

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eugenia Chough (CN=Eugenia Chough/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 6-DEC-1999 17:02:18.00

SUBJECT: Comments on Econ Report, Chap 5, Families

TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

CC: Ann O'Leary (CN=Ann O'Leary/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

CC: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

CC: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

CC: Andrew R. Feldman (CN=Andrew R. Feldman/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TEXT:

Here are our comments on the "The Changing American Family" chapter of the Econ Report. New language is in CAPS, and suggested deletions are struck out. Please let me know if you have questions. Thanks!

Page 1, 1st paragraph -- What is the rest of the breakdown in families? You mention that nearly 1/2 live in "two-earner nonfarm families" and more than 1/4 live in "single parent families" -- does this mean that the remaining quarter live in a family situation like the 1900s' "two-parent rural family where the father [is] the breadwinner and the mother [is] a homemaker"?

Page 2, 1st graph, sentence 6: "As we approach...marriage remains a fairly universal experience..." and bottom of page 4, "Throughout the century over 90 percent of all women aged 55-64 have been married at some point, and in 1997, that proportion stood at 95.3%." While this is an interesting and longer-term way to look at this issue, doesn't it miss decrease in marriage among those currently under 55. It also seems to conflict with a nearly 4-fold increase in single parent families shown on p. 3, which is what most people focus on when they think about the decline in marriage. I think our credibility on this issue may be questioned if we lead with the statement that marriage remains fairly universal.

Page 3, section on "Women in the Workforce" -- The sentence indicating that more women are living independently prior to marriage "leading to greater labor force attachment that could conflict with family obligations" has a negative connotation suggesting that attachment to the labor force is not helpful. Could you re-phrase to say that the attachment to the labor force "could impact family obligations traditionally assumed by women."

Page 4, section on "Family Formation and Dissolution" -- It would be very powerful if you could paint a picture up front of the changing nature of the American family (much of which is discussed later in the chapter). For example, I would move the section on "the role of grandparents" from the "elder care" section to this section. Grandparents raising children is more of a dynamic of the changing formation of families than an issue

of elder care.

Page 6, last sentence of top graph: Delete "famous".

Page 6-7, same section: The discussion of "individuals choosing to live together outside of formal marriage," does not appear to include information on domestic partners of the same sex. According to the Human Rights Campaign WorkNet, "From 1994 to 1998, the number of married couple households in the US increased by just 2 percent, while the number of unmarried partner households increased by 11 percent. In 1998, there were 5.9 million people in the US living with a domestic partner. Of these, approximately 28 percent, or 1.7 million people, were in same-sex relationships." It would be helpful to add in the changing patterns of recognized same-sex domestic partnerships.

Page 7, 2nd graph. In general, we suggest using the latest available data and using data from a consistent period. Also, this long-term perspective overlooks the fact that the trends in out of wedlock childbearing have leveled off in the past fews and there have been historic drops in teen birth rates in recent years. Here are some suggestions,

"Then number of births per 1,000 unmarried women aged 15-44 increased from 7.1 in 1940 to 46.9 44 in 1994 1997. [Note for CEA -- source is NCHS National Vital Statistics Report on Birth and Death Data, 10/99. You may also want to refer to NCHS Stephanie Ventura's testimony on this subject for a more historical perspective -- I'll fax to you.] The rate for black women...a decline to 75.9 73.4 in 1994 1997. The rate for white women aged 15-44 increased most precipitously after 1980, rising from 17.6 to 37.5 25.9 in 1995 1997. [Note for CEA -- what about Hispanic women/girls? THE RATE FOR UNMARRIED HISPANIC WOMEN WAS 91.4 IN 1997] The percent of births to unmarried women of all ages...32.6 32.4 in 1994 1997....The percent of births to unmarried teens rose from 31.9 percent to 75.7 78.2 percent over the period 1970-1994 1997. From 1980 to 1990 1997 the birth rate to teens aged 15-19 climbed DECREASED from 53.0 to 59.8 52.3 (per 1,000) teens); the unmarried teen birth rate rose from 16.5 to 30.6 25.9 for whites and DECREASED FROM 87.9 to 106.0 86.4 for blacks over the same period... [Note for CEA: THE HISPANIC TEEN BIRTH RATE was 75.2 in 1997.] HOWEVER, IN MORE RECENT YEARS THESE TRENDS ARE IMPROVING. TEEN BIRTHS HAVE DECLINED NATIONWIDE BY 18 PERCENT FROM 1991 TO 1998, AND HAVE FALLEN IN EVERY STATE AND ACROSS ETHNIC AND RACIAL GROUPS. FOR GIRLS AGES 15-17, THE 1998 BIRTH RATE IS AT ITS LOWEST IN FOUR DECADES. IN ADDITION, TEEN PREGNANCY RATES ARE AT THE LOWEST SINCE WE FIRST BEGAN COLLECTING DATA IN 1976. IN ADDITION, THE BIRTH RATE PER 1,000 UNMARRIED WOMEN HAS DECREASED BY 2 PERCENT BETWEEN 1991 AND 1998.

Page 11, 2nd graph, sentence 1: The money crunch....is felt by difference family types for different reasons." This assertions seems to conflict with statement on previous page saying that the money crunch affects single-headed households and less educated households.

Page 11, 2nd graph, sentence 4: "Similarly, the median income of female-headed families has been nearly flat..." This statement appears to short shrift recent improvement such as 99 CPS numbers.

Page 12, 1st graph, sentence 2: "Corresponding to the family groups in chart 5-7, the share of families that are headed by a single parent has increased very significantly over time -- from xx percent in 1969 o 23 percent of all families." Is this 23% figure different than the 27% on page 8 and chart 5-6?

Page 13, 1st graph: Seems awkward to focus on cordless phones as opposed to phones in general.

Page 14, 1st graph, sentence 2: "...only 19.1 percent of single-headed households in 1998 are families" -- what does this mean?

Page 14, 1st graph: While fewer, the percentage of single-parent families headed by fathers has increased dramatically and should at least be mentioned.

Page 14, 2nd graph: Add to end of graph, "AND TOUGH CHILD SUPPORT ENFORCEMENT."

Page 14, 3rd graph, 3rd sentence: 44 percent versus 73 percent in 1993 statistic (on proportion of never married vs divorces mothers with support orders) doesn't seem to add. Also, do we have more recent #s?

Page 14, 3rd graph, 4th sentence: "Overall, roughly half of all women who are single parents receive public assistance". Is this a point in time -- if so, when?

Page 15, 1st graph, 1st sentence: "Reflecting these poor earnings..." This doesn't seem to flow with graph above which isn't about earnings. Also, revise to read, "... (though these poverty rates are based on A DEFINITION OF income that does not include FOOD STAMPS, EITC AND OTHER NON-CASH INCOME) ."

Page 17, 1st graph, sentence 3: Revise to read, "All TYPES OF families experiences a decline..."

Page 18, section on "Time Use and Parental Care" -- It might be helpful to add a discussion of the economic impact of long-term caregivers. In Monday's NYT (11/29) reported on a study released by the National Center for Women and Aging at Brandeis and the National Alliance for Caregivers, which reported that "two-thirds of those acting as caregivers for elderly relatives lose out at work by forgoing promotions, pay raises, and training opportunities."

Page 21, as mentioned above, I would suggest that you move the box on "the Role of Grandparents" out of the elderly care section and into the family formation section

Page 22, Please change header "Supporting Families AMERICANS in their Efforts to Balance Work and Family" [strictly editorial - to avoid saying Families twice]

Page 25, 1st graph under welfare reform section. We recommend replacing the first 2 sentences with:

"THE 1996 WELFARE REFORM LAW DRAMATICALLY CHANGED THE NATION'S WELFARE SYSTEM INTO ONE THAT REQUIRES WORK IN EXCHANGE FOR TIME-LIMITED ASSISTANCE. THE LAW CONTAINS STRONG WORK REQUIREMENTS, COMPREHENSIVE CHILD SUPPORT ENFORCEMENT AND SUPPORTS FAMILIES MOVING FROM WELFARE TO WORK. 27 STATES WERE AWARDED BONUS FUNDS FOR THEIR SUPERIOR RESULTS IN REFORMING WELFARE, AND RECENT STUDIES SHOW THE FOLLOWING FINDINGS:

MORE THAN 1.3 MILLION WELFARE RECIPIENTS NATIONWIDE WENT TO WORK IN JUST THE ONE YEAR PERIOD BETWEEN OCTOBER 1997 AND SEPTEMBER 1998. RETENTION RATES ARE ALSO PROMISING: 80 PERCENT OF THOSE WHO GOT JOBS WERE STILL WORKING THREE MONTHS LATER.

STATES ALSO REPORTED AN AVERAGE EARNINGS INCREASE OF 23 PERCENT FOR FORMER WELFARE RECIPIENTS, FROM \$2,088 IN THE FIRST QUARTER OF EMPLOYMENT TO \$2,571 IN THE THIRD QUARTER.

ALL 50 STATES MET THE WORK PARTICIPATION REQUIREMENTS, AND THE PERCENTAGE OF ALL WELFARE RECIPIENTS WORKING HAS NEARLY QUADRUPLED SINCE 1992, FROM 7 PERCENT IN 1992 TO 27 PERCENT IN 1998, WITH THE REMAINDER FULFILLING THEIR PARTICIPATION REQUIREMENTS THROUGH JOB SEARCH, EDUCATION AND TRAINING. INDEPENDENT STUDIES CONFIRM THESE CONCLUSIONS, FINDING THAT NEARLY 70 PERCENT OF RECIPIENTS LEFT WELFARE FOR WORK (URBAN INSTITUTE AND GAO).

The Administration's teen pregnancy initiative TO PREVENT TEEN PREGNANCY could also playS a supporting role by reducing the incidence of that particular source of strain IN BREAKING THE CYCLE OF DEPENDENCY AND INCREASING THE WELL BEING OF FAMILIES BY REDUCING THE NUMBER OF CHILDREN BORN TO TEEN MOTHERS.

Page 25, Box 5-2, first bullet: "The law supports ENCOURAGES the creation of Second Chance Homes, which SUPPORTIVE AND SUPERVISED LIVING ARRANGEMENTS THAT provide teen parents...The welfare law also provides \$50 million a year for five years in new funding for abstinence education programs. The Balanced Budget Act of 1997 provides funding for a national evaluation of the program. Finally, the new welfare law include tough child support enforcement measures which will send the strongest possible message to young girls and boys that they should not have children until they are ready to provide for them.

Page 25, Box 5-2, 4th bullet: delete "intended".

Page 25, Box 5-2, last bullet: "The national strategy places a special emphasis on sending a strong abstinence message. THE WELFARE LAW ALSO PROVIDES \$50 MILLION A YEAR FOR FIVE YEARS IN NEW FUNDING FOR ABSTINENCE EDUCATION PROGRAMS."

Page 26, Replace 1st graph beginning "Recent policy changes..." with:

"THE ADMINISTRATION HAS ALSO IMPLEMENTED SEVERAL INITIATIVES TO MOVE LOW-INCOME INDIVIDUALS FROM WELFARE TO WORK AND TO SUPPORT WORKING FAMILIES, INCLUDING:

\$4 BILLION INCREASE OVER SIX YEARS IN CHILD CARE ASSISTANCE TO FAMILIES MOVING FROM WELFARE TO WORK.

THE CREATION OF THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) TO EXTEND HEALTH CARE COVERAGE TO UNINSURED CHILDREN.

NEW RULES THAT ALLOW STATES TO EXPAND MEDICAID TO COVER MORE LOW-INCOME FAMILIES WHO WORK, INCLUDING MORE TWO-PARENT FAMILIES.

\$3 BILLION IN WELFARE-TO-WORK GRANTS TO HELP STATES AND COMMUNITIES MOVE LONG-TERM WELFARE RECIPIENTS AND CERTAIN NONCUSTODIAL PARENTS INTO LASTING, UNSUBSIDIZED JOBS. THESE FUNDS CAN BE USED FOR JOB CREATION, PLACEMENT AND RETENTION EFFORTS, INCLUDING WAGE SUBSIDIES TO PRIVATE EMPLOYERS AND OTHER CRITICAL POST-EMPLOYMENT SERVICES.

IN 1999, 50,000 NEW WELFARE TO WORK HOUSING VOUCHERS WENT TO WELFARE RECIPIENTS WHO NEED HOUSING ASSISTANCE TO GET OR KEEP A JOB. FAMILIES WILL USE THESE VOUCHERS TO MOVE CLOSER TO A NEW JOB, REDUCE A LONG COMMUTE, OR SECURE MORE STABLE HOUSING.

THE WELFARE TO WORK TAX CREDIT PROVIDES A CREDIT EQUAL TO 35 PERCENT OF THE FIRST \$10,000 IN WAGES IN THE FIRST YEAR OF EMPLOYMENT, AND 50 PERCENT OF THE FIRST \$10,000 IN WAGES IN THE SECOND YEAR, TO ENCOURAGE HIRING AND RETENTION OF LONG-TERM WELFARE RECIPIENTS. THE CREDIT COMPLEMENTS THE WORK OPPORTUNITY TAXK CREDIT WHICH PROVIDES A CREDIT OF UP TO \$2,400 FOR THE FIRST YEAR OF WAGES FOR EIGHT GROUPS OF JOB SEEKERS.

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAs) EMPOWER LOW-INCOME FAMILIES TO SAVE FOR A FIRST HOME, POST-SECONDARY EDUCATION, Or TO START A NEW BUSINESS. TO HELP THOSE ON WELFARE GET TO WORK, THE PRESIDENT'S JOB ACCESS INITIATIVE AND REVERSE COMMUTE GRANTS PROVIDES FUNDS TO COMMUNITIES AND STATES THAT DEVELOP FLEXIBLE TRANSPORTATION ALTERNATIVES, SUCH AS VAN SERVICES FOR WELFARE RECIPIENTS AND OTHER LOW-INCOME WORKERS. NEW GUIDANCE THAT MAKES IT EASIER FOR LOW-INCOME WORKING FAMILIES TO OWN A CAR AND STILL RECEIVE FOOD STAMPS, AND NEW RULES THAT MAKE IT EASIER FOR STATES TO SERVE FAMILIES BY SIMPLIFYING REPORTING REQUIREMENTS."

Page 28, section on FMLA, at the end of the section on the President's proposals, you might add that the President is looking for ways to provide partial wage replacement for new parents when they take advantage of FMLA. You could add in the DOL proposed regulation (announced yesterday) allowing states to use UI to partially compensate new parents.

Page 30, section on "Work Arrangements that Promote Flexibility," you might add a reference to this discussion of parents telecommuting to the childcare section

Page 31, section on "Child Care" -- need to add increases in Head Start and the fact that the Administration is on its way to meeting the President's goal of serving 1 million children by 2002

Page 34, Conclusion, sentence 2: change "little" to "FEW".

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME: 6-DEC-1999 17:22:07.00

SUBJECT: DPC Comments on Econ Report, Chap 5, Families

TO: Sandra F. Daigle (CN=Sandra F. Daigle/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Robin L. Lumsdaine (CN=Robin L. Lumsdaine/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Kathryn L. Shaw (CN=Kathryn L. Shaw/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TEXT:

here are DPC comments on families

----- Forwarded by Audrey Choi/CEA/EOP on 12/06/99 05:21 PM -----

Eugenia Chough

12/06/99 05:02:13 PM

Record Type: Record

To: Audrey Choi/CEA/EOP@EOP

cc: Andrew R. Feldman/CEA/EOP@EOP, Cynthia A. Rice/OPD/EOP@EOP,

Andrea Kane/OPD/EOP@EOP, Ann O'Leary/OPD/EOP@EOP

Subject:Comments on Econ Report, Chap 5, Families

Here are our comments on the "The Changing American Family" chapter of the Econ Report. New language is in CAPS, and suggested deletions are struck out. Please let me know if you have questions. Thanks!

Page 1, 1st paragraph -- What is the rest of the breakdown in families? You mention that nearly 1/2 live in "two-earner nonfarm families" and more than 1/4 live in "single parent families" -- does this mean that the remaining quarter live in a family situation like the 1900s' "two-parent rural family where the father [is] the breadwinner and the mother [is] a homemaker"?

Page 2, 1st graph, sentence 6: "As we approach...marriage remains a fairly universal experience..." and bottom of page 4, "Throughout the century over 90 percent of all women aged 55-64 have been married at some point, and in 1997, that proportion stood at 95.3%." While this is an interesting and longer-term way to look at this issue, doesn't it miss decrease in marriage among those currently under 55. It also seems to conflict with a nearly 4-fold increase in single parent families shown on p. 3, which is what most people focus on when they think about the decline in marriage. I think our credibility on this issue may be questioned if we lead with the statement that marriage remains fairly universal.

Page 3, section on "Women in the Workforce" -- The sentence indicating that more women are living independently prior to marriage "leading to greater labor force attachment that could conflict with family obligations" has a negative connotation suggesting that attachment to the labor force is not helpful. Could you re-phrase to say that the attachment to the labor force "could impact family obligations traditionally assumed by women."

Page 4, section on "Family Formation and Dissolution" -- It would be very powerful if you could paint a picture up front of the changing nature of the American family (much of which is discussed later in the chapter). For example, I would move the section on "the role of grandparents" from the "elder care" section to this section. Grandparents raising children is more of a dynamic of the changing formation of families than an issue of elder care.

Page 6, last sentence of top graph: Delete "famous".

Page 6-7, same section: The discussion of "individuals choosing to live together outside of formal marriage," does not appear to include information on domestic partners of the same sex. According to the Human Rights Campaign WorkNet, "From 1994 to 1998, the number of married couple households in the US increased by just 2 percent, while the number of unmarried partner households increased by 11 percent. In 1998, there were 5.9 million people in the US living with a domestic partner. Of these, approximately 28 percent, or 1.7 million people, were in same-sex relationships." It would be helpful to add in the changing patterns of recognized same-sex domestic partnerships.

Page 7, 2nd graph. In general, we suggest using the latest available data and using data from a consistent period. Also, this long-term perspective overlooks the fact that the trends in out of wedlock childbearing have leveled off in the past fews and there have been historic drops in teen birth rates in recent years. Here are some suggestions,

"Then number of births per 1,000 unmarried women aged 15-44 increased from 7.1 in 1940 to 46.9 44 in 1994 1997. [Note for CEA -- source is NCHS National Vital Statistics Report on Birth and Death Data, 10/99. You may also want to refer to NCHS Stephanie Ventura's testimony on this subject for a more historical perspective -- I'll fax to you.] The rate for black women...a decline to 75.9 73.4 in 1994 1997. The rate for white women aged 15-44 increased most precipitously after 1980, rising from 17.6 to 37.5 25.9 in 1995 1997. [Note for CEA -- what about Hispanic women/girls? THE RATE FOR UNMARRIED HISPANIC WOMEN WAS 91.4 IN 1997] The percent of births to unmarried women of all ages...32.6 32.4 in 1994 1997....The percent of births to unmarried teens rose from 31.9 percent to 75.7 78.2 percent over the period 1970-1994 1997. From 1980 to 1990 1997 the birth rate to teens aged 15-19 climbed DECREASED from 53.0 to 59.8 52.3 (per 1,000) teens); the unmarried teen birth rate rose from 16.5 to 30.6 25.9 for whites and DECREASED FROM 87.9 to 106.0 86.4 for blacks over the same period... [Note for CEA: THE HISPANIC TEEN BIRTH RATE was 75.2 in 1997.] HOWEVER, IN MORE RECENT YEARS THESE TRENDS ARE IMPROVING. TEEN BIRTHS HAVE DECLINED NATIONWIDE BY 18 PERCENT FROM 1991 TO 1998, AND HAVE FALLEN IN EVERY STATE AND ACROSS ETHNIC AND RACIAL GROUPS. FOR GIRLS AGES 15-17, THE 1998 BIRTH RATE IS AT ITS LOWEST IN FOUR DECADES. IN ADDITION, TEEN PREGNANCY RATES ARE AT THE LOWEST SINCE WE FIRST BEGAN COLLECTING DATA IN 1976. IN ADDITION, THE BIRTH RATE PER 1,000 UNMARRIED WOMEN HAS DECREASED BY 2 PERCENT BETWEEN 1991 AND 1998.

Page 11, 2nd graph, sentence 1: The money crunch....is felt by difference

family types for different reasons." This assertions seems to conflict with statement on previous page saying that the money crunch affects single-headed households and less educated households.

Page 11, 2nd graph, sentence 4: "Similarly, the median income of female-headed families has been nearly flat..." This statement appears to short shrift recent improvement such as 99 CPS numbers.

Page 12, 1st graph, sentence 2: "Corresponding to the family groups in chart 5-7, the share of families that are headed by a single parent has increased very significantly over time -- from xx percent in 1969 o 23 percent of all families." Is this 23% figure different than the 27% on page 8 and chart 5-6?

Page 13, 1st graph: Seems awkward to focus on cordless phones as opposed to phones in general.

Page 14, 1st graph, sentence 2: "...only 19.1 percent of single-headed households in 1998 are families" -- what does this mean?

Page 14, 1st graph: While fewer, the percentage of single-parent families headed by fathers has increased dramatically and should at least be mentioned.

Page 14, 2nd graph: Add to end of graph, "AND TOUGH CHILD SUPPORT ENFORCEMENT."

Page 14, 3rd graph, 3rd sentence: 44 percent versus 73 percent in 1993 statistic (on proportion of never married vs divorces mothers with support orders) doesn't seem to add. Also, do we have more recent #s?

Page 14, 3rd graph, 4th sentence: "Overall, roughly half of all women who are single parents receive public assistance". Is this a point in time -- if so, when?

Page 15, 1st graph, 1st sentence: "Reflecting these poor earnings..." This doesn't seem to flow with graph above which isn't about earnings. Also, revise to read, "... (though these poverty rates are based on A DEFINITION OF income that does not include FOOD STAMPS, EITC AND OTHER NON-CASH INCOME)."

Page 17, 1st graph, sentence 3: Revise to read, "All TYPES OF families experiences a decline..."

Page 18, section on "Time Use and Parental Care" -- It might be helpful to add a discussion of the economic impact of long-term caregivers. In Monday's NYT (11/29) reported on a study released by the National Center for Women and Aging at Brandeis and the National Alliance for Caregivers, which reported that "two-thirds of those acting as caregivers for elderly relatives lose out at work by forgoing promotions, pay raises, and training opportunities."

Page 21, as mentioned above, I would suggest that you move the box on "the Role of Grandparents" out of the elderly care section and into the family formation section

Page 22, Please change header "Supporting Families AMERICANS in their Efforts to Balance Work and Family" [strictly editorial - to avoid saying Families twice]

Page 25, 1st graph under welfare reform section. We recommend replacing the first 2 sentences with:

"THE 1996 WELFARE REFORM LAW DRAMATICALLY CHANGED THE NATION'S WELFARE SYSTEM INTO ONE THAT REQUIRES WORK IN EXCHANGE FOR TIME-LIMITED ASSISTANCE. THE LAW CONTAINS STRONG WORK REQUIREMENTS, COMPREHENSIVE CHILD SUPPORT ENFORCEMENT AND SUPPORTS FAMILIES MOVING FROM WELFARE TO WORK. 27 STATES WERE AWARDED BONUS FUNDS FOR THEIR SUPERIOR RESULTS IN REFORMING WELFARE, AND RECENT STUDIES SHOW THE FOLLOWING FINDINGS:

MORE THAN 1.3 MILLION WELFARE RECIPIENTS NATIONWIDE WENT TO WORK IN JUST THE ONE YEAR PERIOD BETWEEN OCTOBER 1997 AND SEPTEMBER 1998. RETENTION RATES ARE ALSO PROMISING: 80 PERCENT OF THOSE WHO GOT JOBS WERE STILL WORKING THREE MONTHS LATER. STATES ALSO REPORTED AN AVERAGE EARNINGS INCREASE OF 23 PERCENT FOR FORMER WELFARE RECIPIENTS, FROM \$2,088 IN THE FIRST QUARTER OF EMPLOYMENT TO \$2,571 IN THE THIRD QUARTER. ALL 50 STATES MET THE WORK PARTICIPATION REQUIREMENTS, AND THE PERCENTAGE OF ALL WELFARE RECIPIENTS WORKING HAS NEARLY QUADRUPLD SINCE 1992, FROM 7 PERCENT IN 1992 TO 27 PERCENT IN 1998, WITH THE REMAINDER FULFILLING THEIR PARTICIPATION REQUIREMENTS THROUGH JOB SEARCH, EDUCATION AND TRAINING. INDEPENDENT STUDIES CONFIRM THESE CONCLUSIONS, FINDING THAT NEARLY 70 PERCENT OF RECIPIENTS LEFT WELFARE FOR WORK (URBAN INSTITUTE AND GAO).

The Administration's teen pregnancy initiative TO PREVENT TEEN PREGNANCY could also playS a supporting role by reducing the incidence of that particular source of strain IN BREAKING THE CYCLE OF DEPENDENCY AND INCREASING THE WELL BEING OF FAMILIES BY REDUCING THE NUMBER OF CHILDREN BORN TO TEEN MOTHERS.

Page 25, Box 5-2, first bullet: "The law supports ENCOURAGES the creation of Second Chance Homes, which SUPPORTIVE AND SUPERVISED LIVING ARRANGEMENTS THAT provide teen parents...The welfare law also provides \$50 million a year for five years in new funding for abstinence education programs. The Balanced Budget Act of 1997 provides funding for a national evaluation of the program. Finally, the new welfare law include tough child support enforcement measures which will send the strongest possible messaaage to young girls and boys that they should not have children until they are ready to provide for them.

Page 25, Box 5-2, 4th bullet: delete "intended".

Page 25, Box 5-2, last bullet: "The national strategy places a special emphasis on sending a strong abstinence message. THE WELFARE LAW ALSO PROVIDES \$50 MILLION A YEAR FOR FIVE YEARS IN NEW FUNDING FOR ABSTINENCE EDUCATION PROGRAMS."

Page 26, Replace 1st graph beginning "Recent policy changes..." with:

"THE ADMINISTRATION HAS ALSO IMPLEMENTED SEVERAL INITIATIVES TO MOVE LOW-INCOME INDIVIDUALS FROM WELFARE TO WORK AND TO SUPPORT WORKING FAMILIES, INCLUDING:

\$4 BILLION INCREASE OVER SIX YEARS IN CHILD CARE ASSISTANCE TO FAMILIES MOVING FROM WELFARE TO WORK.
THE CREATION OF THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) TO EXTEND HEALTH CARE COVERAGE TO UNINSURED CHILDREN.
NEW RULES THAT ALLOW STATES TO EXPAND MEDICAID TO COVER MORE LOW-INCOME FAMILIES WHO WORK, INCLUDING MORE TWO-PARENT FAMILIES.
\$3 BILLION IN WELFARE-TO-WORK GRANTS TO HELP STATES AND COMMUNITIES MOVE

LONG-TERM WELFARE RECIPIENTS AND CERTAIN NONCUSTODIAL PARENTS INTO LASTING, UNSUBSIDIZED JOBS. THESE FUNDS CAN BE USED FOR JOB CREATION, PLACEMENT AND RETENTION EFFORTS, INCLUDING WAGE SUBSIDIES TO PRIVATE EMPLOYERS AND OTHER CRITICAL POST-EMPLOYMENT SERVICES.

IN 1999, 50,000 NEW WELFARE TO WORK HOUSING VOUCHERS WENT TO WELFARE RECIPIENTS WHO NEED HOUSING ASSISTANCE TO GET OR KEEP A JOB. FAMILIES WILL USE THESE VOUCHERS TO MOVE CLOSER TO A NEW JOB, REDUCE A LONG COMMUTE, OR SECURE MORE STABLE HOUSING.

THE WELFARE TO WORK TAX CREDIT PROVIDES A CREDIT EQUAL TO 35 PERCENT OF THE FIRST \$10,000 IN WAGES IN THE FIRST YEAR OF EMPLOYMENT, AND 50 PERCENT OF THE FIRST \$10,000 IN WAGES IN THE SECOND YEAR, TO ENCOURAGE HIRING AND RETENTION OF LONG-TERM WELFARE RECIPIENTS. THE CREDIT COMPLEMENTS THE WORK OPPORTUNITY TAX CREDIT WHICH PROVIDES A CREDIT OF UP TO \$2,400 FOR THE FIRST YEAR OF WAGES FOR EIGHT GROUPS OF JOB SEEKERS.

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAs) EMPOWER LOW-INCOME FAMILIES TO SAVE FOR A FIRST HOME, POST-SECONDARY EDUCATION, OR TO START A NEW BUSINESS.

TO HELP THOSE ON WELFARE GET TO WORK, THE PRESIDENT'S JOB ACCESS INITIATIVE AND REVERSE COMMUTE GRANTS PROVIDES FUNDS TO COMMUNITIES AND STATES THAT DEVELOP FLEXIBLE TRANSPORTATION ALTERNATIVES, SUCH AS VAN SERVICES FOR WELFARE RECIPIENTS AND OTHER LOW-INCOME WORKERS.

NEW GUIDANCE THAT MAKES IT EASIER FOR LOW-INCOME WORKING FAMILIES TO OWN A CAR AND STILL RECEIVE FOOD STAMPS, AND NEW RULES THAT MAKE IT EASIER FOR STATES TO SERVE FAMILIES BY SIMPLIFYING REPORTING REQUIREMENTS."

Page 28, section on FMLA, at the end of the section on the President's proposals, you might add that the President is looking for ways to provide partial wage replacement for new parents when they take advantage of FMLA. You could add in the DOL proposed regulation (announced yesterday) allowing states to use UI to partially compensate new parents.

Page 30, section on "Work Arrangements that Promote Flexibility," you might add a reference to this discussion of parents telecommuting to the childcare section

Page 31, section on "Child Care" -- need to add increases in Head Start and the fact that the Administration is on its way to meeting the President's goal of serving 1 million children by 2002

Page 34, Conclusion, sentence 2: change "little" to "FEW".