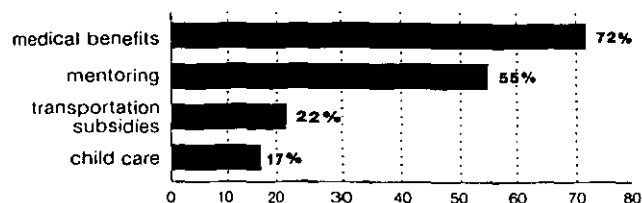
■ **Information.** More than one quarter (27%) say they need more information about the tax credits generally, information about how to identify eligible potential employees, and information about how to determine whether they qualify for the credits.

■ **Hiring Employees Who Qualify.** Nearly one in five (19%) cite primary barriers in finding and hiring people who qualify as well as retaining people long enough to become eligible for the credits.

■ **Red Tape / Procedures.** There is a definite perception that qualifying for and processing the tax credits involves a complicated procedure, as expressed by the 11% who say simplifying the procedure would be a prime motivation for taking advantage of the credits. ■

employers who offer programs which help address these needs. According to study participants, medical benefits and mentoring are services offered by a majority of the Partnership member organizations.

SERVICES OFFERED TO FORMER WELFARE RECIPIENTS



On the other hand, relatively few offer assistance with child care or transportation subsidies which are less traditional but equally important to finding economic self-sufficiency in the workplace.

Significantly, 41% say they provide these services directly. However, 18% primarily rely on another agency for the services, while 39% use some combination of direct and agency-supported efforts.

In short, this benchmark research points to a highly optimistic group of executives who are pioneering the effort to provide jobs for thousands of Americans moving off welfare, but who remain realistic about the challenges involved and the partnership needed between the private and public sector. ■

ABOUT THE MEMBER SURVEY

The Welfare to Work Partnership is a nonpartisan, nationwide effort designed to encourage and assist businesses with hiring people on public assistance.

The primary objective of this study is to establish a benchmark of Partner businesses' perceptions of welfare to work and welfare recipients, as well as their experience to date in hiring welfare recipients.

Out of the total sample of 400 member businesses, 196 interviews were conducted among senior executives, CEOs, and owners, and 204 interviews were conducted among other vice presidents, managers, directors, and human resource executives. In addition, the sample was stratified to represent current Partnership membership by company size.

Interviews were gathered from across the United States and collected between February 11-24, 1998.

The Welfare to Work
PARTNERSHIP
(202) 955-3005
www.welfaretowork.org

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

**Working Meeting with Welfare to Work Partnership Board
Agenda**

Date: May 27, 1998

Time: 11:15 a.m.-12:15 p.m.

Place: Roosevelt Room, The White House

Attending from the White House:

President Clinton, Erskine Bowles, Bruce Reed, Secretary Alexis Herman, Secretary Donna Shalala, Administrator Aida Alvarez

Attending from The Welfare to Work Partnership:

Eli Segal, Gerald Greenwald (United Airlines), Duncan Pollock (Ammirati Puris Lintas), Barbara Turner (Boscart Construction, Inc.), Jim Watkins (Burger King), Carolyn Stradley (C&S Paving), Russell Meyer, Jr. (Cessna Aircraft), Carol Parry (Chase Manhattan Bank), John McIlwain (Fannie Mae Foundation), George Stinson (General Converter's and Assemblers), Jonathan Tisch (Loews Hotels), Mitch Fromstein (Manpower, Inc.), Brandan Keegan (Marriott), Barry Corona (Production Products), Rachel Hubka (Rachel's Bus Company), James Dimon (Salomon Smith Barney), Edward Mueller (Pacific Bell), Toni Fay (Time Warner), James Kelly (UPS)

11:15 Erskine Bowles welcomes group

11:20 Bruce Reed congratulates businesses and Secretaries on their success and gives overview of Administration welfare to work initiatives.

11:25 Eli Segal thanks group for assembling and for all of their hard work. Says he knows a few businesses have questions for the Secretaries. Eli turns it over to Jim Watkin, Burger King.

11:30 Jim Watkins, Burger King, asks Secretary Shalala what federal programs are available to help businesses successfully retain former welfare recipients.

James Dimon, Salomon Smith Barney, asks Secretary Herman how the new DOL grants will help businesses successfully identify, train and retain former welfare recipients.

Barbara Turner, Boscart Construction, will ask Administrator Alvarez how the SBA plans to fully engage small businesses in welfare to work

11:45 POTUS arrives

11:48 Eli Segal greets POTUS and thanks them for their time, gives very brief update on Partnership and business accomplishments

11:50 POTUS makes remarks

Noon Eli Segal thanks POTUS, turns it over to Gerald Greenwald, United Airlines

12:01 Gerald Greenwald speaks about United's experience with retention and mentoring.
Jim Kelly, UPS, speaks about UPS's experience focusing on job sharing and benefits.
George Stinson, General Converters and Assemblers, speaks about the unique role of small business and the importance of child care

12:10 Open conversation

12:15 Eli Segal closes

12:16 Adjourn

**PRESIDENT CLINTON WILL PRAISE WELFARE TO WORK SUCCESS
AND URGE SUSTAINED PUBLIC AND PRIVATE EFFORTS**

May 27, 1998

Today, President Clinton will celebrate the success of the Welfare to Work Partnership, which has grown from 105 to 5,000 companies since it was launched at the White House last May and whose member companies hired over 135,000 welfare recipients in 1997. The President will challenge the Welfare to Work Partnership to double its welfare hires to 270,000 in 1998 and urge every business in America to look to welfare recipients to fill labor shortages created by the booming economy. The President will be joined by United Airlines CEO Gerald Greenwald, who will release a report showing that hiring welfare recipients can cut company turnover.

The President also will release new data showing that welfare-to-work efforts like the Partnership's are paying off: welfare caseloads have dropped to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. To sustain this success, the President will announce the first Welfare-to-Work competitive grants from the \$3 billion fund he fought to include in the 1997 Balanced Budget Act. These grants, totaling \$186 million, will support 49 innovative efforts across the country to help the most disadvantaged welfare recipients get and keep jobs. In addition, new funds for the President's welfare-to-work transportation plan, which were included in the ISTEA bill which passed Congress last week, will help even more welfare recipients go to work.

One Year Later, the President will Praise Welfare-to-Work Success and Issue New Challenge

On May 20, 1997, 105 company executives joined the President at the White House to launch the Welfare to Work Partnership. One year later, 5,000 businesses of all sizes from all 50 states have joined the Partnership and pledged to hire and retain welfare recipients without displacing current employees. In 1997, the Partnership's business partners hired 135,000 welfare recipients, and today the President will challenge those companies to double their efforts by hiring 270,000 workers from the welfare rolls in 1998. Since March of 1997, the federal government has hired 4,811 welfare recipients, 45 percent of its planned 10,000 hires by the year 2000.

The President will Announce Record Welfare Caseloads Declines

The President will release new figures showing welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent. The latest data from the Census Bureau's Current Population Survey show that 1.7 million adults on welfare in 1996 were working in March 1997, an increase of 20 percent over the previous year.

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Fitch 3070

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The President will Praise Congress for Funding his Welfare-to-Work Transportation Proposal

The President will praise the Congress for including his welfare-to-work transportation proposal in the ISTEA transportation bill which passed the Congress on Friday. The proposal will provide up to \$150 million a year for local efforts to help welfare recipients get to where the jobs are.

United Airlines CEO will say Hiring from the Welfare Rolls Reduces Turnover

United Airlines CEO Gerald Greenwald, chairman of the Welfare to Work Partnership's board of directors, will release a new report finding hiring welfare recipients can reduce company turnover. The report, The Road to Retention, includes case histories of 16 business whose retention rates for former welfare recipients are higher than for non-welfare hires. At United Airlines, retention rates are about twice as high for those hired from the welfare rolls.

The President will be Joined by Executives, Former Recipients, and Welfare-to-Work Grantees

The President will be joined today at the White House by:

- Over 100 executives of small, medium, and large companies who belong to the Welfare to Work Partnership, including United Airlines' Greenwald and Partnership President Eli Segal;
- Former welfare recipients who are now successful employees, including Rhonda Costa, a 34-year-old mother of two who has worked at Salomon Smith Barney in New York for one and half years, who will introduce the President; and
- Some of the local organizations receiving the new Welfare-to-Work grants, including the Private Industry Councils from Detroit, Los Angeles County, Philadelphia, and San Francisco, the Corporation for Ohio Appalachian Development, the Florida Developmental Disabilities Council, CHARO Alliance Welfare to Work (Los Angeles), and the National Association of Private Industry Councils.

Welfare Reform Q&As
May 27, 1998

Q: What is the President announcing today?

A: Today, President Clinton will celebrate the success of the Welfare to Work Partnership, which has grown from 105 to 5,000 companies since it was launched at the White House last May and whose member companies hired over 135,000 welfare recipients in 1997. The President will challenge the Welfare to Work Partnership to double its welfare hires to 270,000 in 1998 and urge every business in America to look to welfare recipients to fill labor shortages created by the booming economy. The President will be joined by United Airlines CEO Gerald Greenwald, who will release a report showing hiring welfare recipients can cut company turnover.

The President will release new data showing that welfare to work efforts like these are paying off -- welfare caseloads have dropped to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. To sustain this success, the President will announce the first Welfare-to-Work competitive grants from the \$3 billion fund he fought to include in the 1997 Balanced Budget Act. These \$186 million in grants will support 49 innovative efforts across the country to help the most disadvantaged welfare recipients get and keep jobs. In addition, new funds for the President's welfare to work transportation plan, which were included in the ISTEA bill which passed Congress last week, will help even more welfare recipients go to work.

Welfare to Work Partnership

Q: You say that over 5,000 companies have joined the Welfare to Work Partnership. What does that mean? Have they all actually hired welfare recipients?

A: All 5,000 companies have either already hired welfare recipients or have pledged to do so without displacing other workers. In 1997, approximately 3,200 Partnership companies hired more than 135,000 welfare recipients.

Q: I understand the Partnership is releasing some sort of report today at the White House? What does the report say?

A: The report, The Road to Retention, is a case history of 16 businesses, including five small companies, whose retention rates for welfare recipients are higher than the retention rates for non-welfare hires. At United Airlines, for example, welfare hires have about half the turnover rate of regular hires. This report provides examples of what successful companies do to promote retention, including forming partnerships with service agencies to provide child care, transportation, mentoring, and counseling services, providing on-

the-job or pre-employment training, providing health and other benefits, and holding welfare to work employees to the same high standards as other employees.

Q: Who runs the Welfare to Work Partnership? Is it part of the White House?

A: No. The Welfare to Work Partnership is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector. Gerald Greenwald, the CEO of United Airlines, is the chairman of the Partnership's board of directors, and Eli Segal is the Partnership's President and CEO. The Partnership was formed in response to the President's challenge in his 1997 State of the Union speech to forge "a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work."

Welfare Caseloads

Q: What are the new caseload numbers that the President announced today?

A: The President released new figures showing welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent.

As the attached chart shows, the welfare caseloads have fallen by nearly 900,000 since the numbers released in January as part of the President's State of the Union speech. The new figures are from March 1998; the data released in January were from September 1997.

Welfare Caseloads

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Decline since Jan. 93 (percent)	Decline since Jan. 93 (millions)	Decline since Aug. 96 (percent)	Decline since Aug. 96 (millions)
May 96*	14.115	12.499	11%	1.616		
Aug. 96*	14.115	12.202	14%	1.913		
Apr. 97	14.115	10.969	22%	3.146	10%	1.233
May 97	14.115	10.748	24%	3.367	12%	1.454
June 97	14.115	10.494	26%	3.621	14%	1.708
July 97	14.115	10.258	27%	3.857	16%	1.944
Aug. 97	14.115	9.995	29%	4.120	18%	2.207
Sep. 97**	14.115	9.804	31%	4.311	20%	2.398
Mar. 98***	14.115	8.910	37%	5.205	27%	3.292

- * Note that when the welfare law was signed in August 1996, only caseload data through the month of May 1996 was available. Thus, the public statements made at that time were based on that May 1996 data.
- ** Data released 1/27/98.
- *** Data released 5/27/98.

Q: Do you know what happened to all those people who left the rolls? Aren't some simply being cut off of welfare? Do you consider this a success?

A: Not enough time has passed for full scale research studies to be completed, but several state studies show that between 50 and 60 percent of those who leave the welfare rolls do so for work. (Others leave because of marriage, their youngest child turning 18, an increase in child support, receipt of SSI, increase in earnings by another family member, or sanctions). Welfare reform is resulting in more recipients going to work: the most recent data from the Census Bureau's Current Population Survey show that work rates among welfare recipients increased by 20 percent from 1996 to 1997. HHS estimates that this means 1.7 million people who were on welfare in 1996 were working in 1997. Many states are using sanctions to enforce work rules, and we think that is entirely appropriate. Data from several state studies find that after being sanctioned, about half the people go to work and approximately 40 percent have an increase in their income. Several states also found that one-quarter to one-third of those sanctioned return to the rolls, presumably after complying with the requirements.

most studies started under welfare

*MD
SC
MA*

Q: Do you think there will be enough jobs for all the welfare recipients who need them?

A: We believe that economy will create enough jobs for welfare recipients without displacing other workers. Remember, we've created over 15 million new jobs since this Administration took office and unemployment -- at 4.3 percent -- is at the lowest level in 28 years. At the same time, we recognize that we should give some extra help to communities where it will be harder for welfare recipients to find jobs. That's why the President fought for and won the \$3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas. That's why the President fought for and won the \$3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas. And so that those leaving welfare can get to where the jobs are, the President proposed -- and the Congress has now passed -- funds for welfare to work transportation in the ISTEA transportation bill.

Welfare to Work Grants

Q: What are the grants that the President announced today?

A: Today, the President announced the first round of competitive grants from the \$3 billion Welfare-to-Work program he fought for in the Balanced Budget Act of 1997. The \$186 million in grants from the Department of Labor will support 49 innovative welfare to work efforts designed to move long term welfare recipients into lasting, unsubsidized jobs. These awards are the first of five rounds of competitive grants to be awarded in 1998 and 1999. Twenty five percent of the Balanced Budget Act's \$3 billion welfare to work funds are to be awarded on a competitive basis, with the remaining 75 percent to be allocated by formula to states to be used by local Private Industry Councils to help welfare recipients who have significant barriers to employment obtain and retain jobs. A description of some of the 49 grantees is available for the press.

Q: How are these grants different from the other welfare reform funds states get?

A: These funds are targeted specifically at the hard-to-employ welfare recipients who need help the most -- long-term recipients with poor education, low skills, and little job experience, living in high poverty areas.

Welfare to Work Transportation

Q: I understand welfare to work funds were included in the ISTEA bill which passed the Congress last week. Are these the funds the President requested in his budget?

A: The President fought to include welfare to work transportation funds in the ISTEA transportation bill. You may recall that he highlighted the importance of welfare to work

transportation a year ago, when the Welfare to Work Partnership was launched at the White House, and again in the State of the Union. His budget included a \$100 million a year proposal for welfare to work transportation. The ISTEA bill which passed the Congress on Friday includes up to \$150 million a year for local efforts to help welfare recipients get to where the jobs are.

Federal Welfare Hiring

Q: How many welfare recipients has the federal government hired?

A: According to the Office of Personnel Management, the federal government has hired 4,811 welfare recipients since March 1997 when the federal hiring initiative was launched. This is 48 percent of our goal of 10,000 hires by the year 2000. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.

Q: How was the goal of 10,000 hires set?

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A: These numbers represent the Federal government's fair share of the effort to hire welfare recipients. The Federal government is approximately 1.5 percent of the nation's workforce. To meet its portion of the President's challenge to move 2 million people off welfare by the year 2000 -- which amounts to moving about 700,000 adults into the workforce -- the Federal government ought to hire about 10,000 welfare recipients.

Q: How can you hire welfare recipients when government is downsizing and budgets are tight? Are you creating special preferences for welfare recipients?

A: It is true that the government is downsizing. Since the President took office, he has actually shrunk the Federal government to its smallest size in three decades. However, downsizing does not mean there are no jobs to fill. As in any organization, there is a natural amount of turnover in jobs at all levels. The Federal agencies have committed to reaching out specifically to the welfare population to fill those positions.

We are not creating any preference such as the one that exists for veterans. We are encouraging the departments to use existing hiring authorities, including programs that allow departments to cut through red tape and hire entry-level workers quickly and easily. We are also encouraging outreach efforts to our federal contractors, grantees and partners. This is the same commitment that the President has asked of the private sector.

CHANGE IN WELFARE CASELOADS SINCE ENACTMENT OF THE NEW WELFARE LAW

Total TANF families and recipients

	<u>Aug.96</u>	<u>March 98</u> (millions)	<u>percent</u>
Families	4.389	3.224	-27%
		<i>1,165,000 fewer families</i>	
Recipients	12.202	8.910	-27%
		<i>3,292,000 fewer recipients</i>	

Total TANF recipients by State

<u>state</u>	<u>Aug.96</u>	<u>Mar.98</u>	<u>percent</u>
Alabama	100,510	58,964	-41%
Alaska	35,540	32,665	-8%
Arizona	169,440	107,860	-36%
Arkansas	56,230	34,901	-38%
California	2,578,450	2,102,704	-18%
Colorado	95,790	53,682	-44%
Connecticut	159,060	132,437	-17%
Delaware	23,650	17,810	-25%
Dist. of Columbia	69,290	53,850	-22%
Florida	533,800	290,977	-45%
Georgia	329,160	209,613	-36%
Hawaii	66,480	75,368	13%
Idaho	21,800	4,460	-80%
Illinois	640,870	531,623	-17%
Indiana	141,850	92,551	-35%
Iowa	85,940	67,189	-22%
Kansas	63,780	35,659	-44%
Kentucky	170,890	129,770	-24%
Louisiana	228,120	124,031	-46%
Maine	53,790	41,860	-22%
Maryland	194,130	125,337	-35%
Massachusetts	219,580	176,412	-20%
Michigan	501,440	370,715	-26%
Minnesota	169,740	146,257	-14%
Mississippi	122,750	61,045	-50%
Missouri	222,820	158,492	-29%
Montana	28,240	19,913	-29%
Nebraska	38,510	38,523	0%
Nevada	33,920	27,374	-19%
New Hampshire	22,940	15,513	-32%
New Jersey	275,700	207,678	-25%
New Mexico	99,660	69,275	-30%
New York	1,143,960	922,675	-19%

<u>State</u>	<u>Aug. 96</u>	<u>Mar. 98</u>	<u>percent</u>
North Carolina	266,470	184,382	-31%
North Dakota	13,130	8,733	-33%
Ohio	549,310	372,241	-32%
Oklahoma	96,010	66,451	-31%
Oregon	78,420	48,663	-38%
Pennsylvania	530,520	382,901	-28%
Rhode Island	56,460	54,425	-4%
South Carolina	113,430	71,382	-37%
South Dakota	15,840	10,187	-36%
Tennessee	238,890	154,428	-35%
Texas	647,790	408,776	-37%
Utah	39,060	29,698	-24%
Vermont	24,270	20,718	-15%
Virginia	152,680	104,338	-32%
Washington	268,930	221,274	-18%
West Virginia	89,039	45,255	-49%
Wisconsin	148,890	47,444	-68%
Wyoming	11,400	2,974	-74%
Guam*	8,314	7,461	-10%
Puerto Rico	151,023	127,144	-16%
Virgin Islands	4,898	4,057	-17%

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

Source:

U.S. Dept. of Health & Human Services
Administration for Children and Families
May 1998

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u> (millions)	<u>Jan. 96</u>	<u>Mar. 98</u>	<u>percent(93-98)</u>
Families	4.963	5.053	4.936	4.628	3.224	-35%
			<i>1,739,000 fewer families</i>			
Recipients	14.115	14.276	13.918	12.877	8.910	-37%
			<i>5,205,000 fewer recipients</i>			

Total AFDC/TANF recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Jan. 96</u>	<u>Mar. 98</u>	<u>percent(93-98)</u>
Alabama	141,746	135,096	121,837	108,269	58,964	-58%
Alaska	34,951	37,505	37,264	35,432	32,665	-7%
Arizona	194,119	202,350	195,082	171,617	107,860	-44%
Arkansas	73,982	70,563	65,325	59,223	34,901	-53%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,102,704	-13%
Colorado	123,308	118,081	110,742	99,739	53,682	-56%
Connecticut	160,102	164,265	170,719	161,736	132,437	-17%
Delaware	27,652	29,286	26,314	23,153	17,810	-36%
Dist. of Columbia	65,860	72,330	72,330	70,082	53,850	-18%
Florida	701,842	689,135	657,313	575,553	290,977	-59%
Georgia	402,228	396,736	388,913	367,656	209,613	-48%
Hawaii	54,511	60,975	65,207	66,690	75,368	38%
Idaho	21,116	23,342	24,050	23,547	4,460	-79%
Illinois	685,508	709,969	710,032	663,212	531,623	-22%
Indiana	209,882	218,061	197,225	147,083	92,551	-56%
Iowa	100,943	110,639	103,108	91,727	67,189	-33%
Kansas	87,525	87,433	81,504	70,758	35,659	-59%
Kentucky	227,879	208,710	193,722	176,601	129,770	-43%
Louisiana	263,338	252,860	258,180	239,247	124,031	-53%
Maine	67,836	65,006	60,973	56,319	41,860	-38%
Maryland	221,338	219,863	227,887	207,800	125,337	-43%
Massachusetts	332,044	311,732	286,175	242,572	176,412	-47%
Michigan	686,356	672,760	612,224	535,704	370,715	-46%
Minnesota	191,526	189,615	167,949	171,916	146,257	-24%
Mississippi	174,093	161,724	146,319	133,029	61,045	-65%
Missouri	259,039	262,073	259,595	238,052	158,492	-39%
Montana	34,848	35,415	34,313	32,557	19,913	-43%
Nebraska	48,055	46,034	42,038	38,653	38,523	-20%
Nevada	34,943	37,908	41,846	40,491	27,374	-22%
New Hampshire	28,972	30,386	28,671	24,519	15,513	-46%
New Jersey	349,902	334,780	321,151	293,833	207,678	-41%
New Mexico	94,836	101,676	105,114	102,648	69,275	-27%
New York	1,179,522	1,241,639	1,266,350	1,200,847	922,675	-22%

state	Jan_93	Jan_94	Jan_95	Jan_96	Mar_98	percent(93-98)
North Carolina	331,633	334,451	317,836	282,086	184,382	-44%
North Dakota	18,774	16,785	14,920	13,652	8,733	-53%
Ohio	720,476	691,099	629,719	552,304	372,241	-48%
Oklahoma	146,454	133,152	127,336	110,498	66,451	-55%
Oregon	117,656	116,390	107,610	92,182	48,663	-59%
Pennsylvania	604,701	615,581	611,215	553,148	382,901	-37%
Rhode Island	61,116	62,737	62,407	60,654	54,425	-11%
South Carolina	151,026	143,883	133,567	121,703	71,382	-53%
South Dakota	20,254	19,413	17,652	16,821	10,187	-50%
Tennessee	320,709	302,608	281,982	265,320	154,428	-52%
Texas	785,271	796,348	765,460	714,523	408,776	-48%
Utah	53,172	50,657	47,472	41,145	29,698	-44%
Vermont	28,961	28,095	27,716	25,865	20,718	-28%
Virginia	194,212	194,959	189,493	166,012	104,338	-46%
Washington	286,258	292,608	290,940	276,018	221,274	-23%
West Virginia	119,916	115,376	107,668	98,439	45,255	-62%
Wisconsin	241,098	230,621	214,404	184,209	47,444	-80%
Wyoming	18,271	16,740	15,434	13,531	2,974	-84%
Guam*	5,087	6,651	7,630	8,364	7,461	47%
Puerto Rico	191,261	184,626	171,932	149,944	127,144	-34%
Virgin Islands	3,763	3,767	4,345	4,953	4,057	8%

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

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

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

<u>year</u>	<u>recipients</u>	<u>U.S. pop.</u>	<u>% of pop.</u>
1960	3,005,000	180,671,000	1.7%
1961	3,354,000	183,691,000	1.8%
1962	3,676,000	186,538,000	2.0%
1963	3,876,000	189,242,000	2.0%
1964	4,118,000	191,889,000	2.1%
1965	4,329,000	194,303,000	2.2%
1966	4,513,000	196,560,000	2.3%
1967	5,014,000	198,712,000	2.5%
1968	5,705,000	200,706,000	2.8%
1969	6,706,000	202,677,000	3.3%
1970	8,466,000	205,052,000	4.1%
1971	10,241,000	207,661,000	4.9%
1972	10,947,000	209,896,000	5.2%
1973	10,949,000	211,909,000	5.2%
1974	10,864,000	213,854,000	5.1%
1975	11,165,185	215,973,000	5.2%
1976	11,386,371	218,035,000	5.2%
1977	11,129,702	220,239,000	5.1%
1978	10,671,812	222,585,000	4.8%
1979	10,317,902	225,055,000	4.6%
1980	10,597,445	227,726,000	4.7%
1981	11,159,847	229,966,000	4.9%
1982	10,430,960	232,188,000	4.5%
1983	10,659,365	234,307,000	4.5%
1984	10,865,604	236,348,000	4.6%
1985	10,812,625	238,466,000	4.5%
1986	10,996,505	240,651,000	4.6%
1987	11,065,027	242,804,000	4.6%
1988	10,919,696	245,021,000	4.5%
1989	10,933,980	247,342,000	4.4%
1990	11,460,382	249,913,000	4.6%
1991	12,592,269	252,650,000	5.0%
1992	13,625,342	255,419,000	5.3%
1993	14,142,710	258,137,000	5.5%
1994	14,225,591	260,372,000	5.5%
1995	13,652,232	263,034,000	5.2%
1996	12,648,859	265,284,000	4.7%
1997	10,936,298	267,636,000	4.1%
March 1998*	8,910,115	269,239,000	3.3%

Note: unless noted, caseload numbers are average monthly

*most recent available

Welfare to Work Success Stories and Business Profiles

Rhonda Costa, Administrative Assistant, Salomon Smith Barney (Irvington, New Jersey)

Rhonda received public assistance for one year following the birth of her first child in 1983, and returned to welfare in 1994 after the birth of her second child. In July 1996, however, Rhonda decided that she wanted to do more than just "hang in there." She enrolled in a job training program at the Wildcat Service Corporation, which "prepared [her] for how it really is in the work environment." After graduating from the four-month program at Wildcat, Rhonda began a sixteen-week internship at Salomon Smith Barney. After just three weeks on the job, Rhonda accepted Smith Barney's offer to be hired as a permanent employee. Rhonda's starting salary was \$26,000 per year, and after working for one and a half years, she now earns \$29,000 per year with full benefits and stock options. Rhonda has moved her family from New York City to Irvington, New Jersey, where her two daughters attend better public schools and live in a safer neighborhood. Rhonda appears in The Welfare to Work Partnership's television public service announcement campaign.

James Dimon, Co-Chief Executive Officer, Salomon Smith Barney

Salomon Smith Barney, a financial services provider, works with the Wildcat Service Corporation to identify and train welfare recipients for positions at the company. Smith Barney has been a member of The Welfare to Work Partnership for two years, and in that time the company has retained 92 percent of its 52 welfare hires. Smith Barney normally expects an 81 percent retention rate for non-welfare hires in similar positions. "When we started this program, I had no expectations," said Senior Vice President Barbara Silvan. "Since then I have learned that there are no downsides to hiring welfare recipients."

Felicia Booker, Programmer Analyst, A.G. Edwards and Sons (St. Louis, Missouri)

After the birth of her first child in 1991, Felicia found that she needed public assistance. She enrolled in a number of job training programs, but none of them led to a permanent job. In 1994, Felicia got "tired of sitting around the house and tired of not having enough money." She enrolled in a six-week training program which led to a permanent position at a computer programming company. By the beginning of 1995, Felicia was off welfare and completely self-sufficient. She eventually moved to take a new job at A.G. Edwards, where she received a promotion from computer programmer, which paid \$32,500 per year, to her current position, which pays \$46,600 per year. Felicia's accomplishments are especially remarkable because of the obstacles she has overcome as a blind woman. Felicia introduced President Clinton at The Welfare to Work Partnership's City Challenge Kickoff in St. Louis in August 1996.

Laura McBride-Waidmann, Associate Vice President, A.G. Edwards & Sons, Inc.

A.G. Edwards is in active partnership with various community organizations that work with unemployed or disadvantaged populations. Many successful placements at A.G. Edwards have resulted from these partnerships. In addition, A.G. Edwards participates in a government initiative designed to encourage businesses to train, hire, and retain welfare recipients. A.G. Edwards hosted the first city challenge for The Welfare to Work Partnership and has been a member of the Partnership since August 1997.

Jodee Bradley, Materials Clerk, Cessna 21st Street Learning Center (Wichita, Kansas)

Jodee is a single mother of four children who was on and off welfare and worked as a waitress to support her family. Seeking health insurance and wanting to "do better," Jodee enrolled in the Cessna 21st Street Learning Center program for training in manufacturing skills. Upon completion, Jodee took a \$5.50 per hour job at the Learning Center. She currently earns \$10 per hour as a materials clerk, and has purchased a car for her family's needs. Jodee introduced President Clinton at the Cessna 21st Street Training Center event in Wichita, Kansas in November 1997.

Tonya Oden, Inspector, Cessna 21st Street Subassembly Facility (Wichita, Kansas)

Tonya used to receive public assistance to help care for her three children. When she learned of Cessna's 21st Street training program, however, she decided to enroll. Tonya eventually became the first 21st Street trainee to become an Inspector at the 21st Street Subassembly Facility. She began her job earning \$5.50 per hour, and currently earns \$12 per hour. Tonya introduced President Clinton at the Cessna 21st Street Training Center event in Wichita, Kansas in November 1997.

Russell M. Meyer, Jr., Chairman & Chief Executive Officer, Cessna Aircraft Company

Cessna implemented a training program in December 1990 in an abandoned grocery store on 21st Street in Wichita, Kansas. As of November 1997, 237 individuals had successfully completed the training program, and more than 200 of the graduates are currently employed at Cessna. An additional 26 trainees have full-time employment with other local Wichita companies. Besides job training, Cessna's program provides on-site housing and child-care for needy trainees.

Jeanette Toro, Medical Billing Associate, Rehab Options (Bala Cynwyd, Pennsylvania)

Following the death of her mother, Jeanette decided to end what had until then been her life-long dependency on public assistance. Jeanette enrolled in business education classes and a training program in which she gained marketable skills and her GED. After completing the training program, Jeanette found part-time work at Rehab Options earning \$7.25 per hour, but was promoted to a full-time position after only three days on the job. Jeanette was again promoted to her current position as medical billing associate, which pays \$14.50 per hour. Jeanette currently owns two homes in a safe neighborhood, and has allowed her sister, who is a welfare recipient, to move into one of them. Jeanette is featured in the Welfare to Work Partnership's Blueprint for Business publication.

Melvin Jackson, Executive Vice President, Rehab Options

Rehab Options is a small yet growing provider of rehabilitation services, home health care, and integrated health services to senior citizens living in urban areas. Because of its small size, Rehab Options has been able to hire only five welfare-to-work employees, but all have remained at the company. Rehab Options permits employees to utilize flex-time to complete work on weekends and off-hours, which allows workers to develop networks of family and friends to help provide child care and transportation. "We might not have the most formalized welfare-to-work program," said Vice President of Program Development Tina Hansen-Turton, "but we provide

the personal attention that makes the difference.”

Claudia Rodriguez, Administrative Station Support Clerk, United Airlines (Los Angeles, California)

After the birth of her second child, Claudia was not able to afford housing, child care, and other expenses, and reluctantly began to receive public assistance three years ago. Anxious to find sustainable work, Claudia enrolled in the Los Angeles Travel and Trade Institute in 1997 to develop her job skills. Later that year, Claudia was able to enroll in United's Welfare to Work Apprenticeship Program. In November 1997, Claudia was hired into her current job as an Administrative station support clerk, which pays \$6.29 per hour.

Gerald Greenwald, Chairman & Chief Executive Officer, United Airlines Corporation

Since March 1997, when United's welfare-to-work program began, United has retained 69 percent of its welfare-to-work employees. By the end of the year 2000, United plans to have hired 2,000 welfare recipients. In addition to providing on-the-job training to welfare-to-work employees, United runs a peer mentoring program in which former welfare recipients are paired with United employees for a period of 60 days. "Not only did [the program] improve retention," said Manager of Executive Development and Succession Georgina Heard, "but a survey of mentors showed that they actually felt better about their jobs and the company." Because of the program's popularity and success, United will extend it to all new hires in 1998.

Susan Miller, Training Supervisor, United Parcel Service (Atlanta, Georgia)

In 1996 Susan, who had until then relied upon public assistance to support herself and her three children, applied for a job at UPS. She accepted a job as a part-time package handler but after two months on the job, Susan was promoted to her current supervisory position. In addition to a successful job that she enjoys, Susan now has full health and dental benefits for herself and her children. "My daughter has asthma," said Susan, "and with my UPS health benefits, I can get her the care she needs."

James Kelly, Chairman & Chief Executive Officer, United Parcel Service of America, Inc.

Note: Not Available for Press Stakeout.

In 1997 UPS, the world's largest package distribution company, hired 8,268 former welfare recipients. At its Philadelphia Air Hub, UPS has retained 88 percent of welfare-to-work hires through their first six weeks of employment, compared to a 60 percent retention rate for non-welfare workers. In addition to establishing a bus route from Camden, New Jersey to the Philadelphia Air Hub, UPS runs a six-week training program for welfare hires designed to teach skills, provide personal attention, and increase employee retention.

Barbara Turner, President, Boscart Construction, Inc. (Washington, D.C.)

Boscart Construction, Inc. is involved in recruiting, training, and retaining former welfare recipients. To date, Boscart has employed ten workers as helpers, laborers, receptionists and apprentices. Boscart utilizes the support system of current employees, the church, and extended family members to help individuals make the transition to the workforce. Boscart is currently working with several churches in the Anacostia area of Washington, D.C. on training potential workers.

Pete Manos, Chief Executive Officer, Giant Food, Inc.

The Maryland Department of Social Services and the Private Industry Council first approached Giant, a regional supermarket chain, with an offer to place job-ready former welfare recipients with the company. Giant accepted, and after six months its 90-day retention rate of 79 percent for welfare to work hires easily exceeded the 50 percent retention rate for non-welfare workers. Potential welfare to work employees participate in a two-week training program, and once hired at Giant, they receive aid in addressing concerns ranging from transportation to child care. "Our welfare to work program has been a benefit to the company, to the communities that we serve, and to the individuals who come to work for us," said Manager of Employment Rick Crescenzi. "It is really a win-win situation."

Steve Wing, Director of Government Programs, CVS/Pharmacy Corporation

CVS works with community service organizations in identifying work-ready welfare recipients. Potential employees then participate in a four-week on-the-job training program and, upon completion, are formally hired. In 1997, CVS hired 850 welfare recipients and has enjoyed an overall retention rate of 64 percent for welfare to work employees. One reason for CVS's results is its cooperation with local service providers, which help welfare hires address problems ranging from child care and transportation to unexpected issues at home. "We are not going to lower our standards," said CVS Director of Government Programs Steve Wing. "Working with community-based service providers allows us to raise them."

Bill Endicott, Supervisor, New England Electric System

New England Electric System (NEES) has been hiring welfare to work employees for six years, and has retained all 40 of its internship program graduates. NEES works with the local service provider Worcester Community Action Council, which provides welfare recipients with 12 weeks of job-readiness training. Following that, program participants enroll in an eight-week NEES internship where they learn basic skills and office protocol. After successfully completing the internship, interns are either offered employment at a NEES office or are recommended to another private sector employer.

Gwyn Clemens, Production Manager, Hygienic Service Systems

Hygienic Service Systems is a commercial health care laundry service with a staff of 83 people, half of whom received some form of public assistance when they started work. Hygienic's one year retention rate for former welfare recipients is close to 70 percent, compared to approximately 40 percent for employees not hired from welfare. After working with county social service agencies to screen and hire welfare to work employees, Hygienic turns to providing its workers with the necessary support to ensure job retention. Hygienic works with a private van line that shuttles employees to and from work, contracts with an outside company to access an employee assistance hotline, and helps its workers find affordable housing.

**U.S. Department of Labor
Welfare-To-Work
Competitive Grantees**

United Way of Central Alabama

Harry L. Brown
Vice President, Planning & Agency Relations
3600 8th Ave.
S. Birmingham, AL 35232

Grant Amount: \$4,997,966

The City of Little Rock

Cy Carney
City Manager
500 West Markham
Little Rock, AR 72201

Grant Amount: \$5,000,000

CHARO Alliance WtW

Cynthia Flores
Executive Vice-President
4301 East Valley Blvd.
Los Angeles, CA 90032

Grant Amount: \$3,999,650

Housing Authority of the City of Los Angeles

Donald J. Smith
Executive Director
2600 Wilshire Blvd.
Los Angeles, CA 90057

Grant Amount: \$5,000,000

City of Phoenix

**Human Services Department
Employment and Training Division**
Alton J. Washington
Human Services Director
200 W. Washington, 18th Floor
Phoenix, AZ 85003-1611

Grant Amount: \$5,000,000

The Cambodia Family

Rifka Hirsch
Executive Director
1111 E. Wakeham Ave. St. E
Santa Ana, CA 92705

Grant Amount: \$1,216,167

**Community Rehabilitation Industries &
Goodwill Industries of Long Beach and
South Bay**

Becky Tschirgi
Executive Director
1500 East Anaheim St.
Long Beach, CA

Grant Amount: \$3,669,874

Los Angeles County Private Industry Council

Kenneth Kessler
Director
3175 West Sixth St.
Los Angeles, CA 90020

Grant Amount: \$3,000,000

Merced County Community Action Agency
Harry Dull
Executive Director
561 W. 18th St.
P.O. Box 2085
Merced, CA 95344-0085

Grant Amount: \$1,879,120

Private Industry Council of San Francisco Inc.,
Steve Arcelona
President
1650 Mission St., Suite 300
San Francisco, CA 94103-2490

Grant Amount: \$4,189,231

Riverside County Economic Development Agency/ Workforce Development Board
Richard G.E. Galope
Assistant Program Manager Access Project Manager
1151 Spruce St.
Riverside, CA 92507

Grant Amount: \$4,450,000

The Workplace, Inc.
John M. Carbone
President and Chief Operating Officer
350 Fairfield Avenue
Bridgeport, CT 06604

Grant Amount: \$5,000,000

Oakland Private Industry Council
Evelyn Ashcroft
Director of Operations
1212 Broadway, Suite 300
Oakland, CA 94612

Grant Amount: \$5,000,000

Richmond Private Industry Council & Rubicon Programs
Isiah Turner
Deputy City Manager
330 25th St.
Richmond, CA 94804

Grant Amount: \$3,271,577

Rocky Mountain Service Jobs for Progress, Inc.
Charles Tafoya
Executive Director
P.O. Box 11148
Denver, CO 80211

Grant Amount: \$1,460,864

Coalition of Family Employment Service Providers
Coalition for the Homeless
Michael L. Ferrell
Executive Director
1234 Massachusetts Ave., NW, Suite C-1015
Washington, DC 20005

Grant Amount: \$1,965,601

Florida Developmental Disabilities Council

Joe Krieger
Executive Director
124 Marriot Dr., Suite 203
Tallahassee, FL 32303

Grant Amount: \$1,660,396

Mayor's Office of Citizens Employment and Training/ Private Industry of Atlanta, Inc.

Reka R. Eaton
Executive Director
818 Washington St., SE
Atlanta, GA 30315

Grant Amount: \$5,000,000

**City of Chicago
The Workforce Board**

Karen Salmon
Assitant to the Mayor
510 N. Pestigo Ct., Suite 2A
Chicago, IL

Grant Amount: \$3,000,000

Indianapolis Workforce Alliance

C. M. Corbin
Chief Operating Officer
17 West Market St., Suite 500
Indianapolis, IN 46204

Grant Amount: \$5,000,000

Pinellas Workforce Development Board, Inc.

Bruce Baptist
Executive Director
13770 58th St., North, Suite 312
Clearwater, FL 33760-3759

Grant Amount: \$1,500,000

Bethel New Life

Mary Nelson
President
367 North Karlov
Chicago, IL 60624

Grant Amount: \$2,739,506

DePaul University

Dr. Majorie Piechowski
Coordinator of Institutional &
Research Grants
2320 N. Kenmore
Chicago, IL 60614

Grant Amount: \$5,000,000

River Valley Resources, Inc.

Margo Olson
Deputy Executive Director/Vice President
1315 Clifty Drive
Madison, IN 47250

Grant Amount: \$5,000,000

**Louisville and Jefferson County
Private Industry Council**

Pam Anderson
Executive Director
410 West Chestnut Street
Louisville, KY 40202

Grant Amount: \$4,999,898

**City of Detroit
Employment and Training Department**

Willie Walker
Director, Employment and Training Department
707 West Milwaukee Avenue
Detroit, MI 48202

Grant Amount: \$4,880,013

County of Union

Frank Guzzo
Director
Union County Department of Human Services
County Administration Building
Elizabeth, NJ 07202

Grant Amount: \$5,000,000

Catholic Social Services of Albuquerque, Inc.

Greg Kepfere
Executive Director
1410 Coal Avenue, SW
Albuquerque, NM 87104

Grant Amount: \$1,343,133

Metropolitan Area Planning Council

Steven R. Landau
Chief Economic Planner
60 Temple Pl.
Boston, MA 02111

Grant Amount: \$4,082,065

City of Kalamazoo - Metro Transit System

Carmine Lewis
Administrative Supervisor
530 N. Rose
Kalamazoo, MI 49007

Grant Amount: \$375,000

Hudson County

Department of Health and Human Services

Carol Ann Wilson
Director
Department of Health and Human Services
595 County Avenue, Building 2
Secaucus, NJ 07094

Grant Amount: \$4,914,297

Consortium for Worker Education

Robert G. Norris
Deputy Executive Director
275 Seventh Avenue
New York, NY 10001

Grant Amount: \$4,966,000

Non-Profit Assitance Corporation

William Grinker
President
915 Broadway, Suite 1703
New York, NY 10010

Grant Amount: \$4,871,904

**The Corporation for Ohio Appalachian
Development**

Roger W. McCauley
Executive Director
P.O. Box 787
1 Pinchot Lane
Athens, OH 45701-0787

Grant Amount: \$5,000,000

Resources for Human Development, Inc.

Monique Hales
Program Coordinator
4333 Kelly Drive
Philadelphia, PA 19129

Grant Amount: \$1,866,460

**Northern Community Investment
Corporation**

Paul S. Denton
President
20 Main Street
P.O. Box 904
St. Johnsbury, VT 05819

Grant Amount: \$3,132,517

Southeastern Community College

Teresa Triplett
Associate Dean of Continuing Education
JobLink Career Center
P.O. Box 151
Whiteville, NC 28472

Grant Amount: \$2,638,601

Private Industry Council of Philadelphia, Inc.

Patricia Irving
President
1617 JFK Boulevard, Suite 1300
Philadelphia, PA 19102

Grant Amount: \$4,351,247

Houston Works

Rod Snyder
Manager, Contract Administrator
600 Jefferson, Suite 1300
Houston, TX 77002

Grant Amount: \$5,000,000

Hampton University

Elnora D. Daniel III
Executive Vice President and Provost
Hampton, VA 23668

Grant Amount: \$1,898,288

Total Action Against Poverty, Inc. (TAP)

Annette Lewis

Director - Employment

TAP - THIS VALLEY WORKS

P.O. Box 2868

Roanoke, VA

Grant Amount: \$2,736,272

Private Industry Council of Milwaukee County

William J. Malone

Workforce Development Administrator

101 West Pleasant Street, Suite 201

Milwaukee, WI 53212

Grant Amount: \$4,262,054

MULTI-SITES

**National Association of Private Industry
Council**

Robert Knight
President
NAPIC
1201 New York Avenue, NW, Suite 350
Washington, D.C. 20005

Grant Amount: \$4,912,658

YouthBuild USA

Anne Wright
Special Projects Coordinator
58 Day Street
Somerville, MA 02144

Grant Amount: \$4,718,238

CET - Welfare-To-Work Program

Antonio Sanchez
Director of Research, Planning & Fund
Development
701 Vine Street
San Jose, CA 95110

Grant Amount: \$4,003,294

**The Institute for Responsible Fatherhood
and Family Revitalization**

Charles A. Ballard
Founder and Chief Executive Officer
1146 19th Street, NW, Suite 800
Washington, D.C.

Grant Amount: \$4,427,318

**National Goodwill Industries WtW
Consortium**

R. Lee Waits
Consortium Chairman
Goodwill Industries-Suncoast
10596 Gandy Boulevard
St. Petersburg, FL 33702

Grant Amount: \$10,300,000

IAM CARES, MD

**(International Association of Machinists,
Center for Administering Rehabilitation
and Employment Services)**

Angela Traiforos
President
9000 Machinists Place
Upper Marlboro, MD 20772

Grant Amount: \$5,000,000

The NOAH Group, L.L.C.

Charles J. Baumgardner
Chief Executive Officer
4340 East-West Highway, Suite 300
Bethesda, MD 20814

Grant Amount: \$7,800,000

U.S. DEPARTMENT OF LABOR
WELFARE TO WORK COMPETITIVE GRANTS
MAY 27, 1998

Today the President will announce the first round of competitive grants from the \$3 billion Welfare-to-Work program he fought for in the Balanced Budget Act of 1997. The \$186 million in grants from the Department of Labor will support 49 innovative welfare to work efforts designed to move long term welfare recipients into lasting, unsubsidized jobs. These awards are the first of three to four rounds of competitive grants to be awarded in 1998 and 1999. An additional \$525 million of competitive grants funds are available for the remainder of Fiscal Year 1998 and in Fiscal Year 1999. 25 percent of the Balanced Budget Act's \$3 billion welfare to work funds are to be awarded on a competitive basis, with the remaining 75 percent to be allocated by formula to the states to be used by Private Industry Councils to help welfare recipients with significant barriers to employment obtain and retain jobs.

Approximately 70 percent of the competitive funds will go to urban areas with concentrations of poverty and the remaining 30 percent will be distributed to projects in rural areas. Community-based groups, faith-based organizations, workforce development organizations, private for-profit and nonprofit employers, educational institutions, cities and counties, among others, may apply for these competitive grants. Grants will be awarded to projects in areas with the greatest need for assistance and operated by units of government and organizations with a successful track record. Projects must emphasize innovative, collaborative and sustainable strategies designed to attain quality employment, earnings, and other desirable outcomes. Community partnerships are a vital component of successful proposals. Grant awardees will have up to three years to spend the funds. Below are a sampling of the array of services, strategies, innovative collaborations and partnerships that the Department of Labor will be funding in its first round of Welfare to Work competitive grants programs.

long-term
w/ significant
barriers
-low ed
-substance
abuse
-poor
work
histories

CHARO Alliance WtW

Cynthia Flores, Executive Vice-President
4301 East Valley Blvd
Los Angeles, CA 90032
(213) 266-4326
Funding: **\$3,999,650**

one non-cash lead
parents of kids
- WtW

The Charo project will help limited English-speaking Hispanics retain and advance in jobs through job clubs, work experience, temporary employment, on the job mentoring, and a series of professional development workshops. A portion of the WtW funds will be used to develop a project implementation manual which document the strategies, program design, processes and materials used during the demonstration phase. The project includes partnerships with the LA County and city Private Industry Councils, government and nonprofit agencies, community colleges, One Stop Agencies, and 15 supportive service providers.

Los Angeles County Private Industry Council

Kenneth Kessler, Director, Employment & Training

Los Angeles County Community & Senior Services

3175 West Sixth Street

Los Angeles, CA 90020

(213) 738-2620

Proposed Funding: **\$3,000,000**

Los Angeles County's Noncustodial Parent to Work (NCPtW) Project will assist long-term TANF recipients end their welfare dependency by increasing child support payments from 1,625 noncustodial parents of TANF-supported children. The NCPtW project will help unemployed noncustodial parents find unsubsidized employment, and underemployed noncustodial parents increase their earnings, thus enabling them to begin or increase their child support contributions. Key innovative elements of this project include: developing both parents' capacity to financially support their children; bringing together a wide range of public and private agencies; addressing noncustodial parents' legal issues, providing noncustodial parents with access to information concerning child support; and providing peer support groups to work to change noncustodial parents' attitudes about child support and child rearing. This is one of several grants awarded that target noncustodial parents of children receiving TANF.

In providing its services, the LA County PIC has formed alliances with the County Department of Social Services, the District Attorney's Bureau of Family Support Operations, the Los Angeles County Community and Senior Services Department, the Department of Social Services and the Los Angeles City and Long Beach One-Stop Centers.

Private Industry Council of Philadelphia, Inc.

Mr. Kenneth Hill, Philadelphia PIC Chair

Greater Philadelphia Chamber of Commerce

1617 JFK Boulevard, Suite 1300

Philadelphia, PA 19102

(215) 963-2110

Funding: **\$4,351,247**

This project will help create upwardly mobile career paths for two specific populations: teen parents receiving TANF and noncustodial parents. The project will assist teen parents in overcoming physical, emotional and financial barriers so they can maintain jobs, balance the demands of work and motherhood and matriculate from degree or certificate programs that support career advancement. The project will provide job readiness and skills assessment, career counseling readiness, job placement, outreach and recruitment as well as individualized case management and job retention services. The PIC will implement this project in partnership with the Community College of Philadelphia, the School District of Philadelphia, the Family Court, the Philadelphia County Assistance Office, and the Mayor's office.

Private Industry Council of San Francisco, Inc.

Steve Arcelona, President/Private Industry Council of San Francisco

1650 Mission Street, Suite 300

San Francisco, CA 94103-2490

(415) 431-8700

Funding: **\$4,189,231**

The project, “**San Francisco: New Ways to Work**”, takes an ambitious approach to address the barriers related to city’s infrastructure as well as TANF recipients’ personal barriers. Transitional employment will be provided for those who need it, and people will move into jobs with decent wages that do not require long-term education and training prior to employment. The project will also look to place participants in the building trades to meet the needs of the city’s construction boom. Participants will have access to hard skills training in targeted industries, on the job training, adult basic education, substance abuse and mental health counseling, child care and child care planning services as well as transportation services. The San Francisco PIC is working in conjunction with the San Francisco Chamber of Commerce, Northern California Carpenters Regional Council, San Francisco Housing Authority, Building Trades Council, United Way of the Bay Area, The Small Business Network, PG&E, United Airlines, Pacific Bell, Black Data Processors’ Associations, San Francisco Labor Council, CalWORKS and community based providers.

The Corporation for Ohio Appalachian Development

Roger W. McCauley, Executive Director

P.O. Box 787, 1 Pinchot Lane

Athens, OH 45701-0787

(740) 594-8499

Funding: **\$5,000,000**

Designed to serve rural communities across 30 counties, this project will include the following service components as part of a comprehensive “Work First” strategy to move hard-to-employ TANF recipients into lasting unsubsidized employment: community work experience, family-focused case management services, asset building services through the use of Individual Development Accounts, development of responsive transportation and child care services, proactive involvement of private non-for-profit entities, job creation strategies, integrated work and learning, job development and placement into unsubsidized employment, and retention and post-placement services.

The Corporation will work with Community Action Agencies, Departments of Human Services, Child Support Enforcement Agencies, Private Industry Councils their One-Stop, Veterans Affairs Offices, Adult Vocational Education providers, Community and Technical Colleges and universities, Head Start, transportation systems, substance abuse treatment and mental health providers, Small Business Development Centers, Public Housing authorities, as well as Enterprise Development Corporations.



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

DRAFT

FOR IMMEDIATE RELEASE

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

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

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

United Airlines CEO and Partnership Chairman Gerald Greenwald was joined by President Clinton, Vice President Gore and Partnership President Eli Segal to release The Road to Retention, a case history of 16 businesses (including five small businesses) whose retention rates for former welfare recipients are **higher** than the retention rates for non-welfare to work hires. Welfare to work success story Rhonda Costa, a 34-year-old mother of two whom is now an administrative assistant at Salomon Smith Barney, introduced the President at the White House event.

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

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

- Public-private partnerships: companies with high retention rates have formed effective relationships with a service provider or government agency that serve a variety of functions – including screening and job referrals. Other services provided could include child care, transportation, mentoring and counseling.
- Training: businesses that succeed at welfare to work provide a solid training program for their employees. Some companies provide training in-house, either pre-employment or on the job. Others work with service providers or a government agency to structure a training program, thereby splitting the time and the costs.

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

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

- Varied benefits: successful companies offer employees a variety of benefits, including health care, dental coverage, retirement plans and non-traditional benefits that could include child care referrals, help with transportation and mentoring. A rich benefit plan can help individuals make the transition to the world of work.
- Maintain high standards: companies that are successful at welfare to work treat their welfare to work employees very much the same as other entry-level employees. Welfare to work employees are subject to the same rules and standards as all other employees. The companies in The Road to Retention did not compromise their quality standards in any way in their welfare to work program.

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

The Partnership now has more than 5,000 companies, known as Business Partners, and statistics show that these companies are making good on their pledge. The 3,200 companies that were members of The Partnership in 1997 combined to hire more than 135,000 former welfare recipients. The Road to Retention is one of several informational resources The Partnership provides to businesses across the country.

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

The Partnership also launched a national print and television PSA campaign designed to dispel the myths about former welfare recipients. Costa, from New York, is featured in the television PSA viewed at today’s event. The PSA will be shown exclusively on Time Warner Networks over the next three days before its nationwide release in mid June.

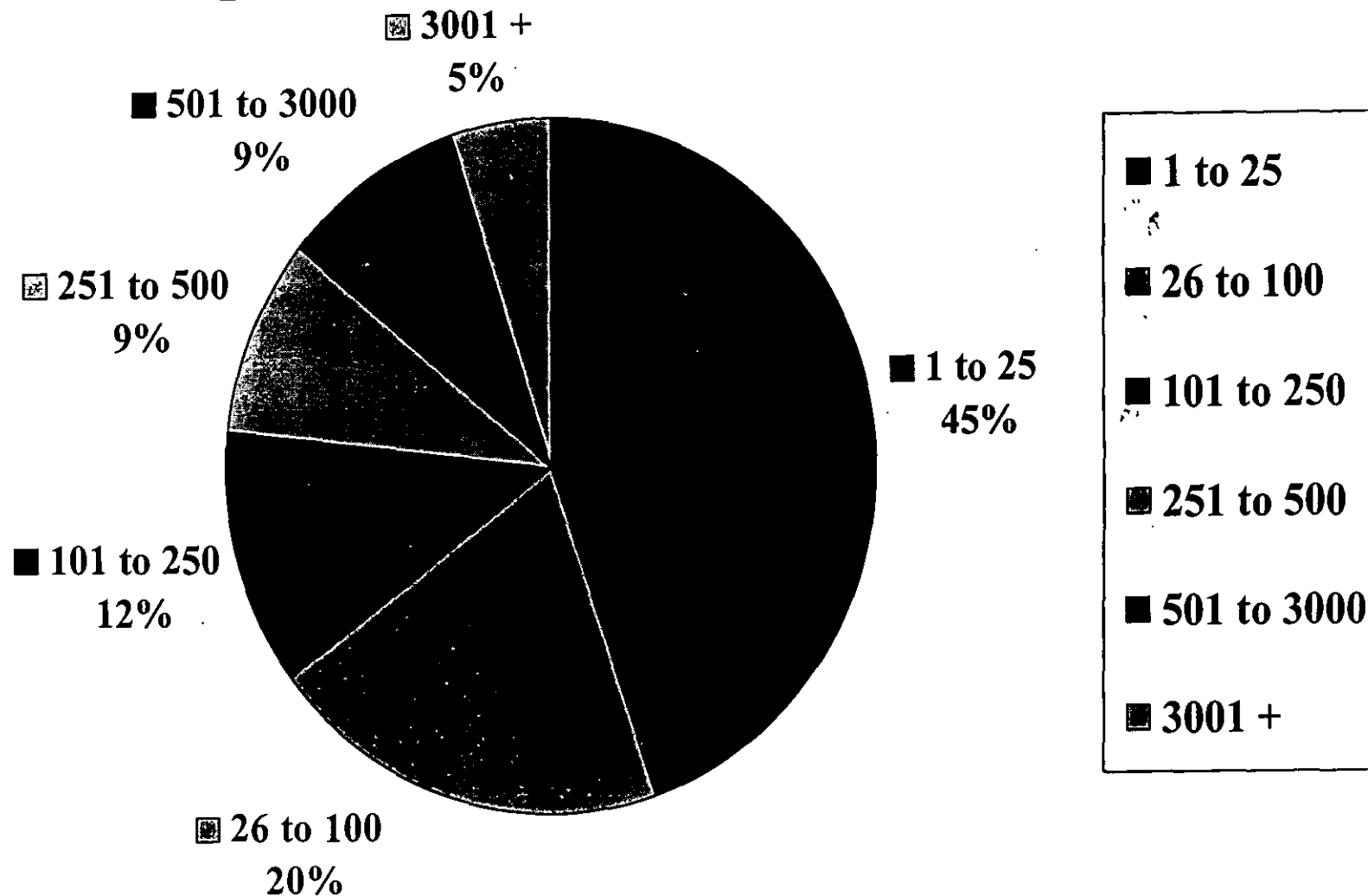
All Business Partners receive a Blueprint for Business, a how-to guide for businesses interested in welfare to work. The Partnership also provides a toll-free number (1-888-USA-JOB1), a web-page www.welfaretowork.org, a national service provider database and a toll-free tax credit hotline for small businesses.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

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The Welfare to Work Partnership
Business Partner Profile
May 27, 1998

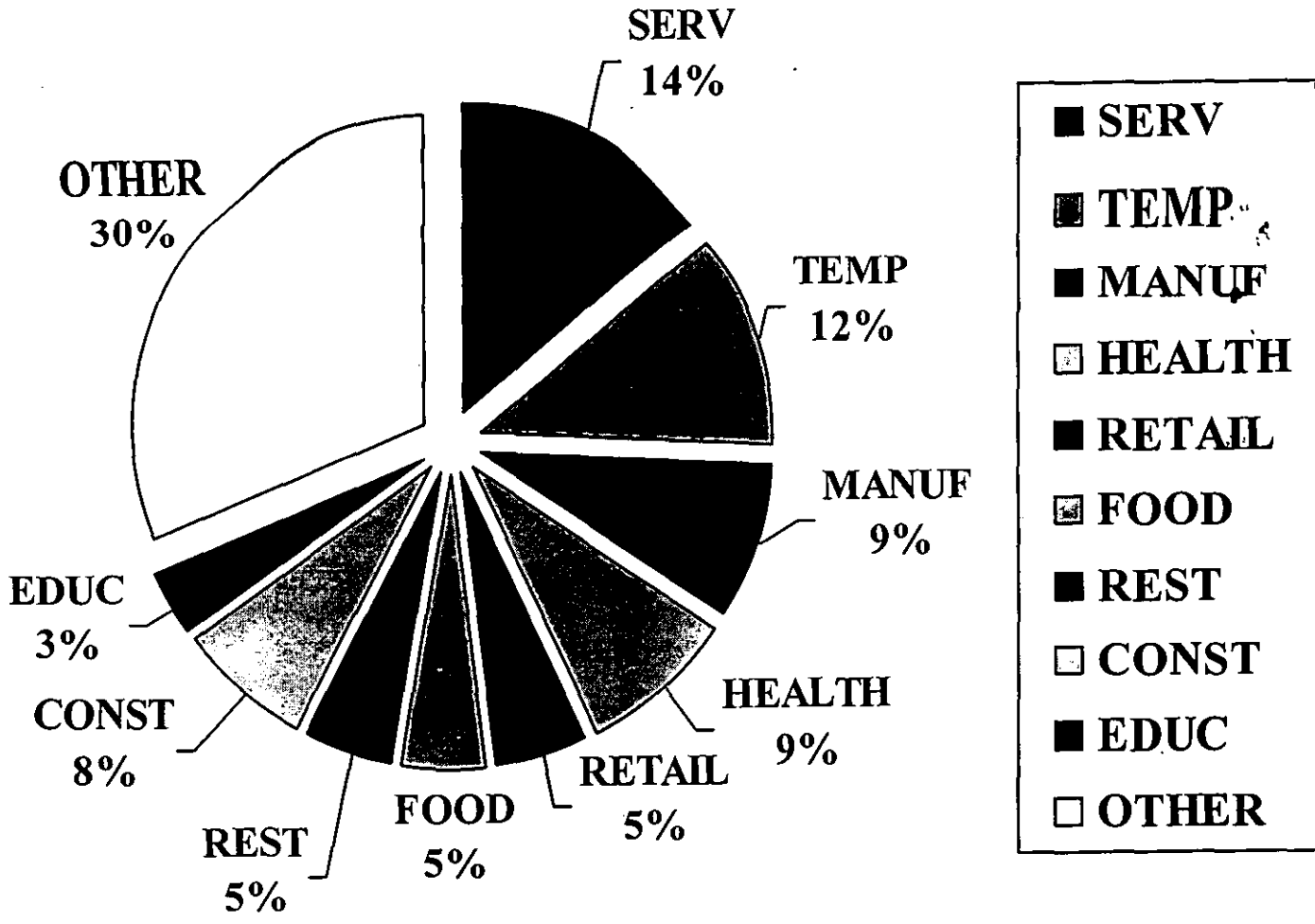
- 5050 Business Partners representing almost 10 million employees nationwide.
- Business Partners are from all 50 states.
- 86% of Partners have already hired or plan to hire in the coming year.
- 76% of Partners who have hired found new hires to be good, productive employees.
- 135,000 former welfare recipients were hired by Business Partners in 1997.
- 72% of Partners have fewer than 250 employees. 45% have fewer than 25 employees.
- 72% of Partners offer full-time benefits for their welfare to work hires.
- 72% of Partners offer medical benefits for their welfare to work hires.
- The leading industries for hiring include the service industry, temporary staffing, manufacturing, health care, and retail.
- The Partnership represents 38 Fortune 100 companies.
- The Partnership has 26 Governors on its Advisory Council.

72% of all Partners have fewer than 250 employees. 45% have fewer than 25.



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The leading industries for hiring include service industry; temporary staffing; manufacturing; health care; and retail.

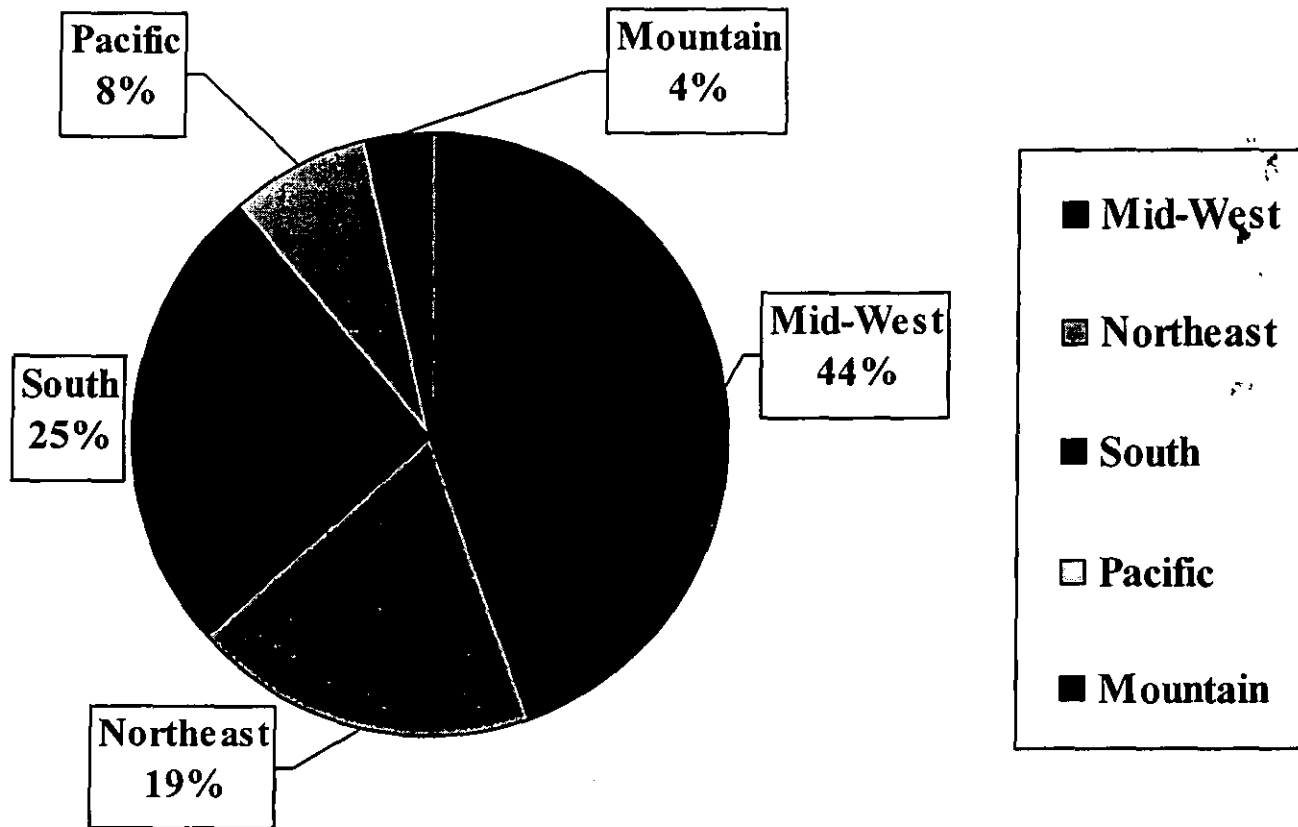


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The Partnership is represented in all 50 states

Note: Mid-West area includes Indiana, Missouri, Wisconsin and Illinois, where The Partnership has held major business events.





PARTNERSHIP AND PROMISE: BUSINESS LEADERS SUPPORT WELFARE TO WORK

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

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

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

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

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

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

about welfare to work programs' prospects for success.

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

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

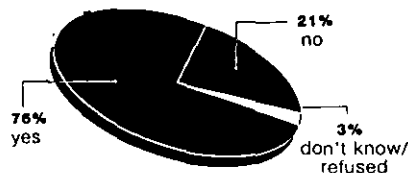
WHY MEMBER BUSINESSES ARE BECOMING INVOLVED

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

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

EMPLOYEE SUCCESS RATES

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



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

HIGHLIGHTS

1 WELFARE TO WORK
A win-win situation

2 FOCUS: TRANSPORTATION
Members comment on problems and solutions

2 MAKING IT HAPPEN
Businesses report what they have accomplished

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

3 ONGOING CHALLENGES
Evaluating the obstacles of hiring off welfare

4 FOCUS: TAX CREDITS
Perks for participating member businesses



FOCUS: TRANSPORTATION

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

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

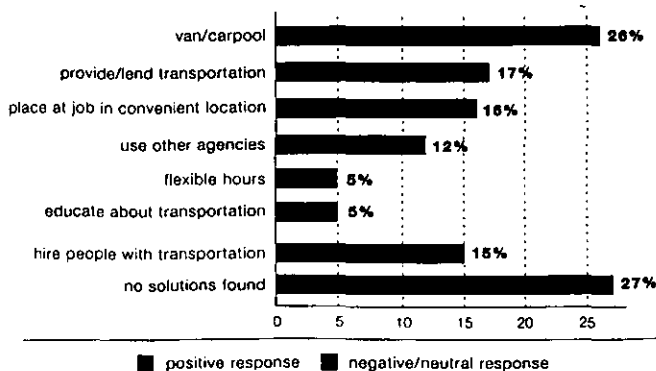
Just how serious a problem is transportation in hiring someone off welfare? On a 10-point scale where 1 is not at all a problem and 10 is a very serious problem, just over half (51%) rate it decidedly on the "problem" side with scores of 6 or higher. More than one-third (38%) gauge its severity with ratings of 8, 9, or 10.

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

PROBLEM	PERCENTAGE
New hires cannot afford a reliable vehicle or car insurance	51%
Public transportation does not run near my workplace	34%
Public transportation does not operate during hours needed for our jobs	18%
Company site is in a difficult / hard-to-reach location	11%
Lack of / poor public transportation	6%
New hires live in cities, while jobs are in suburbs	3%
No driver's license	3%
Cost / can't afford transportation	2%

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

ADDRESSING TRANSPORTATION PROBLEMS



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

A smart solution for business, members' involvement in the Partnership has typically been initiated at very high levels within a company or organization: 61% say that the primary initiative for getting involved came from CEOs, owners, presidents or other senior management. In another 28% of organizations, the initiative came largely from middle management.

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

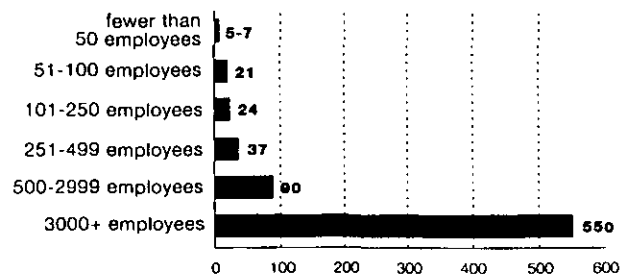
MAKING IT HAPPEN

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

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

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

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

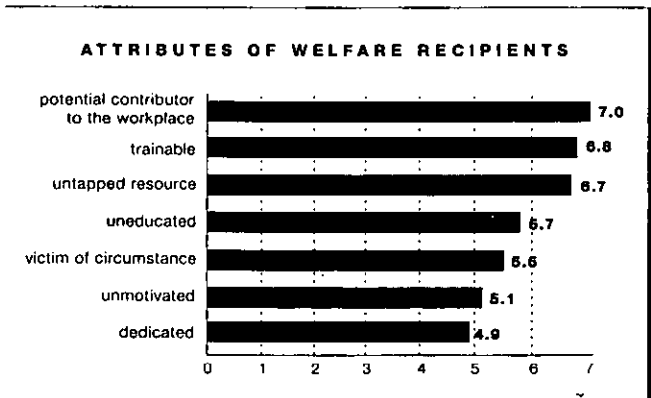


When respondents are asked to project how many people their organization plans to hire off welfare in 1998, we find very optimistic figures. The mean number of expected hires jumps to 81. In fact, just 4% of member businesses expect still to have not hired anyone off welfare by the end of the year, while 10% are not sure.

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

PARTNER PERCEPTIONS OF WELFARE RECIPIENTS

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



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

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

SOURCE	FIRST MENTION	TOTAL MENTIONS
Government social service offices	44%	48%
Community-based organizations	17%	26%
Temporary placement services	8%	12%
Ads	8%	10%
Word of mouth	7%	8%
Walk-ins	8%	8%
We locate them	3%	4%
Schools/colleges	2%	3%
Job service/state employment office	2%	2%
Church	2%	2%
Other	5%	6%

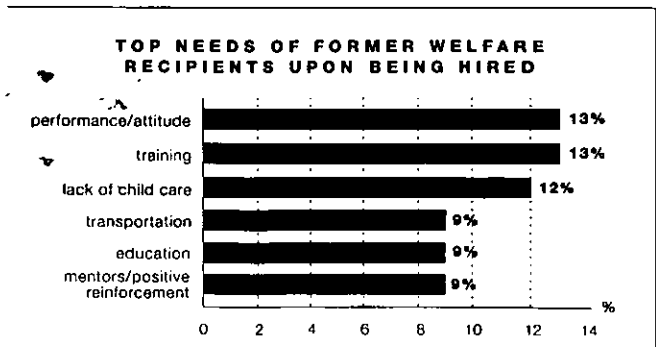
tion government social services offices. Another 25% cite community-based organizations.

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

ONGOING CHALLENGES

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

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



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

FOCUS: TAX CREDITS

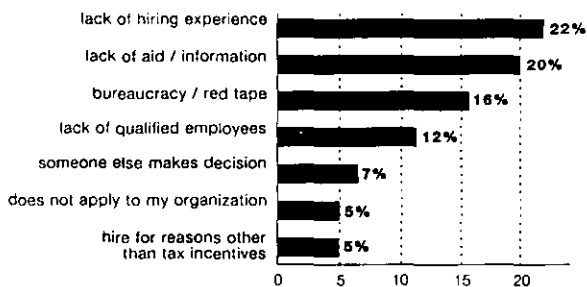
In an effort to encourage private businesses to join welfare-to-work initiatives, the federal government has established several types of tax credits which companies can take advantage of for each former welfare recipient hired.

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

Approximately half (51%) are aware of the credits but never accessed them, while as many as 18% say they have not heard of the credits.

Partnership businesses who have not accessed the WOTC or Welfare to Work Tax Credit give a number of reasons why they have not participated, which are illustrated in the chart below.

ASSESSING TAX CREDITS



When we ask this group what would motivate them to take advantage of the available tax credits, responses center around three key barriers:

- **Information.** More than one quarter (27%) say they need more information about the tax credits generally, information about how to identify eligible potential employees, and information about how to determine whether they qualify for the credits.

- **Hiring Employees Who Qualify.** Nearly one in five (19%) cite primary barriers in finding and hiring people who qualify as well as retaining people long enough to become eligible for the credits.

- **Red Tape / Procedures.** There is a definite perception that qualifying for and processing the tax credits involves a complicated procedure, as expressed by the 11% who say simplifying the procedure would be a prime motivation for taking advantage of the credits. ■

employers who offer programs which help address these needs. According to study participants, medical benefits and mentoring are services offered by a majority of the Partnership member organizations.

SERVICES OFFERED TO FORMER WELFARE RECIPIENTS



On the other hand, relatively few offer assistance with child care or transportation subsidies which are less traditional but equally important to finding economic self-sufficiency in the workplace.

Significantly, 41% say they provide these services directly. However, 18% primarily rely on another agency for the services, while 39% use some combination of direct and agency-supported efforts.

In short, this benchmark research points to a highly optimistic group of executives who are pioneering the effort to provide jobs for thousands of Americans moving off welfare, but who remain realistic about the challenges involved and the partnership needed between the private and public sector. ■

ABOUT THE MEMBER SURVEY

The Welfare to Work Partnership is a nonpartisan, nationwide effort designed to encourage and assist businesses with hiring people on public assistance.

The primary objective of this study is to establish a benchmark of Partner businesses' perceptions of welfare to work and welfare recipients, as well as their experience to date in hiring welfare recipients.

Out of the total sample of 400 member businesses, 196 interviews were conducted among senior executives, CEOs, and owners, and 204 interviews were conducted among other vice presidents, managers, directors, and human resource executives. In addition, the sample was stratified to represent current Partnership membership by company size.

Interviews were gathered from across the United States and collected between February 11-24, 1998.

The Welfare to Work
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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, announced May 27th, show that welfare caseloads fell by 5.2 million since President Clinton took office and 3.3 million since he signed the welfare reform law. The new figures, from March 1998, show 8.9 million people on welfare, a drop of more than 37 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership has grown to 5,000 businesses within one year. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, the Partnership's Web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, the federal government has hired over 4,811 welfare recipients, 45 percent of its planned hires. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The President announced the first round

of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits for an additional year.
- **Welfare to Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare to Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to their jobs, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services. Congress has recognized the importance of welfare to work transportation by authorizing up to \$150 million annually in the ISTEA reauthorization bill.
-

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased due in large part to voluntary paternity establishment provisions enacted in the first year of the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to 1.1 million from 512,000 in 1992, an increase of 115%.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act to increase penalties against parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. And now, with his 1999 budget, he's continuing the fight.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also

be fully eligible for SSI and Medicaid benefits.

- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA) also restored \$1.5 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.
- **Food Stamps for Legal Immigrants:** The President's 1999 budget proposes to restore Food Stamp benefits for vulnerable groups of legal immigrants. The President's proposals would provide Food Stamp benefits to 730,000 legal immigrants in 1999 at a cost of \$2.5 billion over 5 years. Specifically, benefits would be restored for: all families with children; immigrants with disabilities and elderly immigrants age 65 and older who entered the U.S. before welfare reform was enacted, on the same basis as the SSI and Medicaid restorations in the 1997 BBA; refugees and asylees, whose eligibility would be extended from 5 to 7 years; Hmong immigrants who came to the U.S. after the Vietnam war; and certain Native Americans living along the Canadian and Mexican borders. The Administration is now pressing Congress to pass legislation known as the Agriculture Research bill, which would restore food stamps to 250,000 of these legal immigrants in 1999, including 75,000 children.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage. The President's 1999 budget proposes to provide States the option to provide health care coverage through Medicaid and the Children's Health Insurance Program (CHIP) for legal immigrant children, regardless of when they entered the U.S.

5/27/98