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American Federation of Labor and Congress of Industrial Organizations



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STATEMENT BY THE AFL-CIO FOR THE WORKING GROUP ON

Frank Hurt

WELFARE, FAMILY SUPPORT AND INDEPENDENCE

Throughout its history, the AFL-CIO has advocated passage of legislation designed to protect the poor and assist them in becoming self-sufficient. We recognize that the well being of our members, and workers in general depends on a society where all Americans share in the dream of being able to find work and to care for their families. We therefore applaud President Clinton's commitment to assist families in becoming self-sufficient and free of welfare.

At the same time, we believe that the Administration's welfare reform initiative must be undertaken in conjunction with aggressive job development and worker training programs to avoid large scale placement in dead-end work assignments which will continue to leave families dependent on public programs.

The laudable goal of redirecting the welfare system so that it assists people in becoming self-sufficient will be a difficult task following a decade when the majority of Americans have been faced with smaller pay checks, reduced educational opportunities for their children, poorer health care, less adequate housing and fewer opportunities for career advancement. Many workers have been forced from good paying jobs to minimum wage employment with no benefits. Too many others have ended up in unemployment lines.

The effect of this downgrading of both the supply and quality of jobs has halted the traditional progression of a portion of welfare recipients into entry level jobs, as many of those jobs are now held by victims of the nation's eroding industrial base. This will make the goal of expanding the job market sufficiently to accommodate all welfare recipients within a two year period, a worthy but difficult challenge.

As your efforts to create programs which will move people off public assistance and into jobs moves forward, many American workers are becoming

increasingly fearful that they will lose their jobs to those moving from welfare to work. We urge you to dispel these fears (and potential opposition to your efforts) by stating your assurance that the jobs of current workers will not be jeopardized as we work together to bring new and displaced workers into the workforce.

In regard to the four core principles guiding the Working Group development of Welfare Reform, we have the following comments:

- 1. We applaud your leadership and recent success in expanding the earned income tax credit to ensure that no full-time worker be forced to live in poverty. Enactment of the expanded credit must now be accompanied by expansive efforts to ensure that it is received by those who are eligible.
- 2. We strongly support your efforts to improve Child Support Enforcement. We favor initiatives which enlist law enforcement agencies and the Internal Revenue Service in the collection of child support payments and take appropriate steps against those parents who refuse to pay. For those parents who are not paying child support because they are unemployed, every effort should be made to give them access to employment and training programs and to suspend any sanctions that otherwise would be imposed on them.
- 3. Education Training and Service Programs to help people get off and stay off welfare should have the necessary personnel to provide or locate child care services, legal services, job training and education. They should place people in jobs that provide health care, whenever possible, and be available to provide on-going support after a person is placed to ensure job retention. All training programs should employ job developers to work with the local business and labor communities to identify employment opportunities for participants.

We recommend revising current policies which require people who are out of work and unable to feed their families to remain that way for years before they fit the narrow definition of being "truly needy" and only then qualify for help from JTPA or the JOBS program. Common sense tells us the longer people suffer the more difficult their problems become and more complicated and expensive they are to solve.

We caution against setting up job and service programs based on the arbitrary categorization of people and recognize that in this economy the newly unemployed, the long term unemployed and the never employed all need help to become self sufficient. We should identify

successful programs such as 'Cleveland Works' in Cleveland, Ohio which serves welfare mothers, unemployed men and high school dropouts and has an 85% to 90% job retention rate. Successful programs like this should be given political support, media attention, uncomplicated access to federal and state funding and be duplicated around this country.

4. The fourth principle of "Creating a Time Limited Transitional Support System followed by work" says that "those who cannot find jobs should be provided with work and expected to support their families." Work that pays enough so someone can support their families is by most definitions a "job," so we question what activity is intended here.

And although we applaud the goal of enabling welfare recipients to become self sufficient within a two-year period, we question the ability to both develop enough new jobs and train workers sufficiently in this time span to warrant the imposition of such an arbitrary schedule and urge therefore that more flexibility be applied with respect to this objective.

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STATEMENT BY MARY LOGAN ASSISTANT DIRECTOR OF EMPLOYEE BENEFITS DEPARTMENT AFL-CIO BEFORE THE HUNGER FORUM: AGENDA FOR THE FUTURE

I have been asked to direct my remarks to the question of how we re-direct government programs so they more effectively return the newly unemployed to self-sufficiency.

I recommend the following:

First, we should revitalize the Unemployment Insurance system so that it fulfills its goal of providing adequate wage replacement while a person finds a new job or is called back to the old one. The program currently covers a mere 1/3 of the unemployed and pays, on average, about 40% of former wages --- an amount totally insufficient to keep a family on its feet and out of poverty.

Second, we should adequately fund and properly staff state Employment Service offices so they become something more than a place to go to be told there are no jobs available. These offices and all job programs should employ professional job developers who aggressively work with business in the community to locate job opportunities. They should provide guidance counseling, testing to see what a person's strengths are and matching them with an employer or referring them to an appropriate training program. At the present time, less than 3% of those going to an Employment office get any guidance at all.

Third, we should remove the harsh and unreasonable eligibility restrictions that prevent millions of the unemployed from getting any help whatsoever. The Food Stamp Program, for example, is not available to unemployed workers and their families if the family has over \$1,500 in resources and a car or truck with a market value exceeding \$4,500. The enactment of the Leland Act will help alleviate the situation somewhat.

Fourth, we should realistically address the fact that mothers and fathers who are out of work and poor will simply not be able to return to work or receive training if they do not have help with full day, full year child care. A minimum wage job pays \$8,840 a year. Child care costs can be \$4,000 to \$5,000 a year per child. The Child Care and Development Block Grant of 1990 and transitional child care in the Family Support Act is designed to provide assistance to those with little or no income but it must be adequately funded and effectively and fairly administered.

Fifth, we should stop requiring that people who are out of work and unable to feed their families have to remain that way for years before they fit the criteria of being "truly needy" and only then qualify for help from JTPA or the JOBs program. Common sense tells us the longer people suffer the more difficult their problems become and more complicated and expensive they are to solve.

Sixth, we should stop assuming that a large portion of welfare recipients will be able to move off the rolls into entry level jobs and remember that many of those entry level jobs are now filled by steel workers or machinists or other skilled trades-persons who have become victims of our nations eroded industrial base.

And finally, we should recognize that in this economy the newly unemployed, the long term unemployed and the never employed all need help to become self-sufficient. We should identify successful programs such as 'Cleveland Works' in Cleveland, Ohio which provides on-site child care, legal services, training, education, placement in jobs that provide health care and has an 85% to 90% job retention rate. Successful programs like this should be given political support, media attention, uncomplicated access to federal and state funding and be duplicated around this country.