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Welfare-Welfare to Work - CEOs

[3]

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Personal (Partial) (1 page)	02/27/1997	P6/b(6)
002. letter	SSN (Partial) (1 page)	02/06/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
 Domestic Policy Council
 Elena Kagan
 OA/Box Number: 14372

FOLDER TITLE:

Welfare - Welfare to Work - CEOs [3]

2009-1006-F

im23

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

DRAFT

Wp - Wp-to-work CEOs

The Welfare to Work Partnership August 12 Announcements

About the Welfare to Work Partnership

The "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.

The Partnership was created in response to the President of the United States' January 1997 challenge to corporate America to help move welfare recipients permanently into the labor market. The Partnership's mission is to encourage companies to hire and retain former welfare recipients without displacing existing workers. It provides information, technical assistance, and support for businesses of all sizes, industries, and areas of the country so that those businesses successfully meet their commitments to hire and retain.

Our founding board members are United Airlines, Burger King, Monsanto, Sprint, and UPS. In addition, Aetna, The Limited, TJX (TJ Maxx and Marshall's), and Time Warner more recently joined our board of directors.

Background

The Personal Responsibility and Work Opportunity Reconciliation Act, signed into law on August 22, 1996, requires states to move large numbers of welfare recipients into the workforce at the same time it gives states unprecedented flexibility in designing welfare programs. Since the law was signed, states and localities have begun to change the way they work with their welfare population. Now, more than ever, the states' approach to welfare reform has shifted from long-term education and training to job placement and retention.

As a result, states and localities have begun to logically build relationships with business in states' efforts to move welfare recipients into the labor market. Business is slowly becoming more open to and interested in welfare recipients as potential labor supply. Further, as the economy continues to grow and the labor supply shrinks, business are tapping into previously untapped resources to find work-ready employees. Business is finding that the welfare rolls are one such resource.

Executing Our Mission

Our mission is not simple. We face multiple challenges. We must change the business community's negative perception of welfare recipients as employees. We must educate the business community about the bottom line benefits of tapping into welfare recipients as a labor pool. Once a business commits to hiring and retaining without displacement, we must provide the business with the tools to do so successfully.

To meet these and other challenges we face, we have designed a two-pronged implementation strategy. We are launching a national campaign at the same time we are pursuing a community-based city-to-city campaign. Following is a detailed review of both concurrent campaigns.

I. The National Campaign

Nationally, we have devised a comprehensive approach to change the perceptions, attitudes, and hiring practices of corporate America. The approach includes developing and delivering the following products on a nationwide basis.

a) PSA Campaign

We have engaged the national advertising firm Amarretti Puris, on a pro-bono basis, to produce a series of PSAs for the Partnership. Amarretti Puris will design and place a series of tv and radio PSAs designed to debunk the myths about welfare recipients, highlight the positive bottom line affects for businesses that hire, and encourage businesses to join the Partnership. The PSAs will run at regular intervals around the country. The first set of radio and print ads will be released in St. Louis for the August 12 event.

b) World Wide Web

We have contracted with Summer Productions, a Website development company, to develop and maintain our web page.

Our Web Page is interactive and is designed as a tool to accomplish the following: sign up business partners; generate interest from and offer information to the business community, service providers, community leaders, press, and the general public regarding the Partnership's work; and become the one-stop shop for the business community to gather the necessary resources information and resources to learn how to hire, train, and retain former welfare recipients.

The Web Page is also a key tool for our businesses to talk to each other and exchange information.

c) Toll-free 888 Number

Our board member, Sprint, has donated to us a toll-free 888 number that we will distribute nationally through our PSA campaign and publications. The number, 1-888-USA-Job1, will serve as our primary first contact with the outside world whether a business, service provider, welfare recipient, or reporter is calling. We will use the 888 number to collect and disseminate information, and as a tool to sign up business members and service providers.

We have contracted with Telespectrum, a nationwide call center, to answer all 888 calls and provide our information to all callers. Telespectrum will receive calls, collect, and disseminate information. Telespectrum will link with our database to both enter information into the database and disseminate database information to relevant callers. Telespectrum will also act as a fulfillment center to distribute our publications.

d) Publications

Our first two publications, *Blueprint for Business: Reaching A New Workforce*, and the quarterly newsletter, *Solutions*, will be released in St. Louis. Both publications are geared to the business community and are designed to deliver the information necessary to help the business community hire and retain welfare recipients.

- *Blueprint for Business* is designed to help American businesses successfully hire and retain those moving from welfare to work. Business executives, human resource directors, and others responsible for hiring who are concerned about the future of their business can benefit from this publication. The Blueprint debunks myths associated with public assistance and welfare recipients, provides a five-step process for businesses to follow to hire recipients, and offers several case histories of businesses that have succeeded.
- *Solutions*, the quarterly newsletter for the Welfare to Work Partnership, is designed to keep member partners and others up to date on Partnership activities, business programs, recent statistics, and other relevant welfare to work information.

e) Advisory Council

Governors Tommy Thompson (R-WI) and Tom Carper (D-DE) co-chair the Partnership's national advisory committee. Recently, several Governors committed to join as members of the council. So far, verbal pledges have come from the Governors of New Jersey, Indiana, Illinois, Missouri, West Virginia, and Wyoming.

II. The City-to-City Challenge/Building a Community Blueprint for Action

As discussed earlier, a national campaign will help the Partnership successfully motivate and educate the business community around hiring and retaining welfare recipients. However, a national campaign does not address the fact that the jobs are created and filled at the community level. To make a national impact, the Partnership must be community focused. Over the next six months, we pledge to visit *at least* six high poverty cities to strengthen each city's welfare to work infrastructure. In every city, we will recruit businesses to hire and retain welfare recipients and will give them the technical assistance to do so. We will help city service providers improve the way they operate so they can provide businesses with work-ready welfare recipients. Finally, we will work with elected and appointed state and local officials to celebrate the city's efforts and ensure long-term changes.

The St. Louis region is the launch site for our city-to-city challenge.

Thus far, we have identified, motivated and organized St. Louis region businesses to hire and retain welfare recipients. Second, we have worked with St. Louis to identify its strengths and weaknesses in working with the surrounding business community to implement welfare to work plans. We have begun to help the community bolster its welfare to work efforts by building on its existing resources, and by introducing new ideas, products and resources into the community. Through working with the Governor's office and Mayor's office, we have put processes in place to ensure the long-term viability of the changes we have created.

Targeting Other High Poverty Communities

We have targeted 13 additional cities as potential sites for our activity. Each of the 13 cities listed below has high concentrations of poverty and welfare receipt. Each also has some existing infrastructure to support welfare to work efforts but could benefit from additional businesses and resources. Finally, each city has an identifiable champion or champions and has a track record for some innovative welfare to work practices.

For us to choose a city, we must be either invited or encouraged to visit that city. If a city does not want or need our services, we will not choose that city. **Of the 13 cities below, we will choose six cities to target during our first year of operation.**

Indianapolis; Baltimore; Columbus or Cleveland; Los Angeles; Chicago; Miami; Seattle; New York City; Detroit; San Antonio; Philadelphia; Denver; Atlanta

DRAFT

TALKING POINTS

The Welfare to Work Partnership launches its "City Challenge" in St. Louis on August 12

The Welfare to Work Partnership

- ❖ The Welfare to Work Partnership is a non-partisan, non-profit organization of more than 500 businesses committed to hiring former welfare recipients without displacing existing workers.
- ❖ With the enactment of the federal welfare reform legislation August 22, 1996, the welfare system in America has been transformed into a work-based program. A time limit on the receipt of welfare benefits and capped block grants to the states has replaced the open-ended welfare entitlement that existed before 1996.
- ❖ This new emphasis on work gives the private sector an unprecedented opportunity to tap into a new workforce and take the lead in welfare reform.
- ❖ In the next year, the Partnership will be sponsoring "city challenges" all across America, bringing together businesses, service providers, and elected and appointed officials to support private sector welfare to work programs.

Welfare to work: a smart solution for business

- ❖ Private sector experience has shown that welfare to work is a smart solution for business.
- ❖ Companies in industries like food service, travel and tourism, and retail sales have been hiring former welfare recipients for many years. The success of these welfare to work cases has prompted other companies in new industries (like Monsanto, our corporate host in St. Louis) to begin forming their own welfare to work programs.
- ❖ At a time when the economy is growing steadily, many industries are facing a shortage of entry-level workers. Former welfare recipients can

provide employers with a new pool of entry level employees at the very time that the business community needs them most.

Why St. Louis?

- ❖ St. Louis was chosen because it has
 - a thriving business community,
 - a leading welfare to work corporate champion (Monsanto, one of the Partnership's founding board members),
 - a group of service providers dedicated to preparing welfare recipients for the world of work, and
 - federal, state, and local elected officials dedicated to making welfare to work a success.

Motivating and educating St. Louis businesses

- ❖ The goal of the “city challenge” is a concerted regional effort to bolster private sector welfare to work programs. We need to motivate and educate businesses to get involved by joining the Partnership.
- ❖ Part of that effort is a public education campaign, launched through print and radio public service announcements. This PSA campaign was launched in St. Louis on August 11.
- ❖ The Partnership provides the following for businesses interested in welfare to work:
 1. The “Blueprint for Business” – the Partnership's “how-to manual” for businesses interested in hiring welfare recipients.
 2. A quarterly newsletter, “Solutions,” to update our member businesses on activities and accomplishments.
 3. A toll-free 888 number to request information and Partnership publications.
 4. Access to additional resources through the Partnership's web site: www.welfaretowork.org.

File: WR - WR-to-work CEOs

Cynthia/Diana -
Have you seen this?
Elena

MEMORANDUM

TO: Bruce Reed
FROM: Eli Segal
DATE: June 30, 1997
SUBJECT: Progress on Welfare to Work Partnership (WWP)

WWP should be able to deliver some solid results over the next few months, all designed to help make the case that we're winning the battle of moving people from welfare to work.

1. August 14 event in St. Louis.

There are 16,000 families receiving TANF benefits in St. Louis. We're going to do an event, we expect with the President, bringing a couple of hundred businesses together who will commit to hire 2,000-2,500 welfare recipients. Businesses of all sizes and shapes - including Monsanto and now Anheuser Busch, along with small retailers, manufacturers and wholesalers - will be responsible for reducing welfare in St. Louis by 15%. We're trying to arrange for Mayor, Governor, Senators, and Congressmen at one event - perhaps chaired by former Senator John Danforth.

2. Series of events between August 14 and August 22 including:

(a) packaging of various studies, including Coopers & Lybrand, Urban Institute, San Francisco Fed. and Business for Social Responsibility, all of which indicate positive movement of welfare recipients into the workplace;

- (b) a bold commitment of American Gaming Association for members to hire 20,000 welfare recipients by the year 2000;
 - ✓(c) a "partnership" of Ford, Rockefeller, STRIVE and us to do in about 6 other cities what we've done in St. Louis;
 - (d) our unveiling of a PSA campaign to combat stereotyping of welfare recipients; and
 - (e) our unveiling 800#, database, best practices manual, web site – the tools to help companies hire and retain welfare recipients.
3. August 22 is the anniversary of the signing of the welfare reform legislation. As a minimum, we hope we'll be able to announce that we have achieved our goal of 1,000 companies who have joined WWP. There are many more dramatic possibilities:
- (a) the release of a first Annual Report by the White House, highlighting the drop in caseloads;
 - (b) a White House event with the President, perhaps 50 former welfare recipients and their proud bosses one year later; and/or
 - (c) actual release of the PSA campaign, referred to above.

I am happy to discuss any or all of this with you and your colleagues. While we are an independent, nonpartisan organization, the continued support of the White House is our greatest guarantee of success.

EJS/gho

WR - welfare-to-work
~~support~~ CEOs

MEMORANDUM

TO: The President
FROM: Eli J. Segal
DATE: June 9, 1997
SUBJECT: August 22 Event

On August 22, 1997, -- the first anniversary of your signing the landmark welfare reform legislation -- I recommend a highly evocative event with the Welfare to Work Partnership, showcasing how much good has happened without soft pedaling the fact that more needs to be done.

This memo lays out the potential message and contents of the day and asks for your specific commitment for August 22. I know it is unusual to get a time commitment this far in advance, especially during your likely vacation. If it becomes impossible to make that commitment, we'll just proceed in the ordinary course and look to September for our next significant event.

I envision a giant step beyond the "welfare to work" event at the White House three weeks ago: on August 22, hundreds of companies of all sizes and sectors come together in a city somewhere in the heartland and make specific commitments to you to a specific number of jobs for those on public assistance within a one year period. Here's the anticipated story line:

"Today in Indianapolis, exactly one year after President Clinton signed the historic legislation ending welfare as we know it, 211 business leaders committed to him that they would find jobs for 2,865 welfare recipients in the Indianapolis area within one year. These 211 business leaders join thousands of others who have made similar commitments in their communities throughout the United States. What seemed so controversial only a year ago looks a lot different today. When President Clinton signed

the bill, there were 4,000,000 adults receiving welfare benefits; today that number has been reduced by 1,000,000. And what's more important, the evidence is mounting that hundreds of thousands of those leaving the welfare rolls are finding productive jobs in the private sector."

On this last point, I am hopeful that we will have a system in place by August 22 so we can report an impressive number of jobs our "members" alone have delivered already and will deliver over the next year.

A message like this takes the words of the White House event, your State of the Union Address, your various speeches at, and since bill signing, and turns it into a story of momentum and success which will go right at the skeptics. In this last context, we can certainly add to the event several CEOs and small business owners each standing proudly with their employees, all formerly welfare recipients.

We can also use the event to unveil our "best practices" manual; our 800 number; our database of service providers and companies who have or will hire; and our PSA campaign which will focus on destigmatizing welfare recipients and demystifying the process of going from welfare to work.

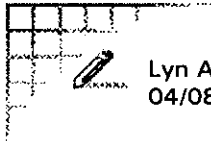
I have asked the CEOs of our five founding companies to hold August 22 open for this event until we get an indication whether it is consistent with your plans. I am hopeful that you can signal whether or not we can count on the day so planning in earnest can begin.

Yes, August 22 can be reserved for this purpose _____

No, August 22 cannot be reserved at this point _____

EJS/gho

Wp to wk - CEOs



Lyn A. Hogan
04/08/97 11:43:38 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Christa Robinson/OPD/EOP
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
Subject: Eli Segal Meeting

Just got beeped by Eli. It turns out May 6 and May 9 are no good for him and, as noted earlier, May 1 and 2 will conflict with the National Campaign to Prevent Teen Pregnancy Board meeting and press conference and may create unwelcome comparisons. But any other time in May is ok.

The news at the May White House rollout would be:

- 1) Announcement that the organization is formed and will be called the Welfare to Work Foundation
- 2) Announcement of Greenwald as chairman
- 3) Announcement of the full board
- 4) Announcement of an additional 25 corporations that have joined the effort.

WR to WK - CEOs



Cynthia A. Rice

04/07/97 12:32:38 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Christa Robinson/OPD/EOP
cc: Lyn A. Hogan/OPD/EOP
Subject: Getting Eli Segal Welfare to Work Foundation on Schedule ASAP

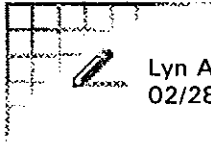
Everyone at the WH is eager for the rollout to Eli Segal's group -- as you know, we've been waiting for Eli to say he had enough business commitments to move ahead.

Now, Eli and Kate Carr tell Lyn and me that they are ready to schedule and have proposed dates, of which we think April 23rd, 24th, or 30th are workable (May 1 and 2, which they also mentioned, would coincide with one year anniversary of the teen pregnancy prevention group the President set up and would invite unwelcome comparisons.)

The idea would be to have the CEOs on the board of directors (5 companies mentioned in State of the Union -- Sprint, Monsanto, UPS, Burger King and United Airlines -- and hopefully Marriot) meet with POTUS in the Oval, then have a ceremony in the Roosevelt in which 25 additional companies "commit" to 'hire and retain welfare recipients without displacement' and formally launch the group. (Kate Carr thought setting the Roosevelt room up theatre style would work -- I'll leave that stuff to the experts.) By then the organization will be incorporated and had its charter ratified by the board of directors; they will have applied for, but probably not yet received, non-profit status.

Kate says they want to give the CEOs as much notice as possible (hopefully 3 weeks), so it will help if we can schedule as soon as possible.

WR-to-wh
CED



Lyn A. Hogan
02/28/97 04:28:42 PM

Record Type: Record

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

cc:

Subject: Draft Wel to Work Outreach Memo (hard copy to Cynthia)

Following is my effort at drafting a welfare to work outreach memo that reflects the decisions made in the outreach meeting, current outreach efforts, and a suggested structure to create a more comprehensive and coordinated outreach and communications strategy. (Hope you're having fun at Disney World Bruce!!)



WEL2.OU

February 28, 1997

MEMORANDUM FOR THE PRESIDENT

FROM BRUCE REED
ELENA KAGAN

Subject Welfare to Work Outreach Strategy

This memo is a response to a Feb. 25 meeting between the Chief of Staff's Office, DPC, White House Counsel, Public Liaison, Intergovernmental Affairs, and HHS at which welfare to work outreach strategies were discussed. Following are decisions made about additional outreach steps, a summary of ongoing outreach efforts, and a suggested structure to create a more comprehensive and coordinated outreach and communications effort.

Outreach Decisions

The following decisions were made at the 2/25 meeting. Outreach and external coordination will be focused on four key groups: state governments and their social service offices; the business community; the nonprofit sector; and the faith communities. Outreach efforts will include but will not be limited to recruiting nonprofits, businesses, and religious organizations to the effort, building comprehensive lists of those committed, creating a referral network for individuals and organizations to relevant programs, assisting businesses and other entities with welfare to work programs, and preparing written material to educate states, nonprofits, business, and faith organizations about best practices on welfare to work.

A main vehicle for outreach will be to establish four private spokes people -- one for each of the outreach areas -- who will carry the Administration's welfare to work message to state governments, and the business, nonprofit and religious communities.

However, counsel has written that it will be legally difficult to recruit individuals to volunteer as spokes people for the welfare to work effort. Counsel says that there is no problem discussing issues with private individuals and indicating that we would like them to work on particular matters. However, we cannot direct a private person's activity and we must be careful not to give that person the impression that she holds an official position or that her activities are government sanctioned, or that she is acting on behalf of the White House.

Outreach Efforts To Date

Several outreach activities have been ongoing since the passage of the welfare law. Following is a summary of those ongoing activities.

- You are traveling to various state legislatures to challenge legislators to make welfare reform a success, and you are offering the legislators examples of what is working in other states and communities. HHS is currently putting together a suggested list of other states you might visit.
- You have met with and talked to 14 CEOs interested in becoming involved in the welfare to work effort, many of whom are also working with Eli Segal, the NGA, and the National Alliance of Business (NAB). You announced five of these CEOs during your State of the Union address. Additionally, the Office of Public Liaison and the DPC are building a list of more corporations interested in becoming involved. Presently, the list tops 100 and is growing. We are sharing this list with Eli Segal and others.
- You and Mrs. Clinton have met with religious leaders both at the White House Prayer Breakfast and at the Congressional Prayer breakfast, both times challenging the faith community to help with the welfare to work effort. The Office of Public Liaison is currently coordinating a broader outreach effort to all faith-based institutions.
- Public Liaison has held several briefings for organizations interested in welfare to work and will continue to do so.
- The Department of Health and Human Services has consistently provided technical assistance and guidance to states as they implement their welfare to work plans.

Also key to our outreach will be to connect with and build on newly emerging welfare to work efforts. Following are private outreach efforts underway.

- Eli Segal's Work Now (WN) will soon be established as a 501 (c)(3) organization whose mission will be to help businesses of all kinds move people permanently from welfare to work. WN's customers will be the businesses themselves, rather than welfare recipients, legislatures, Governors, or state welfare agencies. WN will encourage, mobilize, reward, and provide technical assistance to large and small companies and a broad range of so-called intermediaries that act as job placement and retention organizations.
- The NGA is beginning a process that connects Governors with private sector employers interested in hiring welfare recipients. In addition, the NGA will be collecting model programs and best practices for distribution in states. (White

House Intergovernmental Affairs recently facilitated a meeting between Eli Segal and the NGA to discuss the welfare to work initiatives of both entities and possible areas of collaboration.)

- The National Alliance of Business (NAB), a Washington, DC-based business supported and led organization that helps companies with workforce development, is beginning its welfare to work initiative. NAB hopes its initiative will make employers involvement in the welfare to work effort more effective.

Coordinating the Outreach Strategy

Though outreach efforts are underway within the Administration and through private nonprofit organizations, both the outreach efforts and the welfare to work message are fragmented and lack coordination. We believe we should build upon existing and new outreach efforts to create a coordinated and comprehensive outreach and communications strategy. Following is a brief outline of what such a strategy might look like.

The following three-part plan should be run by the White House -- specifically the DPC, Office of Public Liaison, Communications, and Intergovernmental Affairs -- and is designed to ensure that the work provisions of the new welfare law are successfully implemented.

- Interagency Coordination. Coordinate all intergovernmental efforts related to welfare to work, particularly those ongoing at HHS, Labor, HUD, and the Departments of Commerce and Transportation, through regular meetings and conference calls with a designated group. With the help of the involved agencies, catalogue all welfare to work related activities ongoing at the agencies into one central document and regularly update that document.
- Outreach. Through outreach, build a comprehensive list of state legislators, nonprofit organizations, businesses, and faith organizations interested in becoming involved in the welfare to work effort who we need to educate. At the same time, build a list of those states, legislators, and private organizations with good programs in place to whom we can refer others.
- Communications. Discover, disseminate, and celebrate model public and private welfare to work efforts and existing Federal government programs that will help states, nonprofits, businesses, and religious organizations structure successful welfare to work programs. Disseminate information through written materials, public liaison briefings, the World Wide Web, and a speakers bureau made up of representatives from all of the agencies and departments involved.

Wp to wk - CEOs

Our next set of questions deals with President Clinton's welfare to work effort. Last August, the President signed into law the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The new law limits the amount of time recipients may receive welfare and, at the same time, offers them opportunities to enter the workforce. The President recognizes the important role the business community will play in the success of this new law and accordingly included in the law several incentives to employers to hire welfare recipients. The following questions are designed to explore your knowledge of, interest in, and experience with the existing welfare to work effort.

1. Has your company ever hired welfare recipients? Yes/No/Don't Know
2. If your company has hired welfare recipients, has the experience been:
a) positive b) negative c) mixed d) too early to tell
3. If your company has not hired welfare recipients, would you hire welfare recipients? Yes/No/Don't Know
4. As an employer, what characteristics do you most look for when hiring any employee?
a) a hardworking, dependable employee who can be trained b) a pre-trained employee with specific skills c) anyone will do d) none of the above
5. Would your company hire welfare recipients from intermediary job placement agencies if those agencies offered the recipients job readiness and support services prior to and during job placement? Yes/No/Don't Know
6. Are you, or your company, aware of incentives under current law to encourage your company to hire welfare recipients? Yes/No/Don't Know
7. What sort of incentives would you access to encourage and/or help your company hire welfare recipients? (Circle all that apply.)
a) tax credits for hiring b) temporary wage subsidies for recipients paid to the employer c) job readiness and support programs prior to employment
d) job specific training prior to employment f) nothing needed
8. Is your company in a position to offer its low-income workers child care subsidies or on-site child care services? Yes/No/Don't Know
9. Is your company in a position to offer its low-income employees health care

benefits? Yes/No/Don't Know

10. Would your company be more apt to hire welfare recipients if the government provided temporary child care and health care subsidies, at least for the first year of employment? Yes/No/Don't Know

11. If your company has hired welfare recipients, does it now, or did it in the past, process the Work Opportunity Tax Credit (previously called the Targeted Jobs Tax Credit)? Yes/No/Don't Know

12. If your company has received these tax credits in the past, did you hire a welfare recipient or other low-income person specifically because you knew you would receive the tax credit? Yes/No/Don't Know

13. Has your company ever used the wage subsidy option under current law that allows corporations to temporarily subsidize welfare recipients' wages by converting welfare and food stamp benefits into paychecks? Yes/No/Don't Know

14. If your company has used the wage subsidy option, was it because of this option that your company hired welfare recipients? Yes/No/Don't Know


15. Would your company be interested in joining forces with other corporations to help move welfare recipients and other low-income individuals into the labor market? Yes/No/Don't Know



Cynthia A. Rice

03/24/97 11:52:06 PM

Record Type: Record

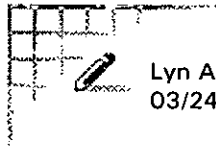
To: Lyn A. Hogan/OPD/EOP
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP
bcc:
Subject: Re: Coopers & Lybrand Welfare Reform Questions 

I think the survey looks good. I think you should drop questions #12 and #14, though -- asking whether companies hired welfare recipients "because of" tax credits or wage subsidies will provoke a lot of "nos." Question #7 provides a better way to get at that issue. I would rephrase #7 slightly as follows and move it to the second to last question:

"Which sort of incentives would encourage your company to hire welfare recipients? (Circle all that apply.)

- a) tax credits for hiring
- b) temporary wage subsidies for recipients paid to the employer
- c) job readiness and support groups
- d) job specific training prior to employment
- f) nothing needed"

Lyn A. Hogan



Lyn A. Hogan
03/24/97 11:12:15 AM

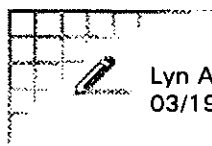
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP
cc:
Subject: Coopers & Lybrand Welfare Reform Questions

Attached are draft questions to be placed in the Coopers & Lybrand quarterly questionnaire to mid-size corporations. (Bruce, you approved this activity a couple of months ago and Coopers & Lybrand is now ready to start their process.)



Please e-mail me any comments. Thanks. WELQA.CO



Lyn A. Hogan
03/19/97 01:39:32 PM

Record Type: Record

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

cc:

Subject: Eli Segal

I met with Eli Segal this morning. We talked about 1) the Internet project, 2) the DLC conference, 3) his organization's roll out, and 4) involving the faith community in his efforts with business. Here's what he had to say.

--He loves the internet idea. I gave him a copy of the memo I drafted for Cynthia and he is going to try to drum up computer donations immediately. He's been looking for a way to involve the high tech industry and thinks this could be it. I'll keep you posted.

--He'd love to be involved in a DLC/White House conference on best welfare to work practices. However, the National Alliance of Business and the NGA are talking about holding similar conferences. I think we should shoot to bring Eli, the DLC, NGA and NAB together for one best practices conference. Further, Eli is still having trouble with Marriot. As a way of smoothing Marriot over, we could headline Marriot's program. What do you think?

-Eli says the April 7 date is too early for a rollout and he is also hesitant about April 16. He feels a rollout on April 16 is pushing it. He's also reconsidering Milwaukee as the rollout spot and thinks Washington might be more appropriate for a national rollout followed by regional events. What do you think?

-Finally, Eli had not thought about involving the Faith community in his effort, but will give it some thought. We plan on talking again early next week.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Christa Robinson/OPD/EOP

W2-to-wk 2/22/97

Non-profit "ambassadors"

Also in religious community?

Who in PL? Eli/Cheri/Domin? =
Managed by Maria or Ben

Plan for creating partnerships:

Eli/businesses:

national level/state level

↑
so businesses hooked up w/ st. office

↳ hooked in w/ NOA parallel process

Pick 10 states w/ 1st share of workload?

Need ch legal guidance on
how we can communicate
w/ Eli.

Blueprints - best practices

e.g. a

MDAs

Child care

interag coord gp -

How do you do it?

denying out of SDPA

In to sharing

setting 3-4 PAs from Marsha

Memo to Pres from us - end of wk

Eli Long X
Maria will come
w/ names etc.

how we're bring this - memorandum/timeline

*w-to-w
CEO*

The following are some questions and answers on the legal limits of White House outreach on welfare to work. The first set of questions deal with our relationships with a 501(c)(3) organization incorporated to assist businesses and other entities with welfare to work programs. The second set deal with our use of particular individuals in carrying welfare to work outreach to religious organizations and non-profits. The answers to these questions are based upon the Standards of Ethical Conduct of Government Employees and other applicable regulations and statutes.

A. Relationship with a particular 501(c)(3).

1. Can we refer businesses and other entities interested in hiring or training welfare recipients to an existing 501(c)(3) for information and direction?

Yes, provided we act evenhandedly if there is more than one 501(c)(3) organization offering similar assistance. If we are not aware of any competing 501(c)(3)s, there is no problem in referring interested parties to one entity.

2. Can we invite representatives of a 501(c)(3) to meetings on welfare to work implementation strategy -- including meetings with the NGA or other similar groups?

Yes, subject to the requirements of even-handedness noted above and provided we do not disclose to them any confidential (non-public) information.

3. Is there a problem in attending meetings held by groups such as the NGA if included in those meetings are representatives from a 501(c)(3)?

No. However, if another 501(c)(3) requests a meeting separately from the one called by the NGA, we must be prepared to meet with them on a similar basis.

4. Can we direct the 501(c)(3) to engage in a particular action or follow a particular strategy?

No. The White House may not direct a private entity to take a particular action or course of action nor we selectively decide which private entities receive public information. We can, however, provide publicly available information to the private entity(ies) and indicate what strategies we feel are the most effective.

5. Can we create our own non-profit to perform welfare to work outreach to religious organizations or to other non-profits?

No. The general rule is that we cannot create non-profits to effectuate government policy. We are currently looking into whether some limited exception to this rule is possible.

B. Use of individuals for outreach.

1. Can we ask individuals to volunteer to work with religious organizations and non-profits in helping them with welfare to work?

This is a difficult issue. There is no problem in discussing issues with private individuals and indicating that we would like them to work on particular matters. However, we cannot direct a private person's activity and we must be careful to not give that person the impression that she holds an official position or that her activities are government sanctioned. That individual, in turn, must take care in dealings with third parties not to convey the impression that she is acting on behalf of the White House or that her actions have been officially sanctioned.

✶ 2. Can we announce that a particular private person is the point person for the White House for outreach to religious organizations and non-profits?

No. We can mention the efforts of persons of which we have knowledge; but if more than one person is engaged in similar activities, we may need to be inclusive to avoid the appearance of favoritism. If we want a person to have a specific and ongoing role, we may have to make that person an employee or provide that person with another form of formal status.

3. Can we direct a private individual to engage in specific actions or employ a particular strategy in welfare to work outreach?

Not unless that person assumes an official position in the Administration.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Personal (Partial) (1 page)	02/27/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Elena Kagan
OA/Box Number: 14372

FOLDER TITLE:

Welfare - Welfare to Work - CEOs [3]

2009-1006-F

jm23

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MEMORANDUM

To: Bruce Reed
Elena Kagan cc: Cynthia Rice
Diana Fortuna

From: Lyn Hogan

Date: February 27, 1997

Re: Suggestions for POTUS Welfare Meeting

Cynthia mentioned that the President has time on his schedule for a welfare reform meeting.

Attached is a list of small but successful job placement and support agencies currently involved in the welfare to work effort that you might consider bringing in to meet with the President. I have worked with all of them in the past while at the DLC and can vouch for the fact that they have all had previous political and media experience and are on message. [redacted] P6/(b)(6) [001]

[redacted] Further, it gives us a good opportunity to really educate the President about intermediaries and their important role in the welfare to work effort.

Let me know if you want me to pursue this as an option.

Job Placement and Support Organizations

America Works, a for profit placement and support organization in New York, Indianapolis, and, most recently the U.K., has helped more than 12,000 welfare recipients find full-time private sector jobs. Recipients are hired permanently at an average wage of \$16,000 per year, including benefits. The state of New York found that 81 percent of those placed by America Works are still off the rolls after two years.

Resource

America Works
Richard Greenwald
Development Manager
575 8th Avenue, 14th Floor
New York, NY 10018
212-244-5627

Cleveland Works, a private nonprofit group funded by public grants, foundations, and private money, has placed more than 2,000 welfare recipients in full-time jobs since 1986, enabling 7,000 men, women, and children to quit the dole. Over 80 percent of the Cleveland Works families have not returned to the welfare rolls, a remarkable result considering that the typical family had been on and off welfare for 10 years. Cleveland Works provides its clients with four weeks of general job readiness training and in some cases with basic education and occupation-specific courses. The group then matches clients with jobs offered by some 500 local employers. Once hired, clients receive transitional services and support from corporate counselors to ensure that they stay employed.

Resource

Cleveland Works
David Roth, Executive Director
Caxton Office Building
812 Huron Rd. SE, Suite 800
Cleveland, Ohio 44115
216-589-WORK

Columbus Works, a private nonprofit group providing intensive human capital development, opened its doors last January. Its per person job placement costs are about \$2,300. Services include six weeks of full-time, daily job readiness and skills, job development, placement, and follow-up, a \$6-\$8 dollar a day transportation allowance, and in-house legal counsel. Recipients are placed in full-time jobs with an average starting wage of \$6.69 an hour and retention rates should be around 60 percent.

Resource

Director
Columbus Works
Columbus, OH
614-224-8009

The Goodwill Job Connection in Sarasota, Florida and Lafayette, Louisiana offers job placement and support services to chronically unemployed members of the surrounding community. Goodwill placed and kept 311 people in unsubsidized private sector employment last year alone; since the program began in 1987, it has placed more than 1,000 people in jobs. Goodwill works hard to build relationships with local employers and, after providing its clients with basic job readiness and on-the-job work skills, places people permanently into unsubsidized jobs and offers follow-up support to make sure they stay in jobs.

Resource:

Goodwill Job Connection
Reverend Don Roberts
President/CEO, Florida
7501 Bradenton Rd.
Sarasota, FL 34243-3203
813-355-2721

Project Match in Chicago follows a ladders-of-work approach, encouraging its participants to begin with work at their level of ability, including, if necessary, volunteer or part-time work. Clients move one step up the ladder of work at a time, with the ultimate goal being full-time, unsubsidized work. Project Match is a very small program but has successfully placed 100 long-term welfare recipients in jobs.

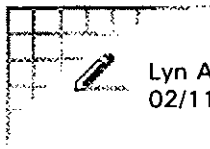
Resource:

Project Match
Toby Herr
Director, Erikson Institute
420 North Wabash Avenue
Chicago, IL 60611
312-755-2296

Milwaukee's New Hope Project, another private nonprofit group, also stresses job placement. Clients go through eight weeks of job search. Those who do not find private sector jobs are offered minimum wage community service positions at nonprofit organizations for a maximum of one year. When necessary, New Hope subsidizes its clients' wages to bring them up to at least the poverty line. It also provides health and child care benefits based on income and helps clients receive the EITC. Preliminary results from the first phase are very encouraging—57 percent are currently employed in private or public sector jobs.

Resource:

The New Hope Project, Inc.
Julie Kerksick
Associate Director
623 N. 35th Street
Milwaukee, WI 53208
414-342-3338



Lyn A. Hogan
02/11/97 02:52:19 PM

Record Type: Record

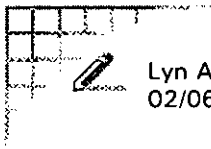
To: Cheryl M. Carter/WHO/EOP
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
Subject: Per Your Request, Info On America Works

America Works
575 8th Avenue
New York, NY
212-244-5627
212-244-5627 (fax)

The President could tour the America Works facility, meet welfare recipients who are currently enrolled, meet some who have "graduated" into full time private sector jobs, and talk with the employers who have hired them. This would be a very important event around the intermediary concept.

America Works, a small for-profit placement and support organization in New York, Indianapolis, and Connecticut has helped more than 10,000 welfare recipients find full-time private sector jobs. Recipients are hired permanently at an average wage of \$16,000 per year, including health benefits. The state of New York found that 81 percent of those placed by America Works are still off the rolls after two years.

America Works typically charges a state about \$5,400 per placement, and is paid in full only once a recipient is placed and remains in an unsubsidized job for seven months. When compared to the cost of \$21,000 per placement for New York City's Job Training Partnership Act program a private placement intermediary such as America Works could move about four times the number of people from the welfare rolls than the state-run programs at a considerable cost savings.



Lyn A. Hogan
02/06/97 06:09:56 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Diana Fortuna/OPD/EOP
Subject: Eli Segal

FYI, he is meeting tomorrow morning with the Washington representatives from the five corporations we've enlisted in the welfare to work effort.

Originally, I was going to speak to them just to give them some background on the issue, but it turns out there is legal problem, so, instead, we recruited Will Marshall to speak to them.

I also put written background info. together for Eli on specifically what corporations can do to put recipients to work -- how the WOTC works, the mechanics of the wage subsidy, using intermediaries, etc.

Lyn -

Can I get these
for my own
information?
Thanks
Elena



HOGAN_L @ A1
01/16/97 11:29:00 AM

Record Type: Record

To: Bruce N. Reed, Elena Kagan *File*
cc: *←*
Subject: Eli Segal's welfare to work effort

Bruce,

I met with Eli Segal this morning about the welfare to work CEO challenge. He basically picked my brain on a lot of policy and research questions. He is talking to a lot of people and moving very quickly to get something done. He is shooting to have a proposal ready by next Friday (Jan. 24) and is under the impression that it would be mentioned in the State of the Union.

Is this something you want me to work on with him? If Cheri and I work with him to put the proposal together, is it legal for us to do so if he is considered a volunteer? He'd like some help from the White House if possible. I told him I'd talk to you and get back to him.

FYI, I met with United Way and the NGA yesterday re: the 800 number. (This is my first meeting with them since Jeremy turned the project over to me.) This alliance doesn't seem to be producing anything. I think it might make sense to scrap the model we have now and turn the number over to Eli's operation. YES
Thoughts?

Memorandum

From: ELENA KAGAN

To: _____

Bruce -

You know, Rachel's Bus

Co is really a great
story. Why not make
Rachel one of the people
the President points to
during the State of the
Union? Elena

Clinton Hopes Success of Chicago Bus Operator Will Spur More Firms to Hire Welfare Recipients

1/10/97
By HILARY STOUT

Staff Reporter of THE WALL STREET JOURNAL
CHICAGO — On a cold, bright winter

afternoon, a string of school buses lumbers into the cavernous Rachel's Bus Co. garage in a worn neighborhood on Chicago's West Side. Finished with their routes for the day, the drivers clamber down from their vehicles and mill about for a smoke or a chat.

Many of them are experienced drivers who have operated buses for the Chicago Transit Authority, other school-bus firms and even the military. But others are brand new to this line of work — or any work at all. And if America's grand new experiment in welfare reform is to work, such workers may well be the pioneers who point the way to success.

The key to making welfare reform work, all sides agree, will be finding jobs at businesses such as this one for those who will be pushed off the public dole in the months and years ahead. Rachel's Bus, which drives buses under contracts with local public and private schools, was formed seven years ago by Rachel Hubka. From the beginning, she has sought to hire the unhirable. Now, her work force of drivers, mechanics and office employees includes dozens of people who have been on welfare or still are receiving some form of public assistance.

Her personnel director, Ladell Johnson, scours public-assistance offices, churches and job fairs in some of the poorest inner-city neighborhoods in search of potential employees. Just yesterday, she went to a job fair at the local office of the Illinois Department of Public Aid. The result, Ms. Johnson estimates, is that perhaps as many as 40% of the company's roughly 150 workers have been on some form of public assistance. Ms. Hubka herself prefers not to estimate, concerned about violating her employees' privacy.

Today, President Clinton will hold up Ms. Hubka as an example to the private sector at large, when she joins a group of executives from some of the nation's largest companies at the White House for a meeting on ways to get private employers to hire more welfare recipients. "The key component here is moving people from welfare to work, and the private sector is going to have to play a key role in doing that," says Rahm Emanuel, a senior adviser to the president.

That is a message the president will be pushing relentlessly as he moves from a re-election campaign, where political calculation led him to sign a controversial welfare-overhaul law, to governing in a second term, where hunger for a lasting historical legacy will lead him to a crusade to make the new law work. Earlier this week, Mr. Clinton even implored religious leaders at a prayer breakfast in Washington to hire welfare recipients to work in

their parishes. "If every church in America just hired one family, the welfare problem would go way down," he said.

Mr. Clinton's interest in the private sector is largely a matter of political expediency. In this era of tight budgets and a conservative Congress, it will be extremely difficult to win significant funding to place former welfare recipients in public-sector jobs. Consequently, he has chosen to focus his efforts on private employers, proposing a modest package of tax breaks for those who hire long-term welfare recipients and reminding businesses that they are now entitled to wage subsidies from funds that used to go for cash benefits for poor women and their children.

Even conservatives, who have sparred with the Clinton administration over wel-

Corporate Cajoling

Here are some of the companies whose executives will meet with President Clinton today and hear his plea that private businesses find ways to hire people moving off the welfare rolls.

- Atlantic Richfield
- Burger King (a unit of Grand Metropolitan)
- Manpower
- Monsanto
- United Airlines
- United Parcel Service
- Sprint
- Bing Manufacturing
- Rachel's Bus Co.
- T.J. Maxx

fare reform, applaud the president's efforts to jawbone private firms into hiring people off the welfare rolls. Many, though, doubt it will have a measurable effect.

"I don't see any problem with the president calling people in, having a meeting, talking to people, encouraging them, charging people up, giving it some publicity," says Marvin Kusters, an economist at the American Enterprise Institute. But Mr. Kusters believes the key is instilling a work ethic in people with little experience in the workplace. And, he argues, the recent increase in the minimum wage, pushed hard by the Clinton administration, could decrease the work opportunities for hard-to-employ people.

Rachel's Bus illustrates both the promise and pitfalls of the coming push for private-sector hiring of welfare recipients. Ms. Hubka sees onetime aid recipients as a relatively attractive labor pool for the kinds of part-time jobs at modest pay that she has available. The company has only three basic requirements for employment: a valid driver's license held for three years with no traffic violations; no drug use; no felony convictions

Yet the last two disqualify a lot of applicants, Ms. Johnson says. And many applicants ultimately decide they're not interested, Ms. Hubka has found. The government check seems more attractive and easier.

One who has found the company a good fit is 40-year-old Cynthia Bethea, a mother of four who collected a welfare check for two years before she saw an ad in the Chicago Sun-Times seeking bus drivers. "I just got in a rut sitting at home," she says. "I like meeting people." It helped that Rachel's Bus headquarters was within walking distance of her home. The upshot is that she has now been driving a bus for six years and earns about \$350 a week, compared with a \$400-a-week welfare check she used to receive.

Still, Rachel's Bus also has discovered numerous practical obstacles. One is the seemingly simple matter of getting to work from an inner-city neighborhood or finding affordable child care during working hours.

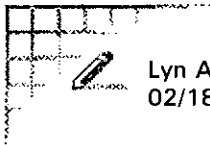
With those problems in mind, Ms. Hubka started a shuttle service to give her employees free transportation to and from work. Beginning around 5 a.m. daily, three buses make the rounds through Chicago's North, South and West sides, collecting employees. Each evening, around 5:30, the shuttles leave the company headquarters to return employees to their homes.

The company is less able to help the many employees with children to look after, one of the biggest problems that poor, single mothers face in going to work. It is against state law to allow small children to ride on the school buses with their parent drivers. But Ms. Johnson says she tries to place parents on the routes of the schools of their school-age children so they don't need babysitters before or after school.

Beyond that, Rachel's Bus offers incentives and rewards to show that work — especially good work — does pay. Vick Snow, who found a job at Rachel's when he was out of work five years ago, won a television and videocassette recorder a few years ago for having a perfect attendance and safety record.

But the company's most important offering may be training. Among other things, drivers, who generally make less than \$200 a week for the part-time job of driving a school-bus route, are encouraged not only to drive extra charter-bus runs, but to go out and solicit such extra business for themselves. Any driver who brings in a new charter customer gets 10% of the total bill for the first trip, as well as normal driver's pay and tip.

As more employers consider taking on welfare workers, Ms. Hubka says she will continue to do just that. But she adds: "I'm just one small company. That doesn't scratch the surface of the jobs needed."



Lyn A. Hogan
02/18/97 03:33:12 PM

Record Type: Record

To: Cheryl M. Carter/WHO/EOP, Peter O'Keefe/WHO/EOP

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

Subject: Another business person to add to your list

I just got a call from Vickie Tassan, Senior VP, Nations Bank. She is working with several business people who are interested in becoming involved in the welfare to work effort. I told her you would add her to the growing list and she'd receive information when available.

Vickie Tassan
Senior VP
Nations Bank
730 15th Street, NW
8th Floor
DC 20005
202-624-4984

“Work is the meaning of what this country is all about. We need it as individuals. We need to sense it in our fellow citizens. And we need it as a society and as a people.”

Robert Kennedy

The President’s Challenge to Corporate America

Last August as part of the welfare reform signing ceremony and again at the Democratic Convention, the President challenged the private sector to play a role in moving welfare recipients to work. At the convention, he said: “...[E]very business person in America who has ever complained about the failure of the welfare system [should] try to hire somebody off welfare, and try hard.”

In September he went to Kansas City, MO, to praise the efforts of the Kansas City Full Employment Council. At that time he acknowledged two CEOs, Bill Esrey of Sprint and Robert Shapiro of Monsanto, for stepping forward and embracing this challenge. During the Kansas City visit, Sprint donated an 800 number so that any employer who wants to meet the challenge can call and learn how. Since the Kansas City visit, the number of CEOs who want to meet this challenge has grown to include more than 100 companies.

In October and November the President met with CEOs to seek their assistance with the jobs challenge, first in Stamford, CT and then Nashville, TN. Then on January 10th of this year, he met with 14 CEOs at The White House to further discuss the private sector commitment to this effort and to highlight existing programs that are working to meet this challenge.

Five of the CEOs he met with in January are among the first major corporations to commit to meeting the challenge of providing employment opportunities for people on welfare. As a result of this commitment, they were acknowledged during the President’s State of the Union address. These five are: Robert Lowes, CEO, Burger King, Miami, FL; Robert Shapiro, Chairman & CEO, Monsanto, St. Louis, MO; Bill Esrey, Chairman & CEO, Sprint, Kansas City, MO; Gerald Greenwald, CEO, UAL Corporation, Chicago, IL; Jim Kelly, Chairman & CEO, UPS, Atlanta, GA.

How Corporate America Can Put Welfare Recipients To Work

Emphasis on employment should permeate all aspects of corporate involvement as should an understanding that minimum wage jobs are a stepping stone to other more highly paid employment openings. The evidence indicates that work experience—the first rung on the ladder of work—leads to more and better work. The key is helping the recipient step up to the first rung.

- First, if jobs are available, business should consider directly hiring welfare recipients.

- If a particular business does not have available jobs, it might encourage suppliers, retailers, or others in the corporate community to hire welfare recipients.
- The business community might organize welfare-to-work efforts to link business, nonprofit and religious organizations, educational institutions, and others to form welfare-to-work partnerships. These partnerships may create jobs and offer other services welfare recipients need to successfully enter the workforce.
- The business community might consider helping those on welfare build the assets they need to stay off welfare once they find a job. Those corporations involved in this effort might encourage welfare recipients to save, even very, very small amounts, in Individual Development Accounts -- an option under the new law -- that allow the disadvantaged to save for a first home, higher education, or start a micro business without their savings counting against their welfare benefits. Even better, a company might offer to match what welfare recipients save as a way to encourage them to save. This sort of asset building can help the poor permanently climb out of poverty.

Following are some specific hiring methods business can pursue as well a description of how business can benefit from each.

Unsubsidized Jobs and the WOTC

Full-time, unsubsidized employment is always the end goal for able-bodied welfare recipients. If an employer hires an unsubsidized welfare recipient, the employer may redeem the WOTC.

The Work Opportunity Tax Credit (WOTC) replaced the now expired Targeted Jobs Tax Credit (TJTC) as of October 1, 1996. WOTC provides employers with a tax credit of 35 percent of the first \$6,000 in first-year wages. Members of a family receiving TANF assistance for at least 9 months are one of the seven WOTC target groups. A second target group is youth ages 18 through 24 residing in an EZ/EC. A third group includes youth in families on Food Stamps for 6 months or longer. The WOTC is scheduled to expire Oct. 1, 1997, though the President is submitting a proposal to Congress to continue and expand the WOTC.

However, not all welfare recipients are appropriate for unsubsidized jobs. Some need on-the-job training, need to learn basic job readiness skills, or receive other services before they are ready to work.

Subsidized Jobs

Under the new welfare law, subsidized jobs are one of several options a state may pursue as it sets up its welfare to work programs. Also called work supplementation, this option allows funds that would otherwise be paid to a family on welfare to go instead to a private or public sector employer to subsidize a job for a welfare recipient. The subsidy, paid directly to the employer by

the state, can be no greater than the combined cash benefit and food stamp benefit. It is up to each state whether or not that state creates a job subsidy program and how that state chooses to structure its program.

In Oregon, both private and public sector jobs are subsidized for up to six months per placement. The job is subsidized at minimum wage and gives employers cashed out AFDC and food stamps benefits to cover the minimum wage. In addition, the employee is entitled to the Earned Income Tax Credit (EITC). If the minimum wage and the EITC do not bring the recipient up to the poverty line, the employer must make up the difference by paying up to \$1 dollar an hour over the reimbursed minimum wage or may put \$1 for every hour worked into an Individual Development Account (IDA). (Like Individual Retirement Accounts for the middle class, IDAs are tax-favored, annual contributions used only for college, home ownership, retirement, and small business start-up. Individual contributions are usually matched by government, churches, community groups, businesses, or unions.) Once a recipient is hired in a full-time, unsubsidized job, she becomes eligible for her wage, the EITC, *and* food stamps coupons previously used to subsidized her wage. Such a system creates an escalating financial incentive that always makes full-time, unsubsidized work the most attractive option

Job Placement and Support Intermediaries

Evidence now exists that private for-profit and nonprofit intermediaries offer a bridge to connect welfare recipients to jobs and help them achieve sustained independence. Intermediaries help companies in the following manner:

- Intermediaries prepare welfare recipients for work by offering basic job readiness training including computer skills and basic skills necessary to survive in the work environment -- how to show up to work on time, how to interact with your supervisor, how to dress for work, and how to handle crisis such as transportation and child care, that might interfere with work.
- Intermediaries offer business the opportunity to “try out” employees without actually hiring those employees.
- In the same vein, intermediaries can screen employees for employers, so the employer doesn’t have to do the work.
- Finally, intermediaries can offer job follow-up or retention services to ensure that once an employer brings on a welfare recipient and invests in her, there is someone on the outside trouble shooting for her, counseling her, and ensuring that the relationship is a productive one for all involved.

Examples of three very different intermediaries follow:

Manpower, based in Milwaukee, Wisconsin, is a successful job placement agency with over 1200 offices around the country. Most Manpower offices currently conduct business in the suburbs. However, while there are jobs in the suburbs, Manpower has a severe shortage of people for those jobs. As a result, Manpower began opening branches in the inner-city and because they have met with success, are seriously considering a significant expansion in urban areas.

Manpower's business volume is not orders from customers, but is recruiting those who are job ready. If recruits lack specific job skills, Manpower will train them. However, Manpower does not provide basic education. People applying for placement through Manpower must be functionally literate as determined during the intake process, though a GED or high school degree is not required. Recruits are employees of Manpower until they are hired full time by an employer. Recruits are paid by Manpower while they are in temporary jobs, so both the employee and employer can assess each other. If there is a match, the recruit leaves Manpower for the new employer. About 40 percent of temporary workers end up in full-time permanent jobs. Manpower is paid only by the employer and will not take money from the recruit, including converted welfare benefits.

America Works, a small for-profit placement and support organization in New York, Indianapolis, and Connecticut has helped more than 10,000 welfare recipients find full-time private sector jobs. Recipients are hired permanently at an average wage of \$16,000 per year, including health benefits. The state of New York found that 81 percent of those placed by America Works are still off the rolls after two years.

America Works typically charges a state about \$5,400 per placement, and is paid in full only once a recipient is placed and remains in an unsubsidized job for seven months. When compared to the cost of \$21,000 per placement for New York City's Job Training Partnership Act program a private placement intermediary such as America Works could move about four times the number of people from the welfare rolls than the state-run programs at a considerable cost savings.

The Goodwill Job Connection in Sarasota, Florida and Lafayette, Louisiana is a small nonprofit that offers job placement and support services to chronically unemployed members of the surrounding community. The Goodwill Job Connection spends about \$1,500 per job placement compared to per person costs of about \$4,000 for the Florida's work-focused JOBS program. Since the program began in 1987, it has placed more than 1,000 people in jobs. Goodwill works hard to build relationships with local employers and, after providing its clients with basic job readiness and on-the-job work skills, places people permanently into unsubsidized jobs and offers follow-up support to make sure they stay in jobs.

Microenterprise

Microenterprise is a market-oriented, entrepreneurial approach to reducing poverty and welfare dependence by promoting self-employment. Based on successful lending projects in developing nations, U.S. microenterprise ventures tap the entrepreneurial talents of poor people, especially women, who face limited options in formal labor markets.

A microenterprise generally employs less than five people and is usually capitalized with under \$5,000. There are over 150 microenterprise projects in the United States that offer capital and training to small groups of low income people. Often, these projects rely on peer group pressure to achieve what are remarkably high loan repayment rates. The spread of the microenterprise movement, however, is impeded by scarce capital and technical support.

A corporation might make direct grants and loans to nonprofit groups that provide technical assistance, training, and credit to low income entrepreneurs. Or a corporation might directly offer technical assistance and training. Recipients would then attend technical and training classes and upon "graduation," receive the micro loan. Or a micro loan might go directly to a recipient who has previous work experience and a business plan.

A recent five year, multi-state study, the Self-Employment Investment Demonstration (SEID), found that self-employment, or microenterprise, attracts long-term welfare recipients, creates enduring businesses and new jobs, reduces welfare dependency, generates savings, and builds self-esteem, income, and assets. In fact, 79 percent of businesses started under this program are still operating after 2.6 years. Businesses as diverse as child care, jewelry repair, desk top publishing, and catering were created through SEID. The Corporation For Enterprise Development—a Washington, DC-based supporter of SEID—estimates up to 10 percent of all welfare recipients are candidates for self-employment.

Job Placement Vouchers to Build a Competitive Employment System

Job Placement Vouchers -- allowed under the new welfare law -- have been successfully used in many states with the education system and unemployment system. However, this concept has not yet been tried with welfare recipients. Job Placement Vouchers are coupons or vouchers financed by the states through the welfare block grant. Job Placement Vouchers would allow recipients to "shop" for employment services thereby stimulating the growth of the job placement market and improving service delivery through competition.

Recipients would give vouchers directly to vendors—private sector employers, government organizations, nonprofit and for-profit job placement organizations, microenterprise programs, and private sector employers—who would be paid for performance only, meaning placement in a full-time, private sector job for a minimum period of time.

By encouraging states to give Job Placement Vouchers directly to recipients, business benefits in

the following manner:

- Vouchers offer a **simple**, non-administrative method to receive a payment for hiring and keeping a welfare recipient in a job;
- Vouchers would **help** build a growing market for intermediary organizations which would, in turn, **create** a larger pool of job-ready welfare recipients for corporations to test and hire;
- Vouchers would **improve** service delivery through competition, reduce costs, and shrink bureaucracy;
- Vouchers would **empower** low income citizens by giving them the resources to choose their own job service providers where and when they need them.

The CEO Response to the President's Challenge

Mike R. Bowlin
Chairman and Chief Executive Officer
ARCO
Los Angeles, CA

ARCO is located in downtown Los Angeles. Through the ARCO Foundation, ARCO has sought to improve educational and employment opportunities in the LA urban core. ARCO invests in education and inner-city revitalization through grants that have supported literacy and math programs, training programs for inner city residents, and entrepreneurship programs for low-income women.

Barbara Turner
President
Boscart Construction
Washington, D.C.

Turner has been working closely with people on welfare for several years. Boscart Construction has sponsored several memberships for people on welfare in the Carpenters District Council Union Apprenticeship Program. For those who are not ready to join the union, Turner offers an internal program that has her journey level trade employees working side by side with welfare recipients, teaching them the skills they will need to obtain employment in the construction industry. Through her efforts, Turner has enabled more than twenty-five people to go from welfare-to-work.

Robert Lowes
CEO
Burger King
Miami, FL

Since 1989, Burger King has been helping children from disadvantaged families stay in school through Burger King drop-out prevention programs. Since its inception, this program has served 9,000 children, approximately 45 percent of whom were from families receiving AFDC.

Now, Burger King would like to expand its efforts with welfare families by helping recipients overcome the obstacles that prevent them from becoming productive members of the workforce. Burger King would like to pursue three strategies: First, Burger King is considering sponsoring community training and job readiness efforts. Second, Burger King is exploring partnerships with local child care and transportation providers to offer welfare recipients these services. Finally, Burger King would like to explore opportunities for welfare recipients to move up the career ladder once employed.

Carolyn Stradley
President
C&S Paving
Marietta, GA

Carolyn co-founded a program called the "Georgia Womens Business Initiative". The program was established in conjunction with Kennesaw College and is devoted to educating, training and emotionally preparing "hi-risk" women for employment. The program's focus is to teach these women the skills to become employable and teach them the skills that will ultimately make them employers. This program helps women on welfare, in prison, single mothers and women in corporate America who want to go into business for themselves.

As you know, Carolyn introduced you at an event in Stamford, CT this past October. Her dedication to empowering disadvantaged women stems from her own life experiences. At age eleven, Carolyn became an orphan. During her teenage years she was homeless and supported herself by working odd jobs while also attending high school. During her late teens she became involved with asphalt contracting work. In 1979 she left the company she was with, obtained a loan from the bank to purchase a dump truck and began her own asphalt construction business. Today she is the President of her own company which has annual revenues of over 5 million dollars. Carolyn's company paved the Olympic Track in Atlanta and the Georgia Dome.

Elliot F. Gerson
President
ETC w/CareerTrack
Boulder, CO
Washington, D.C.

ETC, the education, training and communications lifelong learning company and subsidiary of Tele-Communications, Inc. recently joined forces with CareerTrack, an established leader in personal and professional development training. Now called ETC w/CareerTrack, the company plans to build on CareerTrack's record of training more than 750,000 people per year in 900 seminars in more than 500 cities over four continents. Plans call for an expansion of the ETC product line and client-customized training programs as well as new delivery systems, including cable, satellite, corporate Intranets, and the World Wide Web, making them available anytime, anywhere. ETC w/Career Track works with Fortune 500 companies and believes that they can facilitate recruiting many of them into this effort. For your information, Tony Coelho is the CEO of this company.

Mitchell Fromstein
CEO
Manpower
Milwaukee, WI

Manpower is a successful job placement agency with over 1200 offices around the country. Most Manpower offices currently conduct business in the suburbs. However, while there are jobs in the suburbs, Manpower has a severe shortage of people for those jobs. As a result, Manpower began opening branches in the inner-city and because they have met with success, are seriously considering a significant expansion in urban areas.

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Robert Shapiro
Chairman & CEO
Monsanto
St. Louis, MO

In response to your welfare-to-work challenge to CEOs, Robert Shapiro and Monsanto have designed a four-city welfare to work pilot program. The pilot sites will be St. Louis, MO, Chicago, IL, Pensacola, FL, and Greenwood, SC. Monsanto believes it can offer welfare recipients clerical and support job opportunities, and can influence their contractors, vendors and suppliers to hire welfare recipients. Further, Monsanto will work with community organizations, offering leadership and donating supplies to help make community-based welfare-to-work efforts a success.

By November 1997, Monsanto expects to have identified and begun partnerships with 1-2 major contractors and 1-2 community organizations in each location. By April, they hope to find about 50 welfare recipients jobs. Monsanto would then evaluate its success and expand if successful.

Charles Martin
CEO
OrNda
Nashville, TN

OrNda is the second largest hospital corporation in the country with about 9 billion in revenues. OrNda would like to be a leader in the effort to employ people off of long term welfare. OrNda believes it can be a leader in this effort for two reasons: 1) OrNda hospitals are located primarily in inner cities, and 2) hospitals employ hundreds of people in entry level positions. OrNda would like to use its George Washington University Hospital, which they purchased in November of 1996, as a pilot for its efforts.

Rachel Hubka
CEO
Rachel's Bus Company
Chicago, IL

After taking a lien on her home, Rachel Hubka started Rachel's Bus Company in North Lawndale, one of Chicago's poorest neighborhoods. As she began to recruit drivers for her new company, despite high unemployment in the area, she could not find enough applicants who could meet the strict regulatory criteria for school bus drivers. As a consequence, Rachel's Bus Company began offering a free, comprehensive training program to drivers with no experience. The training program guides drivers through the entire screening and licensing process. It also demands a strict work culture based on pride and professionalism, including a dress code. Additionally, she offers employees financial performance incentives, and advancement opportunities into company management.

Rachel's Bus Company has been in Chicago for over six years and employs 100 drivers, most from the surrounding neighborhood.

Bill Esery
Chairman & CEO
Sprint
Kansas City, MO

Sprint began hiring people off of welfare in its headquarters in Kansas City through the Kansas City Full Employment Council -- a one stop shop offering GED training, basic job training, job placement and the like.

Last September, Sprint also donated an 800 number so that any employer in America can call to find out what he or she can do to help move people from welfare to work in their own communities. The White House is working with various non-profit organizations to staff a central phone bank for the toll free number as well as the National Governors Association to determine the best method of getting updated information on the various state programs.

Ben Cammarata
President & CEO

**T.J.X. Company
Framingham, MA**

TJX is the world's largest off-price apparel retailer with 596 T.J. Maxx stores and 466 Marshalls stores.

TJX has set up a working group to develop a program that will hire people directly from welfare. By the year 2000, Mr. Cammarata believes his company will have moved at least 5,000 people from welfare to work. T.J.X. hopes to set up pilot programs in Lynn, MA, Boston, MA and Charlotte, NC. They recognize that the issues they must address include: assimilation, transportation, child care, health care, and economic supplements.

**Gerald Greenwald
CEO
UAL Corporation
Chicago, IL**

Greenwald would like to take a leadership role in encouraging corporations to meet your challenge to provide employment opportunities for people on welfare. UAL will undertake their own internal study to try to develop a program that will meet this challenge.

**Jim Kelly
Chairman & CEO
UPS
Atlanta, GA**

UPS employs 290,000 domestic workers and is the largest employer of the teamsters in the nation. UPS has the highest paid workers in the transportation industry and is one of the largest employers of part-time workers, most of whom qualify for a health benefit package.

UPS is committed to employing workers both on welfare and at risk of ending up on welfare and is doing so through several avenues.

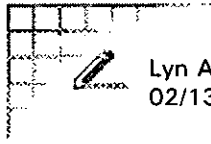
1) Through the 1994 School to Work Opportunities Act, UPS partnered with five colleges and local high school systems to help high risk students stay in school. As an incentive to stay in school, UPS offers students flexible, part-time jobs at \$8.00/hr with benefits along with the opportunity to earn community college credits without leaving the work site. UPS has initiated similar programs in Chicago and Kentucky and plans to expand to nine additional locations.

2) UPS became a member of the Student Work Consortium (SWC), a student recruitment program developed by the University of Texas and employers across the Dallas-Forth Worth area. Because the SWC was expanded to welfare recipients, UPS is providing part-time job opportunities with good wages and benefits to welfare recipients.

3) UPS aggressively and successfully uses the Targeted Jobs Tax Credit (TJTC). Over the past seven years, UPS has hired 25,655 TJTC qualified employees. UPS will continue its TJTC involvement through the Work Opportunity Tax Credit.

The President's Record On Welfare Reform

- There are roughly four million adults receiving cash assistance, or a total of 11,800,000 including children, down from a 1994 peak of five million adults or 14,200,000 people..
- The average welfare family size is 2.8.
- There are 2,251,000 fewer people on welfare than the day the President took his first oath of office. That is the biggest drop in the welfare rolls in history.
- Before the President signed the welfare reform bill, he worked with states to test reform strategies, giving 43 states waivers from federal rules to experiment with reforms that required work, imposed time limits, and demanded personal responsibility.
- The welfare rolls have dropped close to 40 percent in both Wisconsin and Indiana -- two states where we granted landmark waivers to launch welfare reform experiments.
- California, Florida, Illinois, New York, Ohio, and Texas have the largest welfare rolls, from 637,000 in Texas to 2,621,000 in California.
- Over the past four years, the Administration has toughened child support enforcement, increasing collections by 50 percent. That's about \$4 billion.
- As of January 21, 1997, 39 states had submitted TANF plans to the U.S. Department of Health and Human Services. Of the 39, 32 have been certified complete.
- The teen birth rate declined four years in a row by a total of eight percent between 1991-1995.



Lyn A. Hogan
02/13/97 12:07:20 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

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

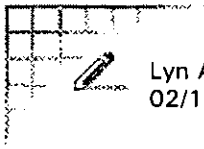
Subject: America Works Event

I met with Pete Collins, the Rep. from Coopers & Lybrand who is handling the welfare to work business survey they are conducting for us. We met to begin design of the questions and are moving forward quickly.

If you're interested, we can announce the fact that Coopers and Lybrand will conduct this study. They will begin business interviews on March 18 and will have results to share by mid-April. They'll write up and distribute a press release on the results, etc.

I'm structuring the questions to get some positive results -- I have some experience in survey design.

What do you think? I think we can announce it.



Lyn A. Hogan
02/13/97 04:03:33 PM

Record Type: Record

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

cc:

Subject: Coopers and Lybrand Survey, part 2

Per my earlier e-mail, I probably didn't give you enough information. You two gave me the go ahead to work with the Coopers & Lybrand rep. to draft welfare to work questions for their quarterly survey to small and mid-size companies. I met with Coopers & Lybrand this morning. We are going to go through a couple of drafts of questions and then share them with both of you. If you aren't happy with the questions, we can always cancel this exercise. However, once we approve the questions and they start their field work, we are committed.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. letter	SSN (Partial) (1 page)	02/06/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Elena Kagan
OA/Box Number: 14372

FOLDER TITLE:

Welfare - Welfare to Work - CEOs [3]

2009-1006-F
jm23

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Coopers & Lybrand

Coopers & Lybrand L.L.P.
a professional services firm

1301 Avenue of the Americas
New York, New York
10019-6013

telephone (212) 259-1000
facsimile (212) 259-1301

February 6, 1997

Lyn A. Hogan
Senior Policy Analyst
Domestic Policy Council
The White House

Dear Lyn:

We met at your luncheon talk last week to the National Business Incubation Association's board of directors. I'm a board member and past chair of NBIA.

In my day job I do a quarterly survey of 425 CEOs of America's fastest growing companies, the "Trendsetter Barometer." For the past 6 years we've tracked economic conditions and a range of business issues through the eyes of this elite group of role model companies, with results widely reported in the business press and electronic media.

As a result of your talk I've been thinking seriously about inserting a short series of questions about welfare-to-work into our next survey, which will be fielded at the end of March. In broad terms, the survey could determine the extent to which our panlists have hired welfare recipients, the reasons, the benefits and problems they've encountered, and suggestions for improving the program.

I didn't want to go off half-cocked, though, and do something that might not prove to be helpful to your efforts. I guess this is a way of saying that we'd be open to your advice in developing our questions. Our survey instrument would be stronger because of your inputs, and you might benefit from the market feedback.

I've enclosed our survey demographics and a recent press release, to give you a flavor for our material. If you'd like to explore this, I'd be delighted. My number is 212-259-4496. Thanks for your consideration.

Sincerely,

Pete Collins

Pete Collins

P6(b)(6)

[002]

cc: Dinah Adkins

*Bruce Elera -
What do you think?
I think we should
encourage him to do
it and help draft questions.*

Lyn

*Bruce Elera -
Sounds great to me
Elera*

Coopers
& Lybrand

Trend Setter

B A R O M E T E R

February, 1996

KEY DEMOGRAPHICS OF SURVEY PARTICIPANTS

EMPLOYEE SIZE

Range of 10 through
250+ employees

Median: 70 employees
Mean: 214 employees

Under 100 employees: 63%
100+ employees: 37%

REVENUE SIZE

Range of \$1+ million through
\$50 million-plus

Median: \$7.0 million
Mean: \$37.7 million

Under \$10 million: 63%
\$10 million or more: 37%

INDUSTRY SEGMENTS

Product	44%
Trade	12%
Service	44%

PRIOR 5-YEAR GROWTH PATTERN

Median: 798% growth
Mean: 1,796% growth

Under 1,000%: 58%
1,000%+ 36%
Not reported 6%

Coopers & Lybrand L.L.P.

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Coopers
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B A R O M E T E R

FOR IMMEDIATE RELEASE

Contact: Pete Collins
(212) 536-2166

**EASTEST GROWING COMPANIES TOUT INFORMATION TECHNOLOGY'S
EFFECT ON BOTTOMLINE. COOPERS & LYBRAND L.L.P. FINDS**

Firms To Boost Tech Spending

Coopers & Lybrand's "Trendsetter Barometer" interviewed CEOs of 434 product and service companies identified in the media as the fastest growing U.S. businesses over the last five years. The surveyed companies range in size from approximately \$1 million to \$50 million in revenue/sales.

NEW YORK, August 27, 1996 -- CEOs of America's fastest growing companies are touting information technology's positive effect on their businesses -- and are allocating an ever-greater portion of their operating budgets for computers, software, networking systems and other IT essentials, according to a just-released Coopers & Lybrand "*Trendsetter Barometer*" survey.

Ninety-six percent of the nation's fastest growers say computers and information technology (IT) were important to their profitable growth over the last two years -- and 93 percent say IT has met their expectations for increased corporate productivity. What's more, fully 71 percent of all "*Trendsetter*" CEOs say IT will add more value to their operations over the next 12 months. That's well above the 62 percent expressing such confidence two years ago. Product sector growth firms are more convinced of IT's value than their service sector counterparts: three in four product firms (76 percent) expect an increase in value derived from IT,

Coopers & Lybrand L.L.P.

-more-

a professional services firm

up from 61 percent two years ago. That's compared to 69 percent of service firms, up from 62 percent.

Growth firms' annual investment in computers and IT has grown to 5.66 percent of overall operating budgets, Coopers & Lybrand reports. Service companies spend on IT at a higher rate than those in the product sector -- 6.72 versus 4.95 percent of overall operating budgets. Over the next 12 months, "*Trendsetter*" growth firms expect to boost their level of investment in computers and IT to 6.28 percent of overall operating budgets -- an increase of 11 percent.

"Clearly, CEOs' expectations of the business value derived from computers and IT have risen significantly in recent years, as illustrated by greater levels of spending," says Don Warren, Coopers & Lybrand's national director of Computer Assurance Services, based in New York. "In the last several years, growth firms in the service sector have reported spending more -- and benefiting more -- from IT than have their product sector counterparts. Today, our findings show a surge in business value expectations from the product side, where applications are sometimes more complex."

A Technology Edge Over Rivals

A majority of "*Trendsetter*" CEOs (56 percent) believes they have an information technology edge over their competitors, Coopers & Lybrand reports. More service than product firms say they have such an edge -- 59 percent versus 54 percent.

These technology-savvy "*Trendsetter*" firms tend to have fewer employees -- but more revenue -- than their peers without a technology edge, Coopers & Lybrand says. The former have productivity output twice as large in terms of sales per employee: \$174,000 versus \$88,000.

"Among fast growers who profess a technology edge, three-fourths (75 percent) use client/server distributed information systems," Warren notes. "Just 55 percent of firms that don't feel they have a competitive technology edge use client/server systems," he adds.

Three-fourths of technology-savvy growth firms update their technology on an annual basis or more frequently -- and 41 percent do so continuously. These firms have disproportionately large technology expenditures: 6.81 percent of their operating budgets, compared to 3.78 percent for the group that says it lacks a technology edge over competitors.

How Growth Firms Use IT

Nearly eight in 10 growth firm CEOs (79 percent) say systems that handle accounting functions -- including payroll, tax and bookkeeping -- play a very important role in their companies. Other systems cited as important are those that handle order entry and billing, mentioned by 62 percent of growth CEOs; financial analysis and cash management, mentioned by 53 percent; sales information, by 47 percent; and inventory control, cited by 38 percent of "Trendsetter" chiefs.

More than eight in 10 growth firms (86 percent) now have one or more Local Area Networks (LANs) -- compared with 77 percent two years ago, Coopers & Lybrand says. LANs are more prevalent among service firms than product firms -- by a margin of 91 percent to 82 percent.

Overall, 71 percent of "Trendsetter" companies have client/server distributed information systems -- up from 53 percent two years ago. More service sector than product sector firms have client/server systems: 76 percent compared to 68 percent.

"More than three-fourths (77 percent) of growth company chiefs express concern about information security," Warren notes. "This number remains the same as in Coopers & Lybrand's 1994 survey, but the number of 'Trendsetter' firms citing it as a major concern rose to 30 percent overall -- up from 22 percent two years ago," he explains. Major concern was more prevalent among service than product firms -- 35 percent versus 27 percent.

A majority of "Trendsetter" CEOs (56 percent) now has documented disaster recovery plans for IT emergencies, up from 48 percent two years ago. More service firms than product firms have such plans -- 63 percent to 51 percent.

"These survey results support what we have found in our work on behalf of clients: that concern about the security of electronically-transmitted information and worries about resuming business operations after a disaster continue to be at the forefront of IT issues claiming management's attention," says Warren.

Coopers & Lybrand's "*Trendsetter Barometer*" is developed and compiled by the firm's Entrepreneurial Advisory Services (EAS) group with assistance from the opinion and economic research firm of Business Science International. At each Coopers & Lybrand office, an Entrepreneurial Advisory Services team is available to serve the needs of growing and midsize companies.

One of the world's leading professional services firms, Coopers & Lybrand L.L.P. provides services for enterprises in a wide range of industries. The firm offers its clients the expertise of more than 16,000 professionals and staff in offices located in 100 U.S. cities and, through the member firms of Coopers & Lybrand International, more than 70,000 people in 125 countries worldwide.

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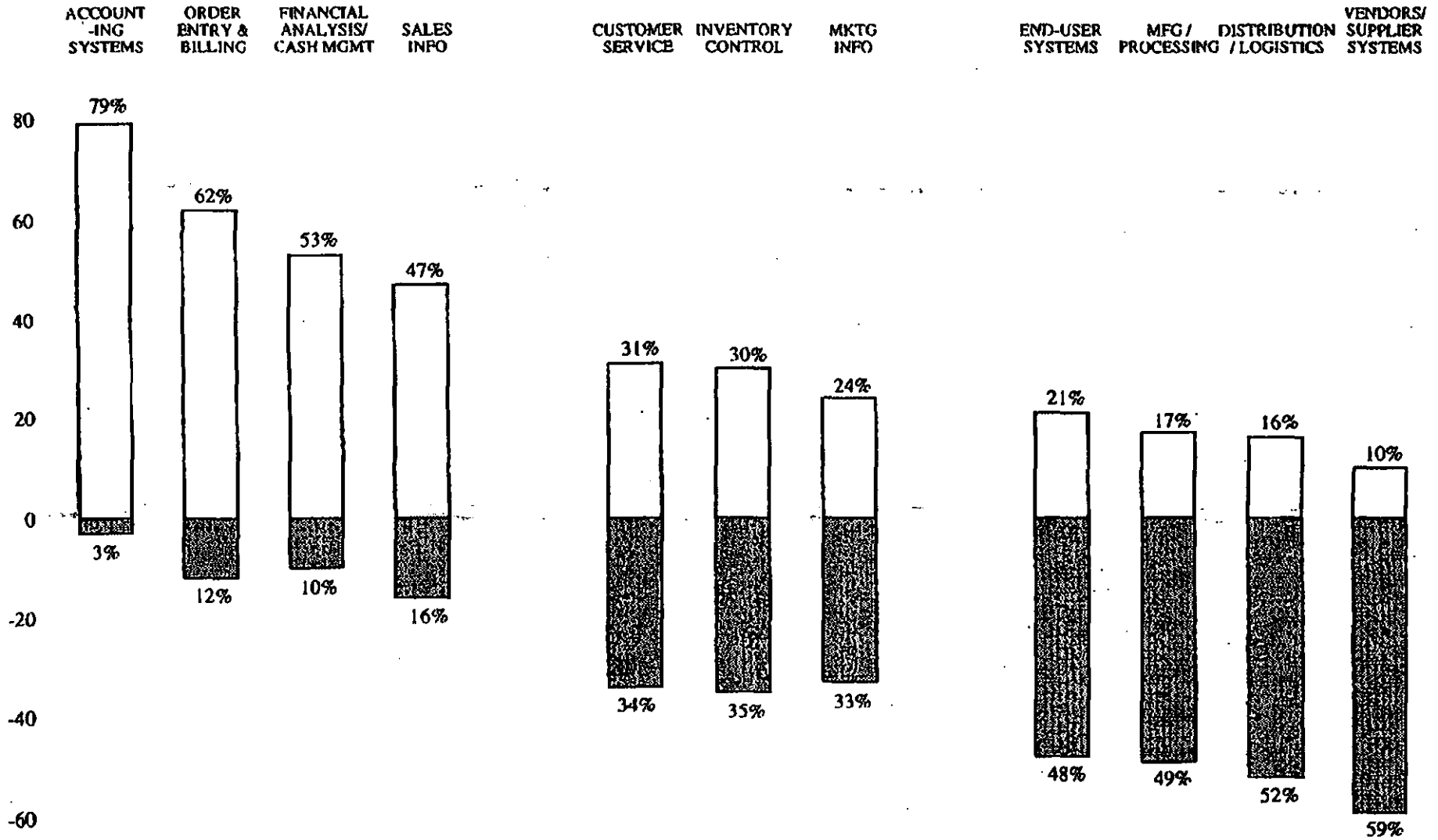
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(Charts attached.)

If you would like to learn more about Coopers & Lybrand L.L.P., our Internet address is:

<http://www.colybrand.com>

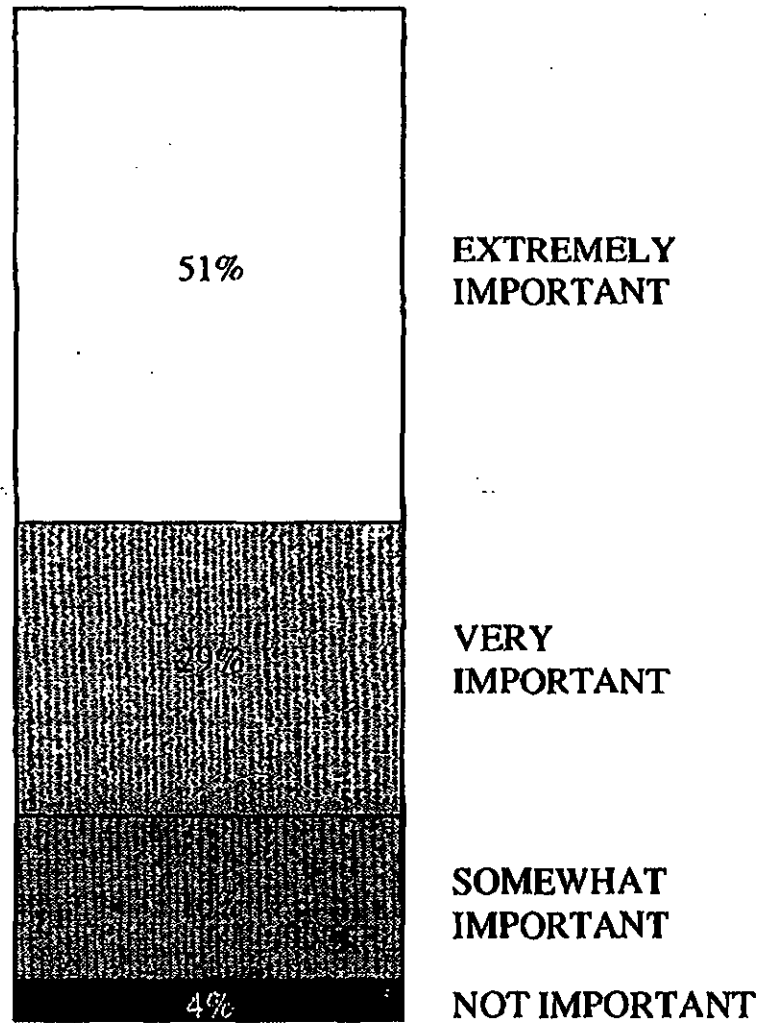
HOW FASTEST GROWING U.S. COMPANIES USE INFORMATION TECHNOLOGY



VERY IMPORTANT
 NOT IMPORTANT



HOW IMPORTANT HAS INFORMATION TECHNOLOGY BEEN TO THE SUCCESS OF "TRENDSETTER" COMPANIES?



Coopers & Lybrand

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9-110

extension

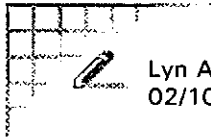
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message:

please telephone

if this fax is incomplete or illegible

Notice: If the reader is not the specified recipient of this confidential fax transmission, you are hereby notified that



Lyn A. Hogan
02/10/97 03:32:57 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

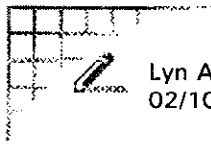
cc: Rahm I. Emanuel/WHO/EOP, Elena Kagan/OPD/EOP, Cheryl M. Carter/WHO/EOP, Michelle Crisci/WHO/EOP

Subject: Eli Segal

FYI, I just spoke with Eli re: the CEO effort. He got a call from Melanne about the possibility of doing the UPS event in New York. Eli wants me to relay that he thinks it is premature to do anything with the CEOs or on the CEO entity yet until he's made further progress. He has had one meeting with the corporate reps. and will be meeting again in two weeks with them, but they have a lot of work to do before going public, even in an indirect way.

Eli is also worried that if the CEO effort becomes too tied to the White House right now, he might not be able to get nonprofit status. He thinks he'll be ready with specifics -- business plan, staff, etc. -- in three to four weeks.

Bruce, I mentioned to Eli that you had some event ideas other than UPS and he urged you to go ahead with one of those.



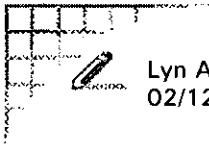
Lyn A. Hogan
02/10/97 06:24:39 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Eli Segal

Just spoke to Eli regarding the CEO effort. Melanne Verveer had talked to Eli about doing the event with UPS in NY. Eli is opposed to any event with the CEOs at this point because he is not far enough along in the planning process. He thinks taking part in an event and/or the Business Enterprise speech would be jumping the gun and he'd rather not do anything until he's ready.

Eli fears that if this group is tied too closely to the White House before it is up and running that he may have trouble getting the nonprofit status. He expects to be ready to go with something in three to four weeks.



Lyn A. Hogan
02/12/97 10:14:25 AM

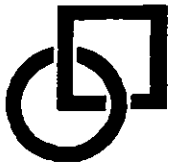
Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc: Elena Kagan/OPD/EOP, Cheryl M. Carter/WHO/EOP

Subject: Tuesday's Welfare Event

To fix the tiff between the White House and Marriot, does it make sense to invite a Marriot rep. to the NY event and announce that Marriot is joining the CEO effort as well? Or, if we don't go to America Works, we could visit a Marriot and talk with welfare recipients that have gone through their program? It would be nice to work them into the event somehow.



Families and Work Institute

Ellen Galinsky
President

Bruce / Elera -
This sounds like
a good opportunity.
What do you think --
Should I go? (or maybe
we should
Lyn pass to Eli)

February 20, 1997

Lyn Hogan
Senior Policy Analyst
Domestic Policy Council
The White House
217 OEOB
Washington, DC 20502

Dear Lyn:

I am writing to follow-up on your conversation with Amy Rabinowitz to officially invite you to attend the next meeting of The Employer Group. The Employer Group is sponsored by the Families and Work Institute, funded by the Pew Charitable Trusts and the Carnegie Corporation of New York, and co-chaired by senior managers at Marriott International and J.C. Penney. Its mission is to collect and share information on the work-family needs of low-wage and entry-level employees and employers' responses to those issues. Its membership consists of 25 major corporations (including Marriott, J.C. Penney, ConAgra, Burger King, Aetna, McDonald's, Hyatt, Levi Strauss and Pizza Hut) and one government agency (GSA). These are all companies that have committed to honest dialogue and to examining business and public policy in an effort to work together in a creative collaboration.

The fourth meeting of the council will be held in Miami on March 20 and 21. A major focus of the agenda will be a discussion of welfare reform and how it will effect the way these companies do business, how they think about recruiting and training, and their responsibility to this potential new pool of employees. They will spend the first day discussing benefits policies that provide assistance to the low-wage workforce, innovative company training programs that focus on the welfare-to-work population, and their current and potential responses to federal policy changes.

We invite you to attend the meeting on the second day, Friday, March 21, from 9:00 - 11:30 (there is some flexibility to make this a little later in the morning if necessary.) We propose that the session could be like a focus group --- these representatives are people who have important insights into the practical concerns of the business community from the point-of-view of those who work daily on human resources, work-family, diversity, and training issues. The managers of The Employer Group, FWI Vice President Terry Bond and Program Director Amy Rabinowitz, would be pleased to work with you before the meeting to help shape the questions

that you would like to raise with the members. We guarantee that the members will be very honest and vocal about their concerns, and would provide you with interesting, important feedback.

I am faxing information on both The Employer Group and the Families and Work Institute with this invitation. I hope that you will be able to join us. We look forward to the opportunity to help with this public-private dialogue.

Please contact Amy Rabinowitz at (212) 465-2044, ext.232 with any questions.

Thank you for considering this invitation.

Best wishes,

A handwritten signature in black ink that reads "Ellen Galinsky". The signature is written in a cursive, flowing style.

Ellen Galinsky
President

EG:apr



Families and Work Institute

Mission and Activities

Families and Work Institute is a national non-profit research, strategic planning, and consulting organization dedicated to conducting policy and worksite research on the changing workforce and changing family/personal lives. We:

- identify the emerging issues for all workers—considering the entire life cycle, from prenatal and child care to elder care, and all levels of employees, from managers to assembly-line workers
- benchmark work-family solutions to problems across all sectors of society—business, education, community, and government
- evaluate the impact of solutions on employees, their families and employers' productivity

Families and Work Institute identifies issues and solutions and forecasts future trends through three major activities:

Policy and Worksite Research. The purpose of our work is to conduct reliable non-partisan research to inform decision making where there is much debate but little concrete information. For example, we study the impact of state, business and community efforts to improve the quality of early education and care and to make child care more affordable, and the gaps in business and government policies designed to help caregivers of the elderly. Our *National Study of the Changing Workforce*, conducted first in 1992 (to be repeated every five years), analyzes a nationally representative sample of U.S. workers, offering insights into the realities of work and family life and the intersection between the two.

Strategic Planning and Consulting. Families and Work Institute advises business, government and community organizations on the design, implementation, and evaluation of work-family solutions. We help government create public-private partnerships. We offer technical assistance to communities to help with the process of planning for system change to improve the quality of family support services. Over the years we have helped companies develop child care funds, flexible schedules and family leave policies. More recently we have begun working with companies to understand the connections among their culture, their work processes, their business goals, and the work-personal life balance of their employees.

Dissemination. Each year, Families and Work Institute produces as many as a dozen new research reports and other publications. Our annual work-family conference, held in conjunction with The Conference Board, tackles cutting edge issues and trends, and attracts several hundred companies.

Our research staff helped shape the work-family/personal life field. We have served as a broker in bringing together various stakeholders and have worked collaboratively with them to move issues forward and effect meaningful change. Funding for Families and Work Institute comes from the country's major foundations and corporations.

THE EMPLOYER GROUP

The Employer Group is a project of the Families and Work Institute, with grant support from The Pew Charitable Trusts and the Carnegie Corporation of New York, co-chaired by a representative from Marriott International and one from J.C. Penney. This group focuses on the work-family concerns of low-wage and entry-level workers. The Employer Group will explore and challenge the way that major corporations and policymakers address the family needs of their lower-income employees, identify key work-family issues for these workers, and explore innovative strategies for addressing their needs. This Council is the next step in the evolution of the work-family field --- to create champions for the needs of the low-wage workers.

Most research, including FWI's *National Study of the Changing Workforce*, has shown that work-family assistance is much more readily available for highly educated and highly compensated employees than their lower wage counterparts. At the same time, the growth in this segment of the national workforce is outpacing all other groups. Even workers who earn competitive wages find themselves challenged to make ends meet. Finding child care and other family services needed to become self-sufficient is particularly difficult.

The 25 major corporations and one government agency that are current members of this council have convened three times, and will meet three more times over the next eighteen months for discussion, debate, and brainstorming about policies and programs. Families and Work Institute prepares the background information and leads the discussions; where appropriate, pre-eminent academics and policy makers may brief the group. Additionally, FWI will:

- Review both its own data from *The National Study of the Changing Workforce* and other research to assess current availability and usage of employer and government programs by low-wage workers.
- Consider options open to employers that can particularly impact on this segment of the workforce and creative uses of the limited resources available.
- Hypothesize about whether the demographics of low-wage workers impact on child care usage and decisions.
- Identify potential areas for action that might be fostered through public/private partnerships.

Based on the discussions and additional research, Families and Work Institute will produce several papers, articles, and other publications over the next two years. At present, there is no other public information available and membership is limited to the current participants.

THE EMPLOYER GROUP

Mission Statement

Mission

The mission of The Employer Group is to collect and share information on the work-family needs of low-wage and entry-level employees and employers' responses to those issues. By working collaboratively to encourage heightened awareness of work-family issues, employers will be able to attract and retain these important employees and help them to be fully productive at work.

Goals

The Employer Group will:

- increase our mutual understanding of the work-family needs and pressures on the low-wage and entry-level workforce
- work together with the Families and Work Institute to assess current and potential roles and strategies that address the work-family needs of low-wage and entry-level workers, with special emphasis on child care
- disseminate its findings to other interested audiences including both corporate and public policymakers.

Strategies

The mission will be accomplished by:

- identifying key work-family issues
- understanding how the particular work-family needs of low-wage and entry-level workers differ from those of other segments of the workforce
- understanding the unique communications issues involved in addressing the needs of these employees
- developing an understanding of the vital role that child care issues play in the lives of the workers
- bringing in experts to share current thinking that informs and educates the Group
- identifying and sharing "best practices" and creatively investigating new approaches that can have the most positive impact on recruitment, productivity and retention of low-wage and entry-level workers
- understanding the full complement of public resources and programs available to support the work-family needs of these employees.

I would like to become a Business Partner in The Welfare to Work Partnership. I understand there is no fee for participation.

Yes, my business has hired/pledges to hire at least one person from public assistance without displacing current workers.

Yes, I give permission for The Welfare to Work Partnership to include my company as a Business Partner in materials developed and distributed by The Partnership. I have provided a primary contact name.

Yes, I am willing to mentor another business seeking to hire individuals from public assistance.

Please send me additional information about The Welfare to Work Partnership before I join.

The Partnership would like to know more about your firm. In addition to providing the information below, please attach a brief summary of your experience with hiring welfare recipients.

Primary Contact Person _____

Title _____

Company _____

Address _____

City, State, Zip _____

Country _____

Phone _____

Fax _____

E-Mail Address _____

Name of CEO _____

Type of Industry/Product/Service _____

Number of Locations _____

Number of Employees _____

Corporate Web Site _____

Primary Scope of Business Activity:

(circle one) Local State Regional National International

Signature _____

Date _____

Since the signing of the 1996 welfare reform bill, millions of former welfare recipients are in the process of seeking gainful employment. At the same time, economic conditions in America have been improving dramatically. Inflation is in check. And the unemployment rate has remained low. In fact, companies are unable to fill many entry-level positions because of a shortage of qualified workers. The Welfare to Work Partnership was created to help companies reach a new workforce and fill this need.

WRP wk-CEOs

THE WELFARE TO WORK PARTNERSHIP

A smart solution for business.

THE WELFARE TO WORK PARTNERSHIP

1250 Connecticut Avenue, NW, Sixth Floor
Washington, D.C. 20036
Tel. 202-955-3005 Fax 202-637-9195

"I believe that every employer who has ever said a disparaging word about the welfare system. . . should be challenged to assume the responsibility to help be a part of the solution. I'm convinced that the only way the states are going to be able to move large numbers of people to work in a short time is with a partnership with the private sector."

*President Clinton, Southern Governors' Association
Kansas City, MO, September 10, 1996*

Who We Are The Partnership is a nonpartisan, nationwide effort designed to encourage and assist private sector businesses with hiring people on public assistance. It was formed on May 20, 1997 by the following companies: Burger King, Monsanto, Sprint USA, United Airlines and UPS. In just a few months, however, The Partnership has expanded to hundreds of companies, known as Business Partners. Over 70% of them are small- to medium-sized firms.

A Smart Solution For Business Our businesses believe there are many sound reasons to hire former welfare recipients. They are ready, willing and able to work. They have a sense of pride and service that can help increase productivity among all employees. Ultimately, this will improve a company's bottom line. As a community's welfare dependence declines, the local economy improves, since prosperity increases demand for goods and services. Most of all, participation in The Partnership positions you as a company that cares deeply about families and their communities.

What the People Say "Now that I am working at UPS, my self-confidence and self-esteem are taller than the Empire State Building. Going from Medicaid to full benefits and from \$98.50 every two weeks to \$150 a week is like climbing a mountain with your head held high," *Pamela Brown, UPS employee.* "Our goal is the long-term success of moving welfare recipients into the workforce, and that means looking at long-term needs— training, wages and the transition into the workforce. We are not concerned with throwing jobs abstractly at people but with developing productive, loyal, long-term employees," *Gerald Greenwald, Chairman and CEO, United Airlines.*

What We Can Provide The Partnership publishes and disseminates "Blueprint for Business," a do-it-yourself guide to executing a welfare-to-work program. It is also developing a database of companies as well as service providers who link businesses to work-ready individuals. Business Partners will receive continuously

updated lists of these service providers. A national newsletter is distributed to all Business Partners. There are also seminars and community events that highlight successful companies in the program. Any businesses, service providers and communities who show exceptional leadership within The Partnership will be formally recognized at award ceremonies throughout the country. Finally, as a Business Partner, your company will be associated with the most successful and most progressive firms across America.

How To Become Involved Membership in The Welfare to Work Partnership is extended to companies who have hired or are committed to hiring welfare recipients without displacing current workers. To become a Business Partner or receive additional materials, please complete and mail in the attached form. Or you can call The Partnership at 1-888-USA-JOB1. If you prefer, you can visit our Web site at www.welfaretowork.org.