Welfare—Welfare-to-Work Conference

PRESIDENT CLINTON WILL ANNOUNCE RECORD NUMBERS OF PEOPLE ON WELFARE ARE WORKING AS BUSINESSES HIRE FROM THE WELFARE ROLLS

August 3, 1999

Today, three years after enactment of the welfare reform law, President Clinton will announce that all 50 states met the law's overall work requirements in 1998, and nearly four times more of those on welfare are working than when he took office. These are the first work data from every state to be released under the 1996 welfare reform law, and they confirm a growing body of evidence that three years later, record numbers of people are moving from welfare to work. These findings, along with new figures showing caseloads have declined by 6.8 million since the President took office, will be contained in a report transmitted to Congress today. The President will make these announcements at a National Forum convened by The Welfare to Work Partnership, whose companies have hired over 410,000 welfare recipients. At the National Forum, the President will talk to former recipients about their experiences moving from welfare to work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state, and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

<u>All 50 States Meeting Overall Work Participation Goals</u>

New data to be released by the President today show that every state and the District of Columbia met the welfare law's overall work requirement for 1998, which requires 30 percent of families to have a parent working at least 20 hours per week. Nationally, 35 percent of all welfare recipients were working in 1998. This is the first full year of work data available under the 1996 welfare reform law (not all states had to report in 1997 and those that did only had to report data for the last quarter). Not all states met the law's two parent work rates, which require 75 percent of two parent families to work: of the forty-one states subject to the rate, 28 met it. These data cover fiscal year 1998 (October 1, 1997 through September 30, 1998).

<u>Four Times More of Those on Welfare Are Working than in 1992</u>

The 1998 data also show that four times more of those on welfare are working than when the President took office. Nationally, the percentage of welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998, with the remainder fulfilling their participation requirements through job search, education, and training. The President began to reform welfare early in his first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the Earned Income Tax Credit and the minimum wage to make work pay, and pushing the Congress for nationwide welfare reform legislation which he signed into law in August 1996.

<u>Independent Studies Confirm People are Moving from Welfare to Work</u>

Numerous independent studies also confirm that more people are moving from welfare to work. Results from a new national survey released yesterday by the Urban Institute found 69 percent of recipients had left welfare for work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. The report found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four. A recent General Accounting Office report based on state surveys found that between 63 and 87 percent of adults have worked since leaving the welfare rolls, results similar to state studies funded by the Department of Health and Human Services. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

Caseloads Have Fallen to Historic New Lows

New welfare caseload numbers to be released by the President today show the percent of Americans on welfare is at its lowest level since 1967. The welfare rolls have fallen by 48 percent, or 6.8 million, since January 1993, when they stood at 14.1 million. State-by-state numbers show 31 states have had declines of 50 percent or more. A new report by the Council of Economic Advisers, released today, finds that the implementation of welfare reform is the single most important factor contributing to the widespread and continuous caseload declines from 1996 to 1998. CEA estimates that the federal and state program and policy changes implemented as a result of welfare reform account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy has also played an important role, accounting for approximately ten percent of the decline between 1996 and 1998.

Companies are Hiring from the Welfare Rolls

Over 12,000 businesses of all sizes and industries have joined The Welfare to Work Partnership since its launch in May 1997, and they have already hired an estimated 410,000 people from the welfare rolls. Seventy-six percent of companies have hired former welfare recipients for full-time jobs and the average salary is $17,000 a year. More than 8 in 10 executives have found their new hires are good, productive employees; sixty-five percent of business leaders report that welfare to work hires have the same or higher retention rates than other employees, making welfare to work a smart solution for business. The federal government is also doing its part: as Vice President Gore announced yesterday, the federal government has hired over 14,000 people in dozens of agencies across the U.S., far surpassing the goal of 10,000 hires set in April 1997. The three-day Chicago convention will allow over 2,000 company representatives, federal, state and local officials, and community-based organizations from around the country to participate in over 100 workshops highlighting successful welfare to work strategies they can replicate at home.

More Must Be Done to Help Those Still on the Rolls

The President called on the public and private sector to do more to help those still on welfare move to work and succeed on the job. He urged the companies in The Welfare to Work Partnership to hire even more people from the welfare rolls, challenged federal, state and local officials to invest funds in those who need help the most, and warned Congress not to renege on its bipartisan commitment to help states and communities finish the job of welfare reform.

- Congress should honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act. At the same time, states should use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

The President also called on Congress to finish the job by enacting his initiatives to help those families with the greatest challenges move from welfare to work and succeed in the workforce, including:

- $1 billion to extend the Welfare-to-Work program to help long-term welfare recipients and low-income fathers work and support their families. Welfare-to-Work funds are targeted to those individuals who need the most help, including long-term welfare recipients with low basic skills, substance abuse or poor work history, and are distributed to states and communities based on concentrations of poverty, welfare dependency, and unemployment. Also under the President's proposal, states and communities would use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign personal responsibility contracts committing them to work, establish paternity, and pay child support. The Administration's reauthorization proposal, which has been endorsed by the U.S. Conference of Mayors, is included in H.R. 1482 introduced by Congressman Cardin and S. 1317 introduced by Senator Akaka. The reauthorization would build on the $3 billion Welfare-to-Work program the President secured in the 1997 Balanced Budget Act. To date, communities in nearly every state are using Welfare-to-Work funds to help individuals with the greatest challenges, and today the Vice President announced the Department of Labor would release over $100 million in grants to the states of Alaska, Illinois, Indiana, Kansas, Minnesota, and New Jersey.

- Significant new funding for child care to help working families meet the cost of child care including: (1) $7.5 billion over five years to expand the Child Care Block Grant, (2) $5 billion over five years in greater child care tax relief, (3) $3 billion over five years in child care quality improvements, (4) a new tax credit for businesses that provide child care services for their workers, and (5) new tax relief for parents who choose to stay at home with their young children. With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $4 billion in additional funds to states to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for federal funded support, yet in 1997, only 1.25 million children received assistance. Ensuring that families who leave welfare for jobs stay employed is one of the next challenges of welfare reform, and reliable, safe, and affordable child care is one of the critical ingredients for parents succeeding in work. Consistent with the Administration's proposals, the new investments in child care have gained bipartisan support in Congress.

- Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

- Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

Document No. ______________

WHITE HOUSE STAFFING MEMORANDUM

Date: August 2, 1999 ACTION /CONCURRENCE / COMMENT DUE BY: ASAP

Subject: REMARKS FOR WELFARE TO WORK PARTNERSHIP

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		MOORE		
PODESTA	✓		NASH		
ECHAVESTE	✓		REED	✓	
RICCHETTI	✓		RUFF		
LEW	✓		SOSNIK	✓	
BERGER			SPERLING	✓	
BLUMENTHAL	✓		STEIN	✓	
CAHILL	✓		STREETT		
FRAMPTON			TRAMONTANO	✓	
IBARRA	✓		UCELLI	✓	
JOHNSON, B.	✓		VERVEER	✓	
JOHNSON, J.	✓		WALDMAN	✓	
KLAIN	✓		YELLEN	✓	
LANE			ERIC LIU	✓	
LEWIS	✓				
LINDSEY	✓				
LOCKHART		✓			
MARSHALL	✓				

REMARKS:

COMMENTS TO SHIH

RESPONSE:

staffing.doc 07/14/99

Staff Secretary's Office
Ext. 62702

Draft 8/2/99
Shih

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PRESIDENT WILLIAM J. CLINTON
REMARKS FOR WELFARE TO WORK PARTNERSHIP
CHICAGO, ILLINOIS
AUGUST 3, 1999

Acknowledge: Eli Segal, Jerry Greenwald, Gov. Carper, Gov. Ryan, Mayor Daley, Mayor Webb, Mayor Helmke, Mayor Morial, Mayor O'Neil; Sec. Herman; Sec. Slater; Sec. Daley; Administrator Alvarez.

For six and a half years, we, the American people, have been on a remarkable crusade to restore the dignity of work to families who had known little but the dependency of welfare. It is a journey that has transformed our system of welfare to a system of work. And it is a journey that is transforming our families and our nation, bringing a new generation of Americans into the mainstream of American life.

The signs of this transformation are everywhere. Inner-city buses that used to be empty at rush hour are now full of passengers dressed to go to work. ~~Where children once waited alone to catch the bus to school, parents are joining them, waiting to catch the bus to work.~~ Tax preparation services are moving into abandoned storefronts, helping former welfare recipients fill out the first tax return of their lives. And there are even more subtle and significant changes taking place -- changes taking place in the human heart and human spirit. Mothers are collecting their mail ~~with a~~ little more pride these days, expecting to see bank statements, not welfare checks. Children are going to school with their heads held a little higher, their eyes full of hope as they see ~~firsthand~~ that hard work does indeed lead to better lives.

It is difficult to remember, but just seven years ago when I ran for president, America was out of work and out of ideas. Our economy was stagnant, burdened with crushing debt and a deficit. Interest rates were skyrocketing and unemployment was high. The American Dream seemed to be drifting further and further out of reach. For some, our welfare system was Exhibit A of America's decline. Over the years, it had become a system that undermined our most cherished values of work and family. As governor of Arkansas, I spent many hours in welfare offices, listening to the stories of frustrated recipients. They told me that our welfare system wasn't working because it kept ~~welfare recipients~~ them from working.

I pledged to turn this country around, to restore America's most fundamental bargain with our people: That every American who is willing to work and take responsibility should have the opportunity to live the American Dream. I pledged to bring our people together, across all the lines that divided us, into one strong community. And I pledged that if the American people elected me to be their President, I would put my heart and soul into ending welfare as we know it.

Today, America is working again. We have the longest peacetime expansion in history, nearly 19 million new jobs, the lowest unemployment in xx years, the lowest minority unemployment in recorded history. From a deficit of $290 billion, we are moving to a surplus of $99 billion. Homeownership is at an all-time high.

And we have indeed ended welfare as we knew it. We have restored the value of work in America. We raised the minimum wage and passed the Earned Income Tax Credit, telling parents that if you work full-time, you do not have to raise your children in poverty.

When I took office, we gave 43 states waivers to try their own approaches to reforming welfare and making work pay. And three years ago, we came together across party lines to pass a landmark welfare reform bill. We said that no person could ever make welfare a way of life again -- that everybody who can work, must work. But we also recognized that we could not allow millions who had known nothing but years of dependency, people who had never even seen their own parents go to work, much less fill out a W-2, to make the transition to work on their own. So we made sure that there was extra support for child care, transportation and housing, for children's health care and nutrition. With new tax credits and incentives, we encouraged businesses to hire more welfare recipients.

Today, I am proud to announce that all 50 states – and the District of Columbia – have met the work requirements we set in 1996. Four times as many welfare recipients are working than when I first took office. We have cut our welfare rolls by nearly half, reducing the percentage of Americans on welfare to its lowest level since 1967.

While some of the credit goes to our booming economy [*10 percent*], the Council of Economic Advisers has found that welfare reform -- with its new emphasis on work -- has been the single most important factor in the dramatic reduction in our rolls. Three quarters of the 6.8 million people who have left welfare since I took office did so after the welfare reform law was signed in 1996.

The credit also goes to every single visionary business in this audience. When we passed the law in 1996, I said that moving Americans from welfare to work would take the committed effort of every sector of our society, not just government, but businesses, faith-based organizations, community groups, private citizens. In 1997, my good friend Eli Segal agreed to help rally the business community to the challenge of turning long-term welfare recipients can be turned into full-time workers. Two and half years ago, he started this partnership with just five companies. Today, he and Jerry Greenwald have built a partnership that is 12,000 businesses strong. Last I heard, Jerry Greenwald was also running United Airlines in his spare time. Members of the Welfare to Work Partnership, businesses both large and small, have given 410,000 welfare recipients the opportunity to go to work. More than 8 in 10 executives report that having great success hiring former welfare recipients – they work hard, and stay in their jobs as long or even longer than other employees. In an era of labor shortages, you are discovering a rich pool of untapped talent, people who are good employees, and good for the bottom line.

I thank you for recognizing the important role you can play in extending the opportunities of our time to all Americans. And I am proud to say that, with the Vice-President's leadership, the federal government is also doing its part, hiring more than 14,000 ~~people~~ former welfare recipients across the U.S., surpassing the goal of 10,000 hires we set two years ago

Over the past three years, we've proved that if you ask people to go to work, they'll go to work. Now, we can see a day when every person on welfare can go to work and join the mainstream of our society. Our welfare recipients are doing their part. Now we must do our part and finish the job.

There will never be a better time. We are living in an era of unprecedented prosperity. Our businesses are creating jobs faster than workers can fill them. So not only do we have a precious opportunity, not only do we have the resources – we have a duty – to extend the prosperity of our time to every single American. This is how I propose to finish the job making welfare work for America.

First, ~~to finish the job~~, we must continue to honor our bipartisan commitment to welfare reform. In era of declining welfare rolls, there are some in Congress who already want to declare an early victory and cut the Temporary Assistance for Needy Families block grant. That would be a big mistake. We're within striking distance of our goal of moving every American to work. But success is far from certain. We must help those who have found new jobs to keep their jobs. We must make sure that families leaving welfare for work continue to get the health care and nutritional benefits for their children. So I call on states to take advantage of the new flexibility they have to use TANF funds to provide some of these crucial services.

Next, to finish the job, we must strengthen our commitment to helping those still left on the welfare rolls -- often families who face the most significant challenges -- move into the mainstream world of work. I ask Congress to build on the Welfare-to-Work program we established – with the strong support of our nation's mayors -- in the Balanced Budget Act of 1997. We must help those who are least prepared for the world of work – people who perhaps never learned to read or are struggling to overcome drug addictions – to get the skills they need to become self-sufficient. And we must help more low-income fathers find and keep the jobs they need to honor their responsibility to their children. Today millions of children are living in poverty because their fathers have failed to support them. Six years ago, we strengthened our child support laws. Now my welfare to work plan will target funds for job training and counseling to responsible fathers – and I ask Congress to pass it.

To finish the job, we must strengthen our commitment to child care. For years, mothers on welfare chose not to work because child care costs often dwarfed the size of their weekly paychecks. With the 1996 welfare law, we began to change that, adding $4 billion to our child care subsidy funds. But we have only met a fraction of the need. In 1997, just 1.25 million children of the 10 million children eligible for federal child-care support received assistance. Our children deserve better. I ask Congress to pass my historic child care initiative, with more child care subsidies and tax credits for needy families, new funds to ~~improve the~~ quality of care.

Congress?

To finish the job, we must strengthen our commitment ~~to helping~~ welfare recipients commute, or move closer to work. I challenge to double our commitment to transportation assistance and provide 25,000 new welfare-to-work housing vouchers.

To finish the job, we must increase the minimum wage to ensure work pays better than welfare.

~~And~~ At I challenge all of you the Welfare to Work Partnership to help finish the job. Keep hiring more people off our welfare rolls – give them the chance to become good employees and good citizens. Encourage more businesses to join your cause – recruit your vendors and clients. And reach out to more small businesses – the firms that are creating the most jobs in our new economy. A~~nd I ask you not to forget the low-income fathers in your hiring efforts —~~ they are cr~~ucial to making welfare reform work for our famil~~ies. For our part, I am working to the extend the Welfare-to-Work Tax Credit and Work Opportunity Tax Credit to reward your vision and faith.

And finally, we must do more to bring jobs to people living in our hardest pressed communities. Many of you know that last month, I traveled across the country to shine a spotlight on our inner cities, rural areas and Indian reservations, places struggling in the shadows of our prosperity. I went to places where unemployment and poverty were more than double the nationwide average. I ask your help in passing my New Markets Initiative to spur new private investment in these areas – to bring new businesses, new jobs and new hope into these communities.

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A wise man *[Leo Tolstoy]* once said that "Work is ... the true source of human welfare." So in this era of unprecedented hope and prosperity, let us come together to lead our fellow Americans to this vital source of welfare. We must not let this rare opportunity to bring all Americans into the mainstream of our life slip away. Instead, let us seize it, let us give every American the chance to work and live the American Dream. Let's make this season, a true season of progress.

In general:
The briefing paper says POTUS will speak to former welfare recipients — but this speaks mainly to business folks...

June Shih 08/02/99 06:55:41 PM

Record Type: Record

To: Eric P. Liu/OPD/EOP@EOP

cc:

Subject: Re: welcome

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Draft 8/2/99
Shih

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REMARKS FOR WELFARE TO WORK PARTNERSHIP
CHICAGO, ILLINOIS
AUGUST 3, 1999

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For six and a half years, we, the American people, have been on a remarkable crusade to restore the dignity of work to families who had known little but the dependency of welfare. It is a journey that has transformed our system of welfare into a system of work. And it is a journey that is transforming our families and our nation, bringing a new generation of Americans into the mainstream of American life.

The signs of this transformation are everywhere. Where children once waited alone to catch the bus to school, parents are now joining them, waiting to catch the bus to work. Tax preparation services are moving into abandoned storefronts, helping former welfare recipients fill out the first tax return of their lives. And there are even more subtle and significant changes -- changes taking place in the human heart and human spirit. Mothers are collecting their mail with a little more pride these days, expecting to see bank statements, not welfare checks. Children are going to school with their heads held a little higher, their eyes full of hope as they see firsthand that hard work does indeed lead to better lives.

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While some of the credit goes to our booming economy [*10 percent*], the Council of Economic Advisers has found that welfare reform -- with its new emphasis on work -- has been the single most important factor in reducing our rolls. Three quarters of the 6.8 million people who have left welfare since I took office did so after the welfare reform law was signed in 1996.

The credit also goes to every single person in this audience. When we passed the law in 1996, I said that moving Americans from welfare to work would take the committed effort of every sector of our society, not just government, but businesses, faith-based organizations, community groups, private citizens. Vice-President Gore has done a tremendous job of bringing our religious and service organizations together in his Coalition to Sustain Success.

In 1997, my good friend Eli Segal agreed to help rally the business community to the challenge of turning long-term welfare recipients into full-time workers. Two and half years ago, he started this partnership with just five companies. Today, he and Jerry Greenwald have built a partnership that is 12,000 businesses strong. Last I heard, Jerry was also running United Airlines in his spare time. Members of the Welfare to Work Partnership, businesses both large and small, have given 410,000 welfare recipients the opportunity to go to work. More than 8 in 10 executives report great success hiring people off the welfare rolls. They are finding that these employees are a good investment - they work hard, and stay in their jobs as long or even longer than other workers. So in this era of labor shortages, let's not forget that former welfare recipients can be a rich pool of untapped talent, people who are good employees, and good for the bottom line.

I thank you for recognizing the important role you can play in extending the opportunities of our time to all Americans. And I am proud to say that, with Vice-President Gore's leadership, the federal government is also doing its part, hiring more than 14,000 people across the U.S., and surpassing the goal of 10,000 hires we set two years ago.

Over the past three years, we've proved that if you ask people to go to work, they'll go to work. Now, let's keep moving toward that day when every single person on welfare can go to work and join the mainstream of our society. Our welfare recipients are doing their part. Now we must do our part and finish the job.

There will never be a better time. We are living in an era of unprecedented prosperity. Businesses are creating jobs faster than they can fill them. To keep our economy growing, we must help those on welfare move into these jobs. We need them. But not only do we have a precious opportunity and an economic imperative, we have a moral obligation to extend the prosperity of our time to every single American.

This is how I propose to finish the job of making welfare work for America. First, we must continue to honor our bipartisan commitment to welfare reform. There are some in Congress who are already so desperate for a risky tax cut that they cut the welfare block grant and walk away from the commitment we made three years ago. That would be a big mistake. We can't afford to walk off the job until every person on welfare who is able to work can find and keep a job. I call on states to use the extra money they have saved because of welfare reform to move even more people to work and to help them succeed in the workplace.

Next, to finish the job, we must strengthen our commitment to helping those still left on the welfare rolls -- often families who face the most significant challenges -- move into the world of work. I ask Congress to build on the Welfare-to-Work program we established - with the strong support of our nation's mayors and county leaders -- in the Balanced Budget Act of 1997. We must help those who are least prepared for work - people who perhaps never learned to read or are struggling to overcome drug addictions - to get the skills to become self-sufficient. And we must help more low-income fathers find the jobs they need to honor their responsibility to their children. Three years ago, we strengthened our child support laws. My welfare to work plan will target funds to help responsible fathers work and pay child support – and I ask Congress to pass it.

To finish the job, we must strengthen our commitment to child care. For years, mothers on welfare chose not to work because child care costs often dwarfed the size of their weekly paychecks. In 1996, we began to change that, adding $4 billion to our child care subsidy funds. But we have met just one-tenth of the need. Our children deserve better. I ask Congress to pass my historic child care initiative, with more child care subsidies and tax credits for needy families, and new funds to improve the quality of care.

To finish the job, we must strengthen our commitment to helping welfare recipients commute, or move closer to work. I challenge Congress to double our commitment to transportation assistance and provide 25,000 new welfare-to-work housing vouchers.

To finish the job, we must increase the minimum wage to ensure work pays better than welfare.

And I challenge all of you at the Welfare to Work Partnership to help us finish the job. Keep hiring more people off our welfare rolls – give them the chance to become good employees and good citizens. Encourage more businesses to join your cause – recruit some of your vendors and clients. Reach out to small businesses – the firms that are creating the most jobs in our new economy. And I ask you not to forget low-income fathers in your hiring efforts – they are crucial to making welfare reform work for our families. I thank IBM for sponsoring a new online network that can help match businesses who need workers with welfare recipients who need jobs. For our part, I am working to extend the Welfare-to-Work Tax Credit and Work Opportunity Tax Credit to reward your vision and faith.

And finally, we must do more to bring jobs to people living in our hardest pressed communities. Many of you know that last month, I traveled across the country to shine a spotlight on our inner cities, rural areas and Indian reservations, the places still struggling in the shadows of our prosperity. I saw families and children living in communities where unemployment and poverty were more than double the nationwide average. I ask your help in passing my New Markets Initiative to spur new private investment in these areas – to bring new businesses, new jobs and new hope into these communities.

A wise man *[Leo Tolstoy]* once said that "Work is ... the true source of human welfare." So in this era of unprecedented prosperity, let us come together to help more of our fellow Americans reach that vital source. We cannot allow this rare opportunity to bring all Americans into the world of work slip away. Instead, let us seize it, let us give every American the chance to work and live the American Dream. Let's make this season, a true season of progress.

Now, it is my pleasure to introduce the moderator of our discussion. Rodney Carroll, is the Operations Division Manager of the United Parcel Service of America and Chief Operating Officer of The Welfare to Work Partnership. Rodney grew up on welfare, so he knows firsthand the challenges of both the families moving to welfare to work, and the businesses who are hiring them. UPS was one of the five founding members of the Welfare to Work partnership - and I thank Rodney and CEO Jim Kelly for leading UPS' effort to hire some 25,000 welfare to work employees.

SUGGESTED WELFARE TO WORK DISCUSSION FORUM SEQUENCE AND QUESTIONS August 3, 1999

•**Rodney Carroll, Operations Division Manager, UPS and Chief Operating Officer, The Welfare to Work Partnership** will open and moderate the discussion. He will facilitate the discussion flow and introduce you to the participants listed below. The following is a list of suggested questions for you.

•**Bill McDermott, Senior Vice President, Xerox**
•**Wendy Waxler, Account Associate, Xerox**
[Wendy Waxler will comment on how she moved from welfare to her new job at Xerox, and on the aspects of her job that she likes the most.]

*Suggested **POTUS** Question to Wendy Waxler: What kinds of things did Xerox do to help you make the transition from welfare to work?*

[Bill McDermott will comment on the Xerox partnership with Women in Community Service to provide mentors to their new welfare to work employees.]

•**Rena Burns, Automated Data Sciences**
[Rena Burns will comment on her belief that the increased flexibility of a small business environment makes it a good one for hiring welfare to work employees.]

*Suggested **POTUS** Question: What is the greatest challenge small businesses face in hiring welfare recipients?*

*Suggested **POTUS** Comment: At this point you could challenge all businesses—large and small-- to reach out to other small businesses who are the engine of growth, and who may not have the same information and resources to learn about welfare to work. Businesses can also reach out to their suppliers and their business partners to encourage them to get involved in welfare to work.*

•**Tiffany Smith, UPS Package Sorter**
[Tiffany Smith will comment on the challenges she faces with regard to transportation, and describe her daily routine of walking her children to day care, then taking the bus to a subway to the bus to the air hub.]

*Suggested **POTUS** Question: That sounds like a lot of effort. Is it worth it?*

*Suggested **POTUS** Question: Tiffany, you've been at UPS for several years—what's the next step? (NOTE: Tiffany has just put in a request to become a UPS supervisor)*

Suggested ***POTUS*** *Comment: At this point you could mention our Access to Job proposal which will help more areas design innovative solutions to transportation challenges, such as the one Rodney Carroll helped launch for UPS.*

•Governor George Ryan (R-IL)
[Governor Ryan will comment on the need to maintain the federal-state partnership on welfare reform so we can invest in helping more people move from welfare reform.]

Suggested ***POTUS*** *Question: What other kinds of investments are you making with your welfare reform funds? [NOTE: The new work numbers announced today show Illinois passing the work rates with flying colors]*

•Rosemary Mede, Senior Vice President, CVS/pharmacy
•Antoinette Patrick, CVS, Pharmacy Technician
[Rosemary Mede will describe CVS' pharmacy apprenticeship that was developed to provide people in the Washington, D.C. area with career track opportunities.]

Suggested ***POTUS*** *Question for Antoinette Patrick: Antoinette, how do you like working in a pharmacy?*

•Bill Simmons, CEO, MasterLube
•Tyler Left Hand, Assistant Manager, MasterLube
[Bill Simmons will comment his belief that the success of his business is due to the people that work for him. NOTE: 20-25% of his employees are current or former welfare recipients, and he also has an innovative approach to helping employees deal with substance abuse.]
[Tyler Left Hand will comment on how his job has helped him pay child support and provide a better life for his daughter.]

Suggested ***POTUS*** *Question to Tyler Left Hand: Tyler, what do you hope to do next? [NOTE: Tyler hopes to open his own lube business some day].*

•Governor Tom Carper (D-DE)
[Governor Carper is known as a leader on strengthening fathers, and will comment on how he has worked to involve fathers as part of his broader welfare reform agenda. NOTE: Delaware met all family rate (26%), but not two parent (24%).]

Suggested ***POTUS*** *Question: What are you doing to help those fathers like Tyler who want to work and pay child support?*

Suggested ***POTUS*** *Comment: At this point you could challenge businesses to do more to help employ fathers -- which helps support children and families leaving welfare, and helps build stronger communities.*

•Mayor Wellington Webb (D – Denver, CO)
[Mayor Webb will discuss why the Welfare to Work program is critical to cities, and will acknowledge **Mayor Helmke**.]

*Suggested **POTUS** Comment: At this point you could acknowledge **Mayor Helmke** and underscore the bipartisan commitment to welfare reform.*

*Suggested **POTUS** Question to Mayor Webb: Mayor Webb, how are you using Welfare-to-Work funds to help those with the greatest challenges get and keep good jobs in Denver?*

•Ted English, President & COO, TJX Companies, Inc.
•Joanne Hilferty, CEO, Morgan Memorial Goodwill Industries, Boston
•Maria Mercado, Merchandising Sales Associate, Marshall's
[Joanne Hilferty will describe the public/private partnership between TJX Companies and Goodwill in Boston, and how TJX has found a way to hire and retain individuals who are still on welfare and who have less work experience.]

*Suggested **POTUS** Question to Maria Mercado: How did this training program help you begin your career?*

•Catherine (Cathy) Bessant, President, Community Development Banking Group Bank of America (Board Member)
•LaTonya Stephens, Telephone Personal Banker, Bank of America
[LaTonya Stephens will comment about the help Bank of America has given her with child care, her recent promotion, and her accomplishment of saving enough money to buy a new car.]

*Suggested **POTUS** Comment: At this point you could mention the Administration's child care initiative*

[Cathy Bessant will highlight the value corporate investments in things people need to sustain self-sufficiency.]

*Suggested **POTUS** Question for Cathy Bessant: You joined us on the New Markets Tour last month. What do you see as the connection between investing in underserved areas and welfare to work?*

•<u>Jonathan Tisch, CEO, Loews Hotels</u>

[Jonathan Tisch will comment on the partnership between Loews and Mayor Penelas (who will not be in attendance) in an industry-based initiative with 44 other hotels and motels in the community to recruit businesses and address the barriers of hiring former recipients such as education and ESL. He will also introduce one of Loews' welfare to work hires, **Consuelo McGlond, Loews Overnight Phone Operator** who recently won the Jonathan Tisch President's Award for her professional manner and great attitude.]

Welfare to Work Q&As
August 3, 1999

Today's Announcements

Q: What is the President announcing today?

A: Today, three years after enactment of the welfare reform law, President Clinton will announce that all 50 states met the law's overall work requirements in 1998, and nearly four times more of those on welfare are working than when he took office. These are the first work data from every state to be released under the 1996 welfare reform law, and they confirm a growing body of evidence that three years later, record numbers of people are moving from welfare to work. These findings, along with new figures showing caseloads have declined by 6.8 million since the President took office, will be contained in a report transmitted to Congress today. The President will make these announcements at a National Forum convened by The Welfare to Work Partnership, whose companies have hired over 410,000 welfare recipients. At the National Forum, the President will talk to former recipients about their experiences moving from welfare to work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

Q: What's the significance of the work participation rates released today?

A: These are the first full year of work data available under the 1996 welfare reform law, and the first data available for all states. The data to be released by the President today show that every state and the District of Columbia met the welfare law's overall work requirement for 1998, which requires 30 percent of families to have a parent working at least 20 hours per week. Nationally, 35 percent of all welfare recipients were working in 1998, confirming that we are dramatically changing the welfare system to focus on work. Not all states met the law's two parent work rates, which require 75 percent of two parent families to work: of the forty-one states subject to the rate, 28 met it. These data cover fiscal year 1998 (October 1, 1997 through September 30, 1998). Last December, HHS released data for that 39 states that were required to meet the work rates for the last quarter of FY 1997 (July 1, 1997 – September 30, 1997), showing that all 39 states met the overall work requirement and 15 states met the two-parent rate.

NOTE: A table with state-by-state participation rate data has been provided to the press office.

Q: How do the participation rates work?

A: Under the new welfare reform law, states are required to have a specific percentage of their welfare cases involved in work activities for each year. There are two rates for FY 1998: 30 percent of all TANF families must be engaged in work activities (for at least 20 hours per week) and 75 percent of two-parent TANF families must be engaged in work activities (for at least 35 hours per week). The two-parent families make up only a small percentage of the total caseload, less than 10 percent nationwide. About three-quarters of those counting toward the work rates were in a direct work activity (unsubsidized employment, subsidized employment, work experience or community service, with the vast majority of these in unsubsidized employment). The remainder fulfilled their participation requirements through job search, education, and training.

Q: What happens to states that don't meet the work participation rate?

A: States that don't meet the work participation rate are subject to a penalty, and will have the opportunity to propose a corrective action plan to fix the problem and avoid financial sanctions.

Q: Isn't it true that some states only met the participation rate because they reduced their welfare caseloads?

A: The law provides states with credit for those who left the welfare rolls, to ensure success is not simply measured by those who stay on welfare and work. However, two-thirds of states met or exceeded the all family work rate without the caseload reduction credit, and nationally, 35 percent of all families were working – exceeding the target of 30 percent.

The "caseload reduction credit" in the law reduces a state's participation rate target by the number of percentage points its caseloads declined between 1995 and 1997. For example, if a state's caseload went down by 10 percent between 1995 and 1997, its participation rate target for all families is reduced from 30 percent to 20 percent.

Q: What is the basis for saying the number for people working has quadrupled?

A: State data reported to HHS shows that four times more of those on welfare are working than when the President took office. Nationally, the percentage of welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998 – the highest level ever recorded. The 27 percent working includes employment, work experience and community service.

Q: How much have welfare caseloads declined?

A: New welfare caseload numbers to be released by the President today show the percent of Americans on welfare is at its lowest level since 1967. The welfare rolls have fallen by 48 percent, or 6.8 million, since January 1993, when they stood at 14.1 million. State-by-state numbers show that since 1992, 31 states have had declines of 50 percent or more. Since the welfare reform law was signed in 1996, caseloads have declined by 4.9 million or 40 percent. Nationally, 2.7 percent of Americans receive welfare benefits funded through the Temporary Assistance for Needy Families program.

NOTE: A table showing state-by-state caseloads has been provided to the press office.

Q: How much of the caseload decline is due to the economy?

A: A new report by the Council of Economic Advisers, released today, finds that the implementation of welfare reform is the single most important factor contributing to the widespread and continuous caseload declines from 1996 to 1998. CEA estimates that the program changes implemented as a result of welfare reform account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy has also played an important role, accounting for approximately ten percent of the decline between 1996 and 1998.

A growing economy does not always produce caseload declines. The General Accounting Office recently testified that during the 1980s, with a booming economy, welfare rolls actually increased by 12 percent. Declines did not begin until 1994, and decreases were modest until welfare reform was enacted.

Q: Is the rate of caseload decline beginning to slow?

A: No. Both the absolute decline (238,000 recipients) and the rate of decline (-3.1 percent) for January to March 1999 is larger than the declines for the same period last year (222,000 recipients and –2.4 percent). However, we would not find it terribly surprising that the rate of decline may be slowing for some states that have reduced their caseloads dramatically over the past few years and are now working with those who have the greatest challenges to employment. That is exactly why we need to make an additional investment in helping those who remain on the rolls move into jobs and to ensure that those who have gone to work succeed in their jobs.

Q: What did the Vice President announce yesterday?

A: The Vice President announced yesterday that the federal government has hired over 14,000 welfare recipients since launching the federal Welfare-to-Work Hiring Initiative in March 1997. We not only exceeded our goal to hire 10,000 individuals by the year 2000, but we did so more than a year ahead of schedule. As a part of this effort, the White House pledged to hire six welfare recipients and has already brought eight individuals on board. And new data compiled by the Office of Personnel Management (OPM) show that welfare-to-work hires have 85 percent higher retention rates: almost 70 percent of federal Welfare-to-Work hires were still working in their federal government positions after one year, compared to 37 percent of the non-Welfare-to-Work employees hired during the same period for similar jobs and pay levels. According to The Welfare-to-Work Partnership, these results are consistent with the experience of the private sector employers.

NOTE: A table showing agency-by-agency hires has been provided to the press office.

The Welfare to Work Partnership Convention

Q: What is the Welfare to Work Partnership and what is the purpose of the Chicago conference?

A: The Welfare to Work Partnership is an independent, nonpartisan entity consisting of businesses committed to hiring welfare recipients into private sector jobs, which was created in response to the President's challenge in the 1997 State of the Union. Over 12,000 businesses of all sizes and industries have joined The Welfare to Work Partnership since its launch at the White House in May 1997, and they have already hired an estimated 410,000 people from the welfare rolls.

The three-day Chicago convention will allow over 2,000 company representatives, federal, state and local officials, and community-based organizations from around the country to participate in over 100 workshops highlighting successful welfare to work strategies they can replicate at home.

Seventy-six percent of companies in The Welfare to Work Partnership have hired former welfare recipients for full-time jobs and the average salary is $17,000 a year. More than 8 in 10 executives have found their new hires are good, productive employees; sixty-five percent of business leaders report that welfare to work hires have the same or higher retention rates than other employees, making welfare to work a smart solution for business.

Q: Who were the participants in today's National Forum with the President?

A: Today, the President participated in a national forum with over 2,000 businesses, federal, state and local officials, community-based organizations, and individuals who have moved from welfare to work around the country. He spoke with large and small businesses from a variety of industries, former welfare recipients who have been hired by these companies, community-based groups who partner with business to recruit and prepare welfare recipients for work and help them succeed on the job, and state and local elected officials.

Next Steps on Welfare Reform

Q: What's the President's agenda for moving more people from welfare to work?

A: Today, the President called for:

- The companies in The Welfare to Work Partnership to hire even more people from the welfare rolls, and to help new employees succeed in the workplace.
- Congress to honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act.
-

- States and communities to use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

- Congress to finish the job by enacting his initiatives to help those families with the greatest challenges move from welfare to work and succeed in the workforce, including:

  ✓ $1 billion to extend the Welfare-to-Work program to help long-term welfare recipients and low-income fathers work and support their families. Welfare-to-Work funds are targeted to those individuals who need the most help, including long-term welfare recipients with low basic skills, substance abuse or poor work history, and are distributed to states and communities based on concentrations of poverty, welfare dependency, and unemployment. Also under the President's proposal, states and communities would use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign personal responsibility contracts committing them to work, establish paternity, and pay child support. The Administration's reauthorization proposal, which has been endorsed by the U.S. Conference of Mayors, is included in H.R. 1482 introduced by Congressman Cardin and S. 1317 introduced by Senator Akaka. The reauthorization would build on the $3 billion Welfare-to-Work program the President secured in the 1997 Balanced Budget Act. To date, communities in nearly every state are using Welfare-to-Work funds to help individuals with the greatest challenges, and today the Vice President announced the Department of Labor would release over $100 million in grants to the states of Alaska, Illinois, Indiana, Kansas, Minnesota, and New Jersey.

  ✓ Significant new funding for child care to help working families meet the cost of child care including: (1) $7.5 billion over five years to expand the Child Care Block Grant, (2) $5 billion over five years in greater child care tax relief, (3) $3 billion over five years in child care quality improvements, (4) a new tax credit for businesses that provide child care services for their workers, and (5) new tax relief for parents who choose to stay at home with their young children. With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $4 billion in additional funds to states to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for federal funded support, yet in 1997, only 1.25 million children received assistance. Ensuring that families who leave welfare for jobs stay employed is one of the next challenges of welfare reform, and reliable, safe, and affordable child care is one of the critical ingredients for parents succeeding in work.

- ✓ Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

- ✓ Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

Q: Why is the President seeking more funding for child care, Welfare-to-Work, housing vouchers, and transportation when states aren't spending all their welfare block grant (TANF) funds?

A: First, not all states have unspent TANF funds -- 19 states have obligated all of their FY 1998 TANF dollars, including large states such as California, Illinois, Ohio and Texas and small states such as Connecticut and Delaware. Many states that have TANF reserves are prudently saving funds for a rainy day. Second, an even more intensive commitment of welfare to work resources will be necessary in the coming years as the work requirements increase and those left on the rolls face the most serious barriers to employment. Third, there is a great need for child care funds -- the Child Care and Development Block Grant serves only 1.25 million of the estimated 10 million children eligible for child care assistance under federal law and states have many more applicants than they can serve. And finally, in many regions, jobs are being created far from where many welfare recipients live -- about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities -- and new housing vouchers and transportation efforts are needed to help people get to work.

Q: Why aren't states spending their TANF funds more quickly and why shouldn't Congress reallocate these unused resources?

A: It would be a serious mistake to undermine the successful welfare to work efforts underway across the nation by cutting the TANF block grant. Today, the President called on states to use the available TANF resources and flexibility to invest in helping those remaining on the rolls who may face the greatest challenges and to support working families who have left welfare or to prevent them from returning to the rolls – investments they know they can make with TANF funds given the final welfare regulations, released by the President April 10th.

Q: Isn't it true that some states don't even want this Welfare-to-Work money?

A: Demand for Welfare-to-Work funds continues to be strong. In FY 1998, 44 states applied for formula funds and the Department of Labor received 1,400 applications for competitive grants totaling $5 billion and only had funds to award grants of $468 million. This year, 42 states have already applied for formula funds.

Other Welfare Reform Issues

Q: How do you respond to critics who say we don't know what's happening to people leaving welfare?

A: Numerous independent studies confirm that people leaving the rolls are going to work. Results from a new national survey released yesterday by the Urban Institute found 69 percent of recipients had left welfare for work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. A recent General Accounting Office report based on state surveys found that between 63 and 87 percent of adults have worked since leaving the welfare rolls, results similar to state studies funded by the Department of Health and Human Services. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

We will soon know more about the employment status of those leaving the rolls when HHS completes its analysis of data from the states applying for the High Performance Bonus that will reward states with the most success in placing welfare recipients in jobs and ensuring they succeed in those jobs. According to HHS, 46 states have submitted these data. In addition, HHS has funded numerous state and national research efforts that will enhance our knowledge on these important questions.

Q: What are the implications of the study released by the Urban Institute yesterday?

A: This new national survey released yesterday confirms what has been shown in a number of state-specific studies – most women who have left welfare are working. The study found 69 percent of recipients left welfare for work, and 18 percent left because they had increased income, no longer needed welfare, or had a change in family situation. The report also found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four.

Q: Didn't the Urban Institute study find that former welfare recipients are struggling to pay their bills and put food on the table?

A: The Urban Institute found that low income families – whether or not they used to be on welfare – have trouble paying bills and putting food on the table, and former welfare recipients have slightly more difficulty. To help low income working families like these is why the President is pushing an increase in the minimum wage to $6.15 an hour, which would provide a full-time worker with another $2,000 a year, enough to buy groceries for 7 months or pay for 5 months' rent. Also, last month the President took executive action to help ensure working families access to food stamps, by: (1) allowing states to make it easier for working families to own a car and still be eligible for food stamps; (2) simplifying food stamp reporting rules to make it easier for families to get food stamps; and (3) launching a nationwide public education campaign and a toll-free hotline to help working families know whether they're eligible for food stamps. Families with earnings up to 130 percent of poverty ($8.50 an hour for a family of three) can be eligible for food stamps to supplement their income and help buy food for their families, but only two of five working families eligible for food stamps actually apply for and receive them. And, finally, the President's proposal to increase child care subsidies and tax credits for low income families would help low income working families pay one of their largest monthly expenses.

Background: The report found 28 percent of families under 200 percent of poverty who were not recently on welfare and 39 percent of former welfare recipients sometimes cannot pay bills. Similarly, 36 percent of families not formerly on welfare and 49 percent of former welfare recipients said food doesn't always last through the month.

Q: What has the President done to help welfare reform succeed?

A: The President started reforming welfare early in his first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the Earned Income Tax Credit and the minimum wage to make work pay, and pushing the Congress for nationwide welfare reform legislation which he signed into law in August 1996. Since 1996, he has launched The Welfare to Work Partnership which now includes 12,000 businesses that have hired an estimated 410,000 welfare recipients; issued an executive order to ensure the federal government hired its share of welfare recipients -- over 14,000 hired to date; encouraged the launching of the Vice President's Coalition to Sustain Success, a coalition of national civic, service, and faith-based groups are working to help these new workers with the transition to self sufficiency; fought for and won additional funds for welfare to work efforts for long term recipients in high poverty areas ($3 billion in Department of Labor Welfare-to-Work funds enacted in the Balanced Budget Act), a new tax credit to encourage the hiring of long term recipients, and funding for welfare to work transportation ($75 million in FY 1999) and welfare to work housing vouchers (50,000 enacted to date); and put in place new welfare rules (announced April 10th) that make it easier for states to use TANF funds to provide supports for working families such as child care, transportation, and job retention services.

Q: Has welfare reform caused declines in food stamp and Medicaid rolls and what is the Administration going to do about it?

A: While the latest Medicaid enrollment figures show that there was a decline in the Medicaid rolls from 1996 to 1997, it is too early to say with confidence what has caused the decline. There are a number of factors, such as fewer people in poverty, lower rates of unemployment, and the decline in the number of employees participating in employer-sponsored health insurance that contribute to any change in enrollment numbers. It's also important to note that while Medicaid enrollment has declined since 1996, the number of people under the poverty level who are uninsured has not increased in that period.

Similarly with food stamps, there are a number of factors contributing to the decline in food stamp participation, such as the strength of the nation's economy allowed participants to find work, reducing their need for food stamps; the success of the Temporary Assistance for Needy Families (TANF) has moved participants from welfare to work, with an increase in income sufficient to eliminate the need for food stamps; working families don't realize they are eligible for food stamps and have difficulty obtaining them leading some participants to leave the program unnecessarily and discouraging others from applying for benefits; changes in program rules under welfare reform restricted the participation of immigrants and unemployed childless adults (these changes explain less than 20 percent of the decline).

The President recently announced steps that will go a long way to ensuring working families have access to the food stamp program (see above) and extensive outreach efforts are under way in all 50 states to enroll children in health insurance as part of the implementation of the Children's Health Insurance Program. In addition, both USDA and HHS is working aggressively to enforce the law requiring states to provide Medicaid and Food Stamp applications upon request and ensuring they process them without delay, regardless of the state rules governing the TANF application.

not given to WH press office - includes additional Q+A from HHS

Welfare to Work Q&As
August 3, 1999 – long version

Today's Announcements

Q: What is the President announcing today?

A: Today, three years after enactment of the welfare reform law, President Clinton will announce that all 50 states met the law's overall work requirements in 1998, and nearly four times more of those on welfare are working than when he took office. These are the first work data from every state to be released under the 1996 welfare reform law, and they confirm a growing body of evidence that three years later, record numbers of people are moving from welfare-to-work. These findings, along with new figures showing caseloads have declined by 6.8 million since the President took office, will be contained in a report transmitted to Congress today. The President will make these announcements at a National Forum convened by The Welfare-to-work Partnership, whose companies have hired over 410,000 welfare recipients. At the National Forum, the President will talk to former recipients about their experiences moving from welfare-to-work, call on business leaders to hire even more people from the welfare rolls, challenge federal, state and local officials to invest funds in those who need help the most, and warn Congress not to renege on the bipartisan commitment to help states and communities finish the job of welfare reform.

Q: What's the significance of the work participation rates released today?

A: These are the first full year of work data available under the 1996 welfare reform law, and the first data available for all states. The data to be released by the President today show that every state and the District of Columbia met the welfare law's overall work requirement for 1998, which requires 30 percent of families to have a parent working or engaged in a work activity at least 20 hours per week. Nationally, 35 percent of all welfare recipients were participating in a work activity in 1998, confirming that we are dramatically changing the welfare system to focus on work. Not all states met the law's two parent work rates, which require 75 percent of two parent families to participate: of the forty-one states subject to the rate, 28 met it. These data cover fiscal year 1998 (October 1, 1997 through September 30, 1998). Last December, HHS released data for that 39 states that were required to meet the work rates for the last quarter of FY 1997 (July 1, 1997 – September 30, 1997), showing that the 39 states met the overall work requirement and 15 states met the two-parent rate.

NOTE: A table with state-by-state participation rate data has been provided to the press office.

Q: How is welfare reform going?

A: First, welfare reform has been successful in moving many families from welfare-to-work. The 1998 data show that four times more welfare recipients are working than when the President took office. Nationally, the percentage of the welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998, with the remainder fulfilling their participation requirements through job search, education and training.

Second, we have learned a fair amount about the effects of welfare reform on employment and earnings, and the early news is very encouraging. Numerous independent studies confirm that more people are moving from welfare-to-work. A recent General Accounting Office report found that between 63 and 87 percent of adults have worked since leaving the welfare rolls. Preliminary findings from six of the HHS funded studies of families leaving welfare indicate that between one-half and three-fifths of former TANF recipients found work in jobs which were covered by their States' Unemployment Insurance program. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

Third, caseloads are down dramatically. Welfare caseloads are at their lowest level since 1967 and the welfare rolls have fallen by nearly half since the beginning of this Administration. The number of recipients fell from 14.1 million in January 1993 to 7.6 million in March 1999, a decline of nearly 6.8 million or 48% fewer since President Clinton took office.

Fourth, there has been NO race to the bottom in state welfare spending-states are spending more per recipient now than they did in 1994. In 1998, all states met the minimum spending requirements required by law and 13 states exceeded them.

Fifth, a majority of states are increasing their "earnings disregards." That means they're raising the amount of earnings that are not counted when determining a recipient's benefits. This will not only help pull families out of poverty, it will send the message to low wage earners that going to work is a better deal than staying home.

This is clearly not the end of welfare reform, it is only the beginning. And that's why this Administration has challenged all Americans to help make this historic law work even better. The President has spoken forcefully about the need for the business community to hire people coming off welfare. The 12,000 companies that have joined the Welfare-to-Work Partnership have hired 410,000 welfare recipients. The federal government has done its fair share too, hiring over 14,000 welfare recipients.

Congress can also do more. The Administration's budget requests $19 billion in significant new funding for child care to help working families meet the cost of child care requests; $430 million for welfare-to-work housing vouchers; doubles Access to Jobs transportation funding; and extends tax credits to businesses to encourage the hiring and retention of welfare recipients.

Participation Rates

Q: What do these participation rates tell us about welfare reform?

A: This early report on activities in the states is very promising, showing that we are making progress in moving parents on welfare into jobs or giving them the work skills they need to get a job. It's important to note that all states met the all family participation rate standard for 1998, confirming a growing body of evidence that three years since the welfare reform law, record numbers of people are moving from welfare to work.

Q: What is going to happen to the states which failed to reach their participation rate requirements?

A: First, it's important to note that all states met the overall participation. Second, there were some states that failed to meet the two-parent participation rate. For these states, the penalty amount will be based on the percentage of two-parent families in the state's caseload. However, states can submit corrective compliance plans or appeal the penalty for a reasonable cause exception.

The states that failed to meet the two-parent participation rates are Alaska, Arkansas, Delaware, District of Columbia, Minnesota, Nebraska, New Mexico, North Carolina, Pennsylvania, Rhode Island, Texas, Virginia, Washington, and West Virginia. In 1998, the territories were subject to penalties for the first time. Guam, Puerto Rico and the Virgin Islands did not meet the overall participation rate requirements and are liable for penalties. They can also submit corrective plans or appeal the penalty.

[Background: The penalty amounts range from $2,339 to $1,616,434. The list of states follows:

For the states failing to meet the 2-parent rate the penalties are as follows. (Also note that the two-parent penalty has been pro-rated based on the proportion of two parent cases in the state.)

Alaska	$150,237
Arkansas	$13,803
Delaware	$15,581
D.C.	$2,339
Minnesota	$159,123
Nebraska	$13,710
New Mexico	$71,481
N. Carolina	$60,988
Pennsylvania	$148,251
Rhode Island	$38,250
Texas	$61,182
Virginia	$13,214
Washington	$127,175
West Virginia	$42,640

For the 3 territories failing the all-family rate, the penalties are:

Guam	$76,241
Puerto Rico	$1,616,434
Virgin Islands	$47,015

Q: What is the maintenance of effort penalty and are any states going to be penalized?

A: As a condition of signing the 1996 welfare law, President Clinton insisted on a provision that would require states to maintain a percentage of state spending in the welfare program to guard against a "race to the bottom." The requirement includes a strong penalty for failing to maintain state spending. There has been no race to the bottom since the welfare law was enacted with states spending more per recipient now than they did in 1994. If a state failed to meet the level of funding, the penalty is the amount under spent by the state plus the state is required to spend the same amount into the TANF program. In 1998, no state is subject to the maintenance of effort penalty.

Q: Why are there such differences between the states as far as two-parent caseloads? Is there any way to categorize these differences?

A: Under the new welfare law, states continue to have considerable flexibility in establishing eligibility for programs for two-parent families. Nationally, the numbers remain small at about 6 percent of the total caseload. Some states have made changes to expand eligibility for the two-parent family program by increasing the number of hours parents can work while retaining their benefits. This change can account for some of the increase in both numbers and percentage of families engaged in work activities.

Q: Why do some states not have two-parent programs?

A: States have always had, bother under the previous AFDC and current TANF programs, flexibility in the eligibility and size of two-parent welfare programs. There is no requirement for a state to have a two-parent program. Nationally, the numbers remain small at about 6 percent of the total caseload. Of the 10 states and territories not subject to the participation rate requirement, six states have opted to establish separate state programs for two-parent families that they have the flexibility to do under the 1996 welfare law. Under a separate state program, the state is not subject to the participation rate requirements. Four states and territories have chosen not to have a two-parent program.

Q: What is the participation rate requirement and how do you calculate the rates?

A: Under the Temporary Assistance for Needy Families (TANF) program established by the new welfare law, states are required to meet minimum participation rates of parents on welfare either working or engaged in work activities. The rates for all families started at 25 percent in 1997 and increase 5 percent each year to 50 percent in 2002. For two-parent families, the rates started at 75 percent and increase in 1999 to 90 percent. In 1998, states were required to meet 30 percent for all families and 75 percent for two-parent families with single parents working a minimum of 20 hours per week and two parents working a minimum of 35 hours per week. States can receive a credit for reductions in their welfare caseloads for parents leaving welfare compared to previous years. The credit adjusts the target in both rates for each state. Also, several states had adjustments to their rates because they continued waivers approved under the Clinton administration.

Q: How do the participation rates work? What kind of work activities are the families doing?

A: Under the new welfare reform law, states are required to have a specific percentage of their welfare cases involved in work activities for each year. There are two rates for FY 1998: 30 percent of all TANF families must be engaged in work activities (for at least 20 hours per week) and 75 percent of two-parent TANF families must be engaged in work activities (for at least 35 hours per week). The two-parent families make up only a small percentage of the total caseload, less than 10 percent nationwide. About three-quarters of those counting toward the work rates were in a direct work activity (unsubsidized employment, subsidized employment, work experience or community service, with the vast majority of these in unsubsidized employment). The remainder fulfilled their participation requirements through job search, education or training.

Q: Isn't it true that some states only met the participation rate because they reduced their welfare caseloads?

A: The law provides states with credit for those who left the welfare rolls, to ensure success is not simply measured by those who stay on welfare and work. However, two-thirds of states met or exceeded the overall family work rate without the caseload reduction credit, and nationally, 35 percent of all welfare families were participating – exceeding the target of 30 percent.

The "caseload reduction credit" in the law reduces a state's participation rate target by the number of percentage points its caseloads declined between 1995 and 1997. For example, if a state's caseload went down by 10 percent between 1995 and 1997, its participation rate target for all families is reduced from 30 percent to 20 percent.

Q: What is the basis for saying the percent of people working has quadrupled?

A: State data reported to HHS shows that four times more of those on welfare are working than when the President took office. Nationally, the percentage of welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998 – the highest level ever recorded. The 27 percent working includes employment, work experience and community service.

<u>Caseload</u>

Q: How much have welfare caseloads declined?

A: New welfare caseload numbers to be released by the President today show the percent of Americans on welfare is at its lowest level since 1967. The welfare rolls have fallen by 48 percent, or 6.8 million, since January 1993, when they stood at 14.1 million. State-by-state numbers show that since 1992, 31 states have had declines of 50 percent or more. Since the welfare reform law was signed in 1996, caseloads have declined by 4.9 million or 40 percent. Nationally, 2.7 percent of Americans receive welfare benefits funded through the Temporary Assistance for Needy Families program.

NOTE: A table showing state-by-state caseloads has been provided to the press office.

Q: How much of the caseload decline is due to the economy?

A: A new report by the Council of Economic Advisers, released today, finds that the implementation of welfare reform is the single most important factor contributing to the widespread and continuous caseload declines from 1996 to 1998. CEA estimates that the program changes implemented as a result of welfare reform account for approximately one-third of the caseload reduction from 1996 to 1998. The strong economy has also played an important role, accounting for approximately ten percent of the decline between 1996 and 1998.

A growing economy does not always produce caseload declines. The General Accounting Office recently testified that during the 1980s, with a booming economy, welfare rolls actually increased by 12 percent. Declines did not begin until 1994, and decreases were modest until welfare reform was enacted.

Q: Is the rate of caseload decline beginning to slow?

A: No. Both the absolute decline (238,000 recipients) and the rate of decline (-3.1 percent) for January to March 1999 is larger than the declines for the same period last year (222,000 recipients and –2.4 percent). However, we would not find it terribly surprising that the rate of decline may be slowing for some states that have reduced their caseloads dramatically over the past few years and are now working with those who have the greatest challenges to employment. That is exactly why we need to make an additional investment in helping those who remain on the rolls move into jobs and to ensure that those who have gone to work succeed in their jobs.

Q: How can you continue to tout caseload declines as a measure of welfare reform success when you still don't know what's happening to families leaving the rolls?

A: Welfare caseload is one measure we have to determine how welfare reform is succeeding. We have several other reports that show that more parents on welfare are working and those leaving the rolls are going into jobs. Nationally, the percentage of the welfare recipients working rose from 7 percent in 1992 to 27 percent in 1998, with the remainder fulfilling their participation requirements through job search, education and training. Thus, almost one in four recipients was employed in a typical month, the highest level ever recorded. State evaluations indicate that 60 percent or more of the parents leaving welfare are going into jobs. We will learn even more about parents moving into jobs, staying employed and earning more, both as a result of the high performance bonus that will encourage states to compete for $200 million additional federal dollars and from the ongoing HHS-funded studies of families leaving welfare.

Q: What is the caseload reduction credit?

A: Welfare reform effectively began prior to the new welfare law in 1996 when the Clinton administration granted 43 states waivers to test stronger work requirements, time limits of assistance and tougher parental responsibility provisions. States can claim a credit for reductions in their welfare caseload to be applied to the reporting year's minimum participation rate for the year previous to FY 1995. States do have to adjust that number for any reductions that are attributable to eligibility changes. For this second participation rate requirement, states can take a credit for caseload reductions in FY 1997.

Q: All-families versus two-parent families – are we using two different caseload reduction credits?

A: States have the option to use the all-family caseload reduction rate for both all-family and two-parent minimum participation rates. Otherwise, states apply the reductions for all-families and two-parents for the two participation rates respectively.

Q: What process does ACF use with the States for calculating compliance with work participation rates?

A: First, states submit to ACF their work participation rate and recipient characteristic data, caseload reduction and waiver information. ACF then determines a caseload reduction credit for each State. (To ensure fair treatment of States that help families become self-sufficient and exit the welfare rolls, Congress created the caseload reduction credit. As a result, states can claim a credit for reductions in their welfare caseload to be applied to the reporting year's minimum participation rate for the year previous to FY 1995. It excludes reductions due to Federal law or to changes in eligibility criteria). ACF also determines and applies the waiver provisions, and calculates the final rate as well as appropriate penalties.

Second, ACF sends notification letters to States, which have 60 days to submit any requests for reasonable cause exceptions and corrective compliance plans. To ensure State accountability, a limited number of circumstances under which States may demonstrate reasonable cause are defined. Although the final TANF regulations do not go into effect until October 1, 1999, ACF is following the same basic principles concerning reasonable cause exceptions that the regulations embody.

The general factors that a State may use to claim reasonable cause exceptions are: (a) natural disasters and other calamities; (b) federal guidance that provided incorrect information; or (c) isolated problems of minimal impact. There are also two specific reasonable cause factors for failing to meet the work participation rate: (a) federally recognized good cause domestic violence waivers; and (b) alternative services provided to certain refugees. Finally, the Secretary has discretion to grant reasonable cause in other circumstances.

The statute provides for reductions in the work participation penalty based on the degree of the state's noncompliance. ACF is carrying this requirement out as follows: (a) if a State fails only the two-parent work participation rate, its penalty is prorated based on the proportion of two-parent cases in the State; and (b) a State receives a penalty reduction based on the percentage it achieves of the target rate (as reduced by its caseload reduction credit).

Finally, if a State does not demonstrate that it had reasonable cause, it may enter into a corrective compliance plan that will correct the violation and insure continued compliance with the participation requirements. If a State achieves compliance with work participation rates in the time frame that the plan specifies, then we do not impose the penalty.

Vice President Announcement

Q: What is the Vice President announcing Monday?

A: The Vice President is announcing Monday that the federal government has hired over 14,000 welfare recipients since launching the federal Welfare-to-Work Hiring Initiative in March 1997. We not only exceeded our goal to hire 10,000 individuals by the year 2000, but we did so nearly two years ahead of schedule. As a part of this effort, the White House pledged to hire six welfare recipients and has already brought eight individuals on board. And new data compiled by the Office of Personnel Management (OPM) show that welfare-to-work hires have 85 percent higher retention rates: almost 70 percent of federal Welfare-to-Work hires were still working in their federal government positions after one year, compared to 37 percent of the non-Welfare-to-Work employees hired during the same period for similar jobs and pay levels. According to The Welfare-to-

Work Partnership, these results are consistent with the experience of the private sector employers.

NOTE: A table showing agency-by-agency hires has been provided to the press office.

The Welfare-to-Work Partnership Convention

Q: What is the Welfare-to-Work Partnership and what is the purpose of the Chicago conference?

A: The Welfare-to-Work Partnership is an independent, nonpartisan entity consisting of businesses committed to hiring welfare recipients into private sector jobs, which was created in response to the President's challenge in the 1997 State of the Union. Over 12,000 businesses of all sizes and industries have joined The Welfare-to-Work Partnership since its launch at the White House in May 1997, and they have already hired an estimated 410,000 people from the welfare rolls.

The three-day Chicago convention will allow over 2,000 company representatives, federal, state and local officials, and community-based organizations from around the country to participate in over 100 workshops highlighting successful welfare-to-work strategies they can replicate at home.

Seventy-six percent of companies in The Welfare-to-work Partnership have hired former welfare recipients for full-time jobs and the average salary is $17,000 a year. More than 8 in 10 executives have found their new hires are good, productive employees; sixty-five percent of business leaders report that welfare-to-work hires have the same or higher retention rates than other employees, making welfare-to-work a smart solution for business.

Q: Who were the participants in today's National Forum with the President?

A: Today, the President participated in a national forum with over 2,000 businesses, federal, state and local officials, community-based organizations, and individuals who have moved from welfare-to-work around the country. He spoke with large and small businesses from a variety of industries, former welfare recipients who have been hired by these companies, community-based groups who partner with business to recruit and prepare welfare recipients for work and help them succeed on the job, and state and local elected officials.

General Welfare

Q: Are you concerned that families leaving welfare may be experiencing hardship?

A: This Administration has always been concerned about making work pay for low-income working families just above the poverty line. In particular, we have fought for and succeeded in ensuring that families moving from welfare-to-work will have support, such as child care, housing, transportation, food stamps and Medicaid that they need to succeed in the work force. This Administration also fought successfully to expand the

Earned Income Tax Credit and raise the minimum wage to ensure that working families can get out of poverty. In addition, through the welfare high performance bonus, we are providing states with a powerful incentive to move people not just off welfare but into jobs by rewarding the states based on their success in placing people into jobs and helping them succeed in the work place.

Since welfare reform there has been a dramatic increase in employment among welfare recipients. The percentage of recipients who were working, including employment, work experience and community service, reached 27 percent in 1998, a nearly fourfold increase over the 7 percent recorded in 1992. Finally, all States met the first overall work participation rates required under the welfare reform law for FY 1998.

Preliminary findings from six of the HHS funded studies of families leaving welfare indicate that between one-half and three-fifths of former TANF recipients are working jobs which are covered by their States' Unemployment Insurance program. Employment rates were even higher – 68 to 82 percent – when measured as the percentage of those who were ever employed within the first 12 months. A recent General Accounting Office report also found that between 63 and 87 percent of adults have worked since leaving the welfare rolls.

We know from state evaluations and Census data that more parents are leaving the rolls and moving into jobs than was the case under the old AFDC program. We do expect to know more as states compete for the High Performance Bonus. The bonus for each state will be measured by the numbers of adults moving into jobs, staying in work and earning more. We will, of course, continue to monitor both the states' success in placing people into jobs and having these people succeed in the work place.

Q: Do you agree with Families USA that 675,000 people lost Medicaid coverage and became uninsured in 1997 because of welfare reform?

A: No. While the latest Medicaid enrollment figures show that there was a decline in the Medicaid rolls from 1996 to 1997, it is too early to say with confidence what has caused the decline. There are a number of employees participating in employer-sponsored health insurance that contribute to any change in enrollment numbers. It's also important to note that while Medicaid enrollment has declined since 1996, the number of people under the poverty level who are uninsured has not increased in that period.

We do believe that states can and should do more to ensure that they retain access to important work supports such as health insurance. In fact, states have more options now than ever before to provide health insurance to low-income families, including the ability under section 1931 to make more families eligible for Medicaid, and the option to waive the "100 hour rule" to expand Medicaid eligibility to working, two-parent families.

HCFA also intends to be aggressive in ensuring that states carry out their responsibilities under Medicaid law. A new guidebook for states released last month is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance still get Medicaid benefits. The guidebook also makes clear that states' TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

Q: What has HCFA been doing to ensure that States have been following the law and enrolling people into the Medicaid program? Has HCFA been lax in its enforcement of the law?

A: HCFA has been working hard with states to ensure that people who should be enrolled in Medicaid are, in fact, enrolled.

Medicaid is a joint partnership between HCFA and the states. States have primary responsibility for operating their programs. Nevertheless, HCFA continues to provide technical assistance to states and intends to be aggressive in ensuring that states follow all federal rules involved with Medicaid eligibility determinations.

Since the beginning of 1997, HCFA has issued numerous letters designed to inform and educate States of their responsibilities under Medicaid. A new guidebook for states released last month is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also makes clear that states' TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

Next Steps on Welfare Reform

Q: What's the President's agenda for moving more people from welfare-to-work?

A: Today, the President called for:

- The companies in The Welfare-to-Work Partnership to hire even more people from the welfare rolls, and to help new employees succeed in the workplace.

- Congress to honor its bipartisan commitment to welfare reform by resisting proposals to cut the Temporary Assistance for Needy Families block grant created in the 1996 welfare act.

- States and communities to use the resources provided in the welfare reform law and the flexibility provided in the recent welfare reform rules to invest in those who need additional help to leave the welfare rolls and to support working families who have left the rolls succeed in the workforce.

- Congress to finish the job by enacting his initiatives to help those families with the greatest challenges move from welfare-to-work and succeed in the workforce, including:

  ✓ $1 billion to extend the Welfare-to-Work program to help long-term welfare recipients and low-income fathers work and support their families. Welfare-to-Work funds are targeted to those individuals who need the most help, including long-term welfare recipients with low basic skills, substance abuse or poor work history, and are distributed to states and communities based on concentrations of poverty, welfare dependency, and unemployment. Also under the President's proposal, states and communities would use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign PROWA contracts committing them to work, establish paternity, and pay child support. The Administration's reauthorization proposal, which has been endorsed by the U.S. Conference of Mayors, is included in H.R. 1482 introduced by Congressman Cardin and S. 1317 introduced by Senator Akaka. The reauthorization would build on the $3 billion Welfare-to-Work program the President secured in the 1997 Balanced Budget Act. To date, communities in nearly every state are using Welfare-to-Work funds to help individuals with the greatest challenges, and today the Vice President announced the Department of Labor would release over $100 million in grants to the states of Alaska, Illinois, Indiana, Kansas, Minnesota, and New Jersey.

  ✓ Significant new funding for child care to help working families meet the cost of child care including: (1) $7.5 billion over five years to expand the Child Care Block Grant, (2) $5 billion over five years in greater child care tax relief, (3) $3 billion over five years in child care quality improvements, (4) a new tax credit for businesses that provide child care services for their workers, and (5) new tax relief for parents who choose to stay at home with their young children. With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $4 billion in additional funds to states to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for CCDBG child care assistance, yet in 1997, only 1.25 million children received assistance. Ensuring that families who leave welfare for jobs stay employed is one of the next challenges of welfare reform, and reliable, safe, and affordable child care is one of the critical ingredients for parents succeeding in work.

  ✓ Additional welfare-to-work housing vouchers and transportation funds to provide 25,000 more housing vouchers and double Access to Jobs transportation funding from $75 million to $150 million. The welfare-to-work housing vouchers will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The Job Access grants will provide funds for communities to provide innovative transportation solutions so welfare recipients and other low income workers can get to work.

✓ Extend both the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit to encourage the hiring and retention of long-term welfare recipients and other disadvantaged individuals.

Q: Why is the President seeking more funding for child care, Welfare-to-Work, housing vouchers, and transportation when states aren't spending all their welfare block grant (TANF) funds?

A: First, not all states have unspent TANF funds -- 19 states have obligated all of their FY 1998 TANF dollars, including large states such as California, Illinois, Ohio and Texas and small states such as Connecticut and Delaware. Many states that have TANF reserves are prudently saving funds for a rainy day. Second, an even more intensive commitment of welfare-to-work resources will be necessary in the coming years as the work requirements increase and those left on the rolls face the most serious barriers to employment. Third, there is a great need for child care funds -- the Child Care and Development Block Grant serves only 1.25 million of the estimated 10 million children eligible for child care assistance under federal law and states have many more applicants than they can serve. And finally, in many regions, jobs are being created far from where many welfare recipients live -- about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities -- and new housing vouchers and transportation efforts are needed to help people get to work.

Q: Why aren't states spending their TANF funds more quickly?

A: The most recent data reported by the states to the Department of Health and Human Services show that by the 1st quarter of FY 1999, states had obligated about 27.3 billion of $31.5 billion TANF funds available to them from FY 1997 through the first quart FY 1999. HHS expects future data to show a substantial increase in spending commitments because states will have had the opportunity to appropriate these additional funds, which they did not initially plan for because they did not expect such large caseload declines. HHS expects states to leave some TANF funds unspent, leaving them in the federal treasury for a "rainy day" when additional funds may be needed due to population increases or a regional recession.

Q: Isn't it true that some states don't even want this Welfare-to-Work money?

A: Demand for Welfare-to-Work funds continues to be strong. In FY 1998, 44 states applied for formula funds and the Department of Labor received 1,400 applications for competitive grants totaling $5 billion and only had funds to award grants of $468 million. This year, 42 states have already applied for formula funds.

Other Welfare Reform Issues

Q: How do you respond to critics who say we don't know what's happening to people leaving welfare?

A: Numerous independent studies confirm that people leaving the rolls are going to work. Results from a new national survey released yesterday by the Urban Institute found 69 percent of recipients had left welfare for work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. A recent General Accounting Office report based on state surveys found that between 63 and 87 percent of adults have worked since leaving the welfare rolls, results similar to state studies funded by the Department of Health and Human Services. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent.

We will soon know more about the employment status of those leaving the rolls when HHS completes its analysis of data from the states applying for the High Performance Bonus that will reward states with the most success in placing welfare recipients in jobs and ensuring they succeed in those jobs. According to HHS, 46 states have submitted these data. In addition, HHS has funded numerous state and national research efforts that will enhance our knowledge on these important questions.

Q: What are the implications of the study released by the Urban Institute yesterday?

A: This new national survey released yesterday confirms what has been shown in a number of state-specific studies – most women who have left welfare are working. The study found 69 percent of recipients left welfare for work, and 18 percent left because they had increased income, no longer needed welfare, or had a change in family situation. The report also found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four.

Q: Didn't the Urban Institute study find that former welfare recipients are struggling to pay their bills and put food on the table?

A: The Urban Institute found that low income families – whether or not they used to be on welfare – have trouble paying bills and putting food on the table, and former welfare recipients have slightly more difficulty. To help low income working families like these is why the President is pushing an increase in the minimum wage to $6.15 an hour, which would provide a full-time worker with another $2,000 a year, enough to buy groceries for 7 months or pay for 5 months' rent. Also, last month the President took executive action to help ensure working families access to food stamps, by: (1) allowing states to make it easier for working families to own a car and still be eligible for food stamps; (2) simplifying food stamp reporting rules to make it easier for families to get food stamps; and (3) launching a nationwide public education campaign and a toll-free hotline to help working families know whether they're eligible for food stamps. Families with earnings up to 130 percent of poverty ($8.50 an hour for a family of three) can be eligible for food stamps to supplement their income and help buy food for their families, but only two of five working families eligible for food stamps actually apply for and receive them. And, finally, the President's proposal to increase child care subsidies and tax credits for low income families would help low income working families pay one of their largest monthly expenses.

Background: The report found 28 percent of families under 200 percent of poverty who were not recently on welfare and 39 percent of former welfare recipients sometimes cannot pay bills. Similarly, 36 percent of families not formerly on welfare and 49 percent of former welfare recipients said food doesn't always last through the month.

Q: What has the President done to help welfare reform succeed?

A: The President started reforming welfare early in his first term, granting waivers to 43 states to require work and encourage personal responsibility, expanding the Earned Income Tax Credit and the minimum wage to make work pay, and pushing the Congress for nationwide welfare reform legislation which he signed into law in August 1996. Since 1996, he has launched The Welfare-to-work Partnership which now includes 12,000 businesses that have hired an estimated 410,000 welfare recipients; issued an executive order to ensure the federal government hired its share of welfare recipients -- over 14,000 hired to date; encouraged the launching of the Vice President's Coalition to Sustain Success, a coalition of national civic, service, and faith-based groups are working to help these new workers with the transition to self sufficiency; fought for and won additional funds for welfare-to-work efforts for long term recipients in high poverty areas ($3 billion in Department of Labor Welfare-to-Work funds enacted in the Balanced Budget Act), a new tax credit to encourage the hiring of long term recipients, and funding for welfare-to-work transportation ($75 million in FY 1999) and welfare-to-work housing vouchers (50,000 enacted to date); and put in place new welfare rules (announced April 12th) that make it easier for states to use TANF funds to provide supports for working families such as child care, transportation, and job retention services.

Q: Has welfare reform caused declines in food stamp and Medicaid rolls and what is the Administration going to do about it?

A: While the latest Medicaid enrollment figures show that there was a decline in the Medicaid rolls from 1996 to 1997, it is too early to say with confidence what has caused the decline. There are a number of factors, such as fewer people in poverty, lower rates of unemployment, and the decline in the number of employees participating in employer-sponsored health insurance that contribute to any change in enrollment numbers. It's also important to note that while Medicaid enrollment has declined since 1996, the number of people under the poverty level who are uninsured has not increased in that period.

Similarly with food stamps, there are a number of factors contributing to the decline in food stamp participation, such as the strength of the nation's economy allowed participants to find work, reducing their need for food stamps; the success of the Temporary Assistance for Needy Families (TANF) has moved participants from welfare-to-work, with an increase in income sufficient to eliminate the need for food stamps; working families don't realize they are eligible for food stamps and have difficulty obtaining them leading some participants to leave the program unnecessarily and discouraging others from applying for benefits; changes in program rules under welfare reform restricted the participation of immigrants and unemployed childless adults (these changes explain less than 20 percent of the decline).

The President recently announced steps that will go a long way to ensuring working families have access to the food stamp program (see above) and extensive outreach efforts are under way in all 50 states to enroll children in health insurance as part of the implementation of the Children's Health Insurance Program. In addition, both USDA and HHS are working aggressively to enforce the law requiring states to provide Medicaid and Food Stamp applications upon request and ensuring they process them without delay, regardless of the state rules governing the TANF application.

Child Care

Q: The President repeated his challenge to the Congress to pass his child care initiative, yet it failed last year. Do you think you'll get it this year?

A: Yes. The President is committed to working with the Congress on a bipartisan plan that will help America's working families to afford quality child care. The Senate recently added to its tax bill almost $4 billion in additional child care funding over the next five years. Although the Administration strongly opposes the Senate tax bill overall because it is too large, leaving no funding for Medicare and critical discretionary programs, the addition of child care funding represents a positive step. We believe this is the year we'll be able to say yes to millions of parents when they ask about child care: "Can I afford it? Can I find it? Can I trust it?" With more parents entering the work force, the need for child care has risen as a critical support to help parents keep their jobs. The 1996 welfare law did provide $ 4 billion in additional funds to States to provide more care and help improve the quality of programs, but the unmet need remains large. There are approximately 10 million children eligible for federal funded support, yet in 1997, only 1.25 million children received assistance.

Reliable, safe and affordable childcare is one of the critical ingredients for parents succeeding in work. A recent GAO study demonstrated that parents who receive child care assistance more often complete training, get jobs and experience positive outcomes. To address this growing challenge, President Clinton proposed an $19 billion child care initiative comprised of increased subsidies to states, expanded tax credits and an early learning fund so States have a dedicated source of funding to improve the choices parents can make for child care programs.

Q: How many people are working? What kinds of jobs are they in? What are their wages?

A: The percent of TANF adults who were employed has nearly quadrupled, rising 27 percent in 1998. Thus, almost one in four recipients was employed in a typical month, the highest level ever recorded. Results from a new national survey by the Urban Institute found 69 percent of recipients had left welfare-to-work, and 18 percent had left because they had increased income, no longer needed welfare, or had a change in family situation. The report found that women leaving welfare were working at nearly identical rates, types of jobs, and at salaries as other mothers with incomes up to 200 percent of poverty or $32,000 a year for a family of four.

A recent GAO study found annual earnings of $9,512-$15,144 among those who had left welfare. At the same time, the Census Bureau's Current Population Survey shows that between 1992 and 1998, the employment rate of previous year welfare recipients increased by 70 percent. Additionally, we know from state evaluations and census data that more parents are leaving the rolls into jobs than under the old AFDC program. We do expect to know more as more studies of families leaving welfare are completed and as states compete for the High Performance Bonus. The bonus will be measured by numbers of adults moving into jobs, staying in work and earning more.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
TANF WORK PARTICIPATION RATES
FISCAL YEAR 1998

Circled states failed 2-parent

STATE	ALL FAMILY RATES			TWO-PARENT FAMILY RATES		
	RATE	ADJUSTED STANDARD 3/	MET TARGET	RATE	ADJUSTED STANDARD	MET TARGET
UNITED STATES	35.4			42.3		
ALABAMA	38.9	5.0%	■	1/		NA
ALASKA	42.5	26.8%	■	36.8	68.6%	
ARIZONA	30.2	8.7%	■	76.6	53.7%	■
ARKANSAS	19.4	16.6%	■	20.3	57.8%	
CALIFORNIA	36.6	17.8%	■	36.2	32.7%	■
COLORADO	28.7	7.5%	■	25.7	15.1%	■
CONNECTICUT	41.4	21.5%	■	73.2	66.5%	■
DELAWARE	26.2	9.4%	■	23.7	54.4%	
DIST. OF COL.	22.8	20.1%	■	22.5	30.1%	
FLORIDA	34.5	5.8%	■	1/		NA
GEORGIA	29.3	6.1%	■	1/		NA
GUAM	12.4	30.0%		13.8	75.0%	
HAWAII	30.0	28.1%	■	1/		NA
IDAHO	28.6	4.2%	■	22.5	0.0%	■
ILLINOIS	37.7	13.6%	■	77.7	45.0%	■
INDIANA	29.9	0.0%	■	32.8	20.1%	■
IOWA	56.9	9.1%	■	53.6	51.4%	■
KANSAS	41.3	1.9%	■	44.2	23.2%	■
KENTUCKY	38.3	16.3%	■	51.6	37.5%	■
LOUISIANA	29.2	2.0%	■	38.1	0.0%	■
MAINE	45.6	15.1%	■	49.9	35.3%	■
MARYLAND	12.7	3.1%	■	1/		NA
MASSACHUSETTS	29.0	7.3%	■	73.3	44.6%	■
MICHIGAN	49.2	5.2%	■	63.9	38.4%	■
MINNESOTA	30.6	17.0%	■	30.8	42.5%	
MISSISSIPPI	25.2	3.7%	■	70.4	1.2%	■
MISSOURI	24.1	10.4%	■	34.9	0.0%	■
MONTANA	78.3	7.2%	■	86.4	52.2%	■
NEBRASKA	36.2	20.6%	■	39.5	53.1%	
NEVADA	34.5	6.0%	■	58.7	31.7%	■
NEW HAMPSHIRE	37.3	5.5%	■	44.6	1.6%	■
NEW JERSEY	26.5	14.7%	■	1/		NA
NEW MEXICO	15.9	8.5%	■	16.8	35.6%	
NEW YORK	37.5	15.0%	■	58.8	38.5%	■
NORTH CAROLINA	14.5	10.0%	■	30.9	55.0%	
NORTH DAKOTA	31.5	10.7%	■	1/		NA
OHIO	44.9	11.6%	■	51.5	49.2%	■
OKLAHOMA	35.2	0.0%	■	31.4	4.2%	■
OREGON	98.2	0.0%	■	95.2	9.8%	■
PENNSYLVANIA	19.3	9.9%	■	21.8	26.3%	
PUERTO RICO	6.8	17.1%		1/		NA
RHODE ISLAND	27.5	19.3%	■	32.4	51.1%	
SOUTH CAROLINA	42.7	19.0%	■	60.9	48.5%	■
SOUTH DAKOTA	39.2	11.2%	■	1/		NA
TENNESSEE	43.2	2.0%	■	39.1	4.6%	■
TEXAS	25.2	5.2%	■	44.3	47.9%	
UTAH	39.8	2.5%	■	49.7	47.5%	■
VERMONT	2/		NA	2/		NA
VIRGIN ISLANDS	15.5	27.7%		1/		NA
VIRGINIA	27.5	6.8%	■	26.5	51.8%	
WASHINGTON	48.5	21.1%	■	45.5	52.2%	
WEST VIRGINIA	33.4	19.2%	■	37.2	46.8%	
WISCONSIN	64.0	0.0%	■	39.2	0.0%	■
WYOMING	55.3	0.0%	■	65.8	4.9%	■

KEY

1/ State does not have any two-parent families in its TANF Program.

2/ State claims waiver inconsistencies exempt all cases from participation rates.

3/ The work participation rate standard before the application of the caseload reduction credit is 30% for the overall rate and 75% for the two-parent rate.

Highest

Oregon 98.2
Montana 78.3
Wisconsin 64.0
Iowa 56.9
Wyoming 55.3

Lowest

Maryland 12.7
North Carolina 14.5
New Mexico 15.9
Pennsylvania 19.3
Arkansas 38.9

highest

lowest

CHANGE IN TANF CASELOADS

Total TANF families and recipients

(in thousands)

	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-98)
Families	4,963	5,053	4,963	4,628	4,114	3,305	2,668	-46%
				2,295,000 fewer families				
Recipients	14,115	14,276	13,931	12,877	11,423	9,132	7,335	-48%
				6,780 fewer recipients				

Total TANF recipients by State

STATE	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-98)
Alabama	141,746	135,096	121,837	108,269	91,723	61,809	46,934	-67%
Alaska	34,951	37,505	37,264	35,432	36,189	31,689	28,020	-20%
Arizona	194,119	202,350	195,082	171,617	151,526	113,209	92,467	-52%
Alabama	73,982	70,563	65,325	59,223	54,879	36,704	29,340	-60%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,476,564	2,144,495	1,818,197	-25%
Colorado	123,308	118,081	110,742	99,739	87,434	55,352	39,346	-68%
Connecticut	160,102	164,265	170,719	161,736	155,701	138,666	90,799	-43%
Delaware	27,652	29,286	26,314	23,153	23,141	18,504	16,581	-40%
Dist. of Col.	65,860	72,330	72,330	70,082	67,871	56,128	52,140	-21%
Florida	701,842	689,135	657,313	575,553	478,329	320,886	198,101	-72%
Georgia	402,228	396,736	388,913	367,656	306,625	220,070	137,976	-66%
Guam	5,087	6,651	7,630	7,634	7,370	7,461	8,620	69%
Hawaii	54,511	60,975	65,207	66,690	65,312	75,817	45,515	-17%
Idaho	21,116	23,342	24,050	23,547	19,812	4,446	2,897	-86%
Illinois	685,508	709,969	710,032	663,212	601,854	526,851	382,937	-44%
Indiana	209,882	218,061	197,225	147,083	121,974	95,665	109,675	-48%
Iowa	100,943	110,639	103,108	91,727	78,275	69,504	60,151	-40%
Kansas	87,525	87,433	81,504	70,758	57,528	38,462	32,873	-62%
Kentucky	227,879	208,710	193,722	176,601	162,730	132,388	99,560	-56%
Louisiana	263,338	252,860	258,180	239,247	206,582	118,404	111,074	-58%
Maine	67,836	65,006	60,973	56,319	51,178	41,265	34,108	-50%
Maryland	221,338	219,863	227,887	207,800	169,723	130,196	89,003	-60%
Massachusetts	332,044	311,732	286,175	242,572	214,014	181,729	151,592	-54%
Michigan	686,356	672,760	612,224	535,704	462,291	376,985	263,583	-62%
Minnesota	191,526	189,615	180,490	171,916	160,167	141,064	140,128	-27%
Mississippi	174,093	161,724	146,319	133,029	109,097	66,030	38,426	-78%
Missouri	259,039	262,073	259,595	238,052	208,132	162,950	135,383	-48%
Montana	34,848	35,415	34,313	32,557	28,138	20,137	15,508	-55%
Nebraska	48,055	46,034	42,038	38,653	36,535	38,090	34,662	-28%
Nevada	34,943	37,908	41,846	40,491	28,973	29,262	20,283	-42%
New Hampshir	28,972	30,386	28,671	24,519	20,627	15,947	16,090	-44%
New Jersey	349,902	334,780	321,151	293,833	256,064	217,320	175,223	-50%
New Mexico	94,836	101,676	105,114	102,648	89,814	64,759	80,686	-15%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,189	941,714	828,302	-30%
North Carolina	331,633	334,451	317,836	282,086	253,286	192,172	138,570	-58%
North Dakota	18,774	16,785	14,920	13,652	11,964	8,884	8,355	-55%

STATE	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Mar-99	Percent (93-98)
Ohio	720,476	691,099	629,719	552,304	518,595	386,239	282,444	-61%
Oklahoma	146,454	133,152	127,336	110,498	87,312	69,630	56,640	-61%
Oregon	117,656	116,390	107,610	92,182	66,919	48,561	45,450	-61%
Pennsylvania	604,701	615,581	611,215	553,148	484,321	395,107	312,364	-48%
Puerto Rico	191,261	184,626	171,932	156,805	145,749	130,283	107,447	-44%
Rhode Island	61,116	62,737	62,407	60,654	54,809	54,537	53,859	-12%
South Carolina	151,026	143,883	133,567	121,703	98,077	73,179	42,504	-72%
South Dakota	20,254	19,413	17,652	16,821	14,091	10,514	8,445	-58%
Tennessee	320,709	302,608	281,982	265,320	195,891	139,022	152,695	-52%
Texas	785,271	796,348	765,460	714,523	626,617	439,824	313,823	-60%
Utah	53,172	50,657	47,472	41,145	35,493	29,868	26,428	-50%
Vermont	28,961	28,095	27,716	25,865	23,570	21,013	18,230	-37%
Virgin Islands	3,763	3,767	4,345	5,075	4,712	4,129	3,533	-6%
Virginia	194,212	194,959	189,493	166,012	136,053	107,192	88,910	-54%
Washington	286,258	292,608	290,940	276,018	263,792	228,723	174,099	-39%
West Virginia	119,916	115,376	107,668	98,439	98,690	51,348	44,367	-63%
Wisconsin	241,098	230,621	214,404	184,209	132,383	44,630	28,863	-88%
Wyoming	18,271	16,740	15,434	13,531	10,322	2,903	1,770	-90%
U.S. Total	14,114,992	14,275,877	13,930,953	12,876,661	11,423,007	9,131,716	7,334,976	-48%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
Aug-99

Lowest

Rhode Island -12%
New Mexico -15%
Hawaii -17%
alaska -20%
Calif. -25%

Highest

Wyoming -90%
Wisconsin -88%
Idaho -86%
Mississippi -78%
Florida -72%

CHANGE IN WELFARE CASELOADS SINCE ENACTMENT OF NEW WELFARE LAW

Total TANF families and recipients

(in thousands)

	Aug-96	Mar-99	Percent (96-98)
Families	4,415	2,668	-40%
	1,747,000 fewer families		
Recipients	12,241	7,335	-40%
	4,906,000 fewer recipients		

Total TANF recipients by State

STATE	Aug-96	Mar-99	Percent (96-98)
Alabama	100,662	46,934	-53%
Alaska	35,544	28,020	-21%
Arizona	169,442	92,467	-45%
Alabama	56,343	29,340	-48%
California	2,581,948	1,818,197	-30%
Colorado	95,788	39,346	-59%
Connecticut	159,246	90,799	-43%
Delaware	23,654	16,581	-30%
Dist. of Col.	69,292	52,140	-25%
Florida	533,801	198,101	-63%
Georgia	330,302	137,976	-58%
Guam	8,314	8,620	4%
Hawaii	66,482	45,515	-32%
Idaho	21,780	2,897	-87%
Illinois	642,644	382,937	-40%
Indiana	142,604	109,675	-23%
Iowa	86,146	60,151	-30%
Kansas	63,783	32,873	-48%
Kentucky	172,193	99,560	-42%
Louisiana	228,115	111,074	-51%
Maine	53,873	34,108	-37%
Maryland	194,127	89,003	-54%
Massachusetts	226,030	151,592	-33%
Michigan	502,354	263,583	-48%
Minnesota	169,744	140,128	-17%
Mississippi	123,828	38,426	-69%
Missouri	222,820	135,383	-39%
Montana	29,130	15,508	-47%
Nebraska	38,592	34,662	-10%
Nevada	34,261	20,283	-41%
New Hampshire	22,937	16,090	-30%
New Jersey	275,637	175,223	-36%
New Mexico	99,661	80,686	-19%
New York	1,143,962	828,302	-28%
North Carolina	267,326	138,570	-48%
North Dakota	13,146	8,355	-36%

STATE	Aug-96	Mar-99	Percent (96-98)
Ohio	549,312	282,444	-49%
Oklahoma	96,201	56,640	-41%
Oregon	78,419	45,450	-42%
Pennsylvania	531,059	312,364	-41%
Puerto Rico	151,023	107,447	-29%
Rhode Island	56,560	53,859	-5%
South Carolina	114,273	42,504	-63%
South Dakota	15,896	8,445	-47%
Tennessee	254,818	152,695	-40%
Texas	649,018	313,823	-52%
Utah	39,073	26,428	-32%
Vermont	24,331	18,230	-25%
Virgin Islands	4,898	3,533	-28%
Virginia	152,845	88,910	-42%
Washington	268,927	174,099	-35%
West Virginia	89,039	44,367	-50%
Wisconsin	148,888	28,863	-81%
Wyoming	11,398	1,770	-84%
U.S. Total	12,241,489	7,334,976	-40%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
Aug-99

Highest

Idaho -87%
Wyoming -84%
Wisconsin -81%
Mississippi -69%
South Carolina -63%

Lowest

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New Mexico -19%
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Mississippi	-69%	New Mexico	-19%
South Carolina	-63%	Alaska	-21%

THE WHITE HOUSE

Office of the Vice President

For Immediate Release	**Contact:**
Monday, August 2, 1999	**(202) 456-7035**

VICE PRESIDENT GORE ANNOUNCES FEDERAL GOVERNMENT IS DOING ITS SHARE IN MOVING FAMILIES FROM WELFARE TO WORK

Washington, DC -- Vice President Gore announced today that the federal government has hired over 14,000 welfare recipients since launching the Federal Welfare-to-Work Hiring Initiative in March 1997, far exceeding the goal to hire 10,000 individuals by the year 2000. And, new data from the U.S. Office of Personnel Management show that federal Welfare-to-Work hires are not only getting off welfare, but they are staying off and succeeding in their new jobs.

"More and more people are moving from welfare to work, and I'm proud the federal government is doing its part," said Vice President Gore. "And I'm particularly pleased that nearly 70 percent of federal Welfare-to-Work hires were still on board with us after one year – a far higher retention rate than for other federal employees. Clearly, welfare to work can pay off for both employers and employees."

As of September 1998, almost 70 percent of federal Welfare-to-Work hires were still working in their federal positions after one year. In comparison, only 37 percent of the non-Welfare-to-Work employees hired during the same period for similar jobs and pay levels, were still in their jobs. These results are consistent with the experience of the private sector employers involved in The Welfare-to-Work Partnership. Businesses in dozens of industries find that welfare-to-work retention is often higher than that experienced with non-welfare hires. Welfare hiring programs not only help meet labor needs, but decrease costly employee turnover.

Today, Vice President Gore will talk with successful federal Welfare-to-Work hires from several agencies around the country. Dedicated cabinet secretaries and agency coodinators have hired over 14,000 individuals in jobs such as Clerks, Food Service Workers, Enumerators, and Motor Vehicle Operators in hundreds of federal offices nationwide. Four out of five federal Welfare-to-Work hires work outside the Washington area. As part of this effort, the White House pledged to hire six welfare recipients and has already brought eight individuals on board.

Vice President Gore's *Second Annual Report to the President on the Federal Welfare-to-Work Hiring Initiative* highlights strategies that agencies use to recruit and retain their federal Welfare-to-Work hires. Retention strategies include: on-the-job training, mentoring programs, counseling services, health benefits, assistance with transportation and child care, flexible work schedules, and information on supports for working families such as the Earned Income Tax Credit.

"Welfare-to-Work works for federal employers," said U.S. Office of Personnel Management Director Janice Lachance. "Federal Welfare-to-Work hires are almost twice as likely to stay on the job for a full year than non-Welfare-to-Work employees. What a great incentive to keep the momentum going."

###

Agency	Total Commitment Thru 2000	Hires Reported Thru July 22	% of Total Year 2000 Commitment Hired since 3/8/97
Commodity Futures Trading Commission	--	3	--
Department of Agriculture	375	559	149%
Department of Commerce	4180	4953	118%
Department of Defense	1600	2634	165%
Department of Education	21	26	124%
Department of Energy	55	73	133%
Department of Health & Human Services	300	362	121%
Department of Housing & Urban Development	200	142	71%
Department of the Interior	325	246	76%
Department of Justice	450	305	68%
Department of Labor	120	161	134%
Department of State	220	56	25%
Department of Transportation	400	290	73%
Department of the Treasury	405	1870	462%
Department of Veterans Affairs	800	1380	173%
Environmental Protection Agency	120	85	71%
Equal Employment Opportunity Commission	--	9	--
Executive Office of the President	6	8	133%
Federal Emergency Management Agency	125	69	55%
General Services Administration	121	102	84%
National Aeronautics & Space Administration	40	32	80%
National Archives & Records Administration	--	32	--
National Credit Union Administration	--	5	--
National Endowment for the Humanities	--	1	--
National Labor Relations Board	--	1	--
Office of Government Ethics	--	1	--
Office of Personnel Management	25	58	232%
Railroad Retirement Board	--	1	--
Securities & Exchange Commission	10	12	120%
Small Business Administration	120	61	51%
Social Security Administration	600	463	77%
U.S. Information Agency	20	27	135%
U.S. Nuclear Regulatory Commission	--	1	--
TOTAL	**10638**	**14028**	**132%**

Declaration FOR Independence

The Business Community's Report on the Progress of Welfare to Work

When Congress passed and President Clinton signed the new welfare law in August 1996, they challenged the American business community to take the lead to "end welfare as we know it." Over the next three years, more than 12,000 businesses of all sizes and industries joined The Welfare to Work Partnership by committing to hire and retain people off public assistance.

In order to track the progress and trends of welfare to work within the business community, Wirthlin Worldwide, a national polling firm, conducts regular surveys of The Partnership's Business Partners. The survey has been conducted at the request of the governors on The Partnership's National Advisory Council, chaired by Governor Tommy Thompson (R-WI) and Governor Tom Carper (D-DE). There are 26 governors on the Advisory Council, organized to advise, support and further the mission of The Partnership.

In just three years, the American business community produced the following results:

- BUSINESSES ARE DOING MORE THAN JUST COMMITTING - THEY ARE HIRING. Through 1998 alone, The Welfare to Work Partnership's Business Partners have hired more than 410,000 welfare.

- WELFARE RECIPIENTS ARE LANDING FULL-TIME JOBS WITH FULL MEDICAL BENEFITS. Seventy-six percent of companies hiring former welfare recipients hire them for full-time positions and 71% of these companies offer health care benefits.

- COMPANIES WILL CONTINUE TO HIRE AND RETAIN WELFARE RECIPIENTS. Sixty-seven percent of the Partnership's businesses still believe they are facing a labor shortage in either their company or industry. Almost eight of every ten employers (79%) expect to hire a former welfare recipient this year.

- WELFARE RECIPIENTS MAKE SUCCESSFUL EMPLOYEES. More than eight out of ten (82%) executives who have hired former welfare recipients found that their new hires are "good, productive employees." This number continues to improve. It is up 3% from Wirthlin's second survey in August 1998 and 6% from the first survey in February 1998.

- COMPANIES FIND HIGHER RETENTION RATES WITH WELFARE TO WORK EMPLOYEES. Sixty-five percent of business leaders report that welfare to work hires have the same or higher retention rates than standard-hire employees. The percentage has increased from 48% in February 1998 and from 53% in August 1998.

- <u>SMALL BUSINESSES FIND WELFARE TO WORK IS SMART SOLUTION.</u> Eighty percent of Small-business owners (those with 250 or fewer employees) report that the employees hired from the welfare rolls have turned out to be "good, productive workers," and that level of satisfaction has been rising. In fact, 67% of these small business members also report that their welfare to work hires stay on the job as long as – or longer than – other entry-level workers.

- <u>WELFARE RECIPIENTS ARE RECEIVING TRAINING, PROMOTIONS.</u> Eight out of ten (77%) companies hiring former welfare recipients hire them for "promotional track" positions. In fact, 91% of companies hiring former welfare recipients offer them opportunities for training that could lead to a promotion and 60 percent of businesses report some promotion of welfare hires -- the same rate as standard hires among member companies.

- <u>WELFARE RECIPIENTS ARE GAINING SALARY JOBS AND EARNING ABOVE MINIMUM WAGE.</u> Twenty-seven percent of Partnership businesses are hiring welfare recipients into salaried positions (up from 19% in August 98). The average starting annual salary is nearly $17,000. The average starting wage is $7.20 per hour -- 40% higher than the national minimum wage of $5.15.

- <u>PARTNERSHIPS WITH COMMUNITY GROUPS ARE KEY TO SUCCESS.</u> Those companies that have successfully hired welfare recipients are much more likely to have formed partnerships with community-based organizations. The Wirthlin Survey showed that 48% of companies are turning to non-profit, community-based organizations to find candidates to hire. That number is up from 25% in 1998. Community groups often provide key services (like training, mentoring and counseling) that are too difficult or costly for businesses to offer on their own.

- <u>WELFARE TO WORK PROGRAMS ARE GOOD FOR THE BOTTOM LINE.</u> Companies say welfare to work programs cost no extra money and in some cases save money. Sixty-five percent of businesses say they run successful welfare to work programs without increasing their costs while 16% companies have actually saved money by creating a welfare to work program, with savings averaging $5,803 per company.