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The Welfare to Work Partnership
Summer 2000

The Bottom Line For Better Lives

A Report to the President on Welfare to Work



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C&S Paving Cessna Aircraft Company Chase Manhattan Bank Citigroup
CVS Corporation Fannie Mae Foundation General Converters & Assemblers, Inc.
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The Welfare to Work Partnership
Summer 2000

The Bottom Line for Better Lives





"From now on, our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking a historic chance to make welfare what it was meant to be: a second chance, not a way of life."

— President William J. Clinton, August 22, 1996

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- ◆ Reauthorize TANF Block Grants and Spend the Money Responsibly
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August 22, 2000

Dear Mr. President:

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The report before you contains one main conclusion: We have made significant progress toward ending "welfare as we know it," but more work needs to be done.

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Four years ago, you signed into law a measure that was built on a simple but profound premise: That every American able to work and support a family must do so, and that welfare would hereafter serve *as a second chance, not a way of life*. Under the Personal Responsibility and Work Opportunity Reconciliation Act, economic support from the government would no longer be a matter of entitlement, which meant that individuals who formerly relied on it to make ends meet would need jobs instead.

To deliver on that part of the bargain, you appealed to leading American businesses for help. In response, five companies – United Airlines, Burger King, Monsanto, Sprint and United Parcel Service – took the lead and created The Welfare to Work Partnership.

Our mission was simple: To motivate employers to hire welfare recipients and to give them the tools they needed to succeed. We approached the task methodically, first breaking down long-held myths about those on public assistance, and helping businesses understand how their bottom-line imperatives could be served by turning to this new pool of workers. We then connected them with community partners who would find, train, and send them the best job applicants, and promoted strategies that could help companies keep their new workers on the job over time and, ideally, advance them up the career ladder.

We are pleased to tell you that we've made great progress. More than 20,000 American employers have joined our effort, pledging to hire at least one person from the welfare rolls. They represent all industries, and hail from Main Street to Wall Street. Together, they've opened doors of opportunity to an estimated 1.1 million former recipients, offering good jobs with health insurance and other benefits detailed later in this report.

We are proud to have helped many Americans realize the promise embodied in the very title of the 1996 law – to take **personal responsibility** for themselves and their families, and to seize **work opportunity** and the dignity that comes from earning a paycheck. But like you, we are well aware of a promise that has yet to be realized for too many of our fellow citizens. It is this one: That people who work hard and play by the rules should not live in poverty.

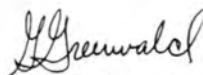
As employers, we alone cannot end poverty in America. But the important lessons we have learned about how to move people from the welfare rolls to our payrolls can guide our way as we move forward. These lessons can be applied to help millions of citizens in addition to those who are leaving the welfare rolls – citizens who still live on the margins of American life. They can also inform renewed efforts to help former welfare recipients, too many of whom continue to struggle: The estimated 40 percent who don't land steady jobs upon leaving the rolls; many of those who are likely to return to public assistance before long; and especially those who have left welfare for work but moved into the ranks of the "working poor." To help these families, we must all do our part while we have unprecedented budgetary resources and broad public will behind us.

Mr. President, The Partnership stands ready to help you, your administration, your successor, the Congress, local service providers, employers and other government bodies build on the remarkable progress we have made to date.

Sincerely,



Eli Segal
President and CEO
The Welfare to Work Partnership



Gerald Greenwald
Chairman Emeritus, United Airlines
Chairman, The Welfare to Work Partnership

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EXECUTIVE SUMMARY

"We cannot be the kind of country we want to be if we're content to leave people behind... We have the knowledge. We have the resources. We have the strong economy that gives us time to focus. What we need now is commitment. We're asking every company across the country to join our Partnership."

– Gerald Greenwald, Chairman Emeritus, United Airlines
Chairman, The Welfare to Work Partnership

"Welfare to work is the perfect example of how two supposedly diametrically opposed goals of business – making money and being socially responsible – can intersect in a meaningful way."

– Jonathan Tisch, President and CEO, Loews Hotels
Vice Chairman, The Welfare to Work Partnership

It is a rare moment when a vexing social problem and a compelling business need align to create positive change. Such an opportunity presented itself in 1996, when Congress passed and President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, reversing six decades of welfare policy. The new law created a historic challenge for the business community to hire those who would now be leaving the welfare rolls in large numbers. And, fortuitously, it created an unprecedented chance for employers to fill their payrolls with new workers, just as the booming economy was making that job more difficult than ever.

In the four years since, the country has witnessed dramatic changes in welfare as we knew it. Welfare caseloads have plummeted by nearly half since 1996, and the majority of adults who are now off the welfare rolls have gone to work. In May of 1997, The Welfare to Work Partnership was created to educate and encourage employers to consider hiring this new source of workers. In three years, more than 20,000 employers answered our challenge and committed to hire and retain former welfare recipients. During that period, they hired an estimated 1.1 million new workers from the public assistance rolls. We are pleased to be at the forefront of this quiet social revolution. The significant role our companies – and many other American businesses – play in hiring, retaining, promoting and benefiting from these new workers inspires this report.

In the pages that follow, we outline some of the most important lessons drawn from our experiences to date. We explain why The Partnership's companies believe:

- ◆ Welfare to Work Is a Smart Solution for Business;
- ◆ What Employers Value in Job Applicants May Surprise You;

- ◆ Public-Private Partnerships Are Critical to Success;
- ◆ Retention and Promotion Strategies Pave the Way to Well-Being; and
- ◆ Small Businesses Need Special Help to Benefit from Welfare to Work.

We are also quick to acknowledge that the job of ending a failed welfare system is far from complete. Important challenges lie ahead. About two million families remain dependent on the federal Temporary Assistance for Needy Families (TANF) program and, as employers, we are well aware that many of them will face difficult barriers on their road to work. We also know that too many individuals who have left the rolls eventually return. Perhaps the most critical challenge, however, is in supporting large numbers of our fellow Americans who have "done right" by their families and worked hard to leave welfare, only to find themselves struggling to make ends meet. As a nation, we owe these individuals more; together, we can do more to help them achieve lasting independence.

To move the agenda forward in pursuit of that goal, we also offer a series of policy recommendations to Congress, federal officials, state and local lawmakers, the service provider community, and employers themselves. The Partnership and its companies believe that only by working together – with neither partisan nor ideological differences – can we complete the ambitious agenda of welfare reform. Our recommendations include the following:

- ◆ **Reauthorize the 1996 welfare law and hold the line on funding to assist those still in need.** When Congress revisits the 1996 law in the next two years, it should not reduce TANF block grant funding despite large declines in welfare cases. The nation's investment should be sustained to help states tackle the difficult barriers faced by the "hardest to serve" recipients remaining on the rolls and those who have already left. States, for their part, should move expeditiously to spend their TANF allocations on services most vital to welfare recipients and to all low-wage workers. Any effort by states to use TANF money for other purposes should be strongly discouraged.
- ◆ **Do more to prepare welfare recipients for long-term success before their first day of work.** Lawmakers should also find a better balance between the strict "work first" philosophy at the core of the 1996 law and more intensive efforts to prepare welfare recipients for reliable and better-paying jobs. While The Partnership's companies believe most recipients *should* be required to work and are eager to employ these new workers, many have come to see the practical limitations of a program that, in some cases, pushes recipients into jobs before they are prepared to succeed in them.

- ◆ **Help address the biggest obstacles to work – child care and transportation – and to maximize small business involvement in welfare to work.** Lawmakers should sustain or, ideally, increase resources for a range of programs that help former welfare recipients stay on the job. Partnership companies call for increased emphasis on child care and transportation aid, as they are consistently the two biggest challenges facing new workers. We also ask for help by government bodies and other employers to ensure that small businesses – the engine of job growth in America – can successfully hire disadvantaged workers.
- ◆ **Do more to "make work pay" for employees leaving the welfare rolls.** Congress, state and local lawmakers, and service providers must maximize a range of supports that help former recipients keep their jobs and leave welfare behind for good. Partnership companies call on Congress to increase the Earned Income Tax Credit for low-wage workers, and on states to enact such refundable credits of their own. We also urge stakeholders to aggressively promote valuable work supports like Medicaid, the Children's Health Insurance Program and food stamps for all families who need extra support on the road to permanent self-sufficiency.

The Partnership and its business leaders share other recommendations with those in a position to affect change, including strategies to streamline the workforce and training systems, to reach out to the fathers of children on welfare, and to build on the progress to date with efforts to assist millions of other disadvantaged Americans.

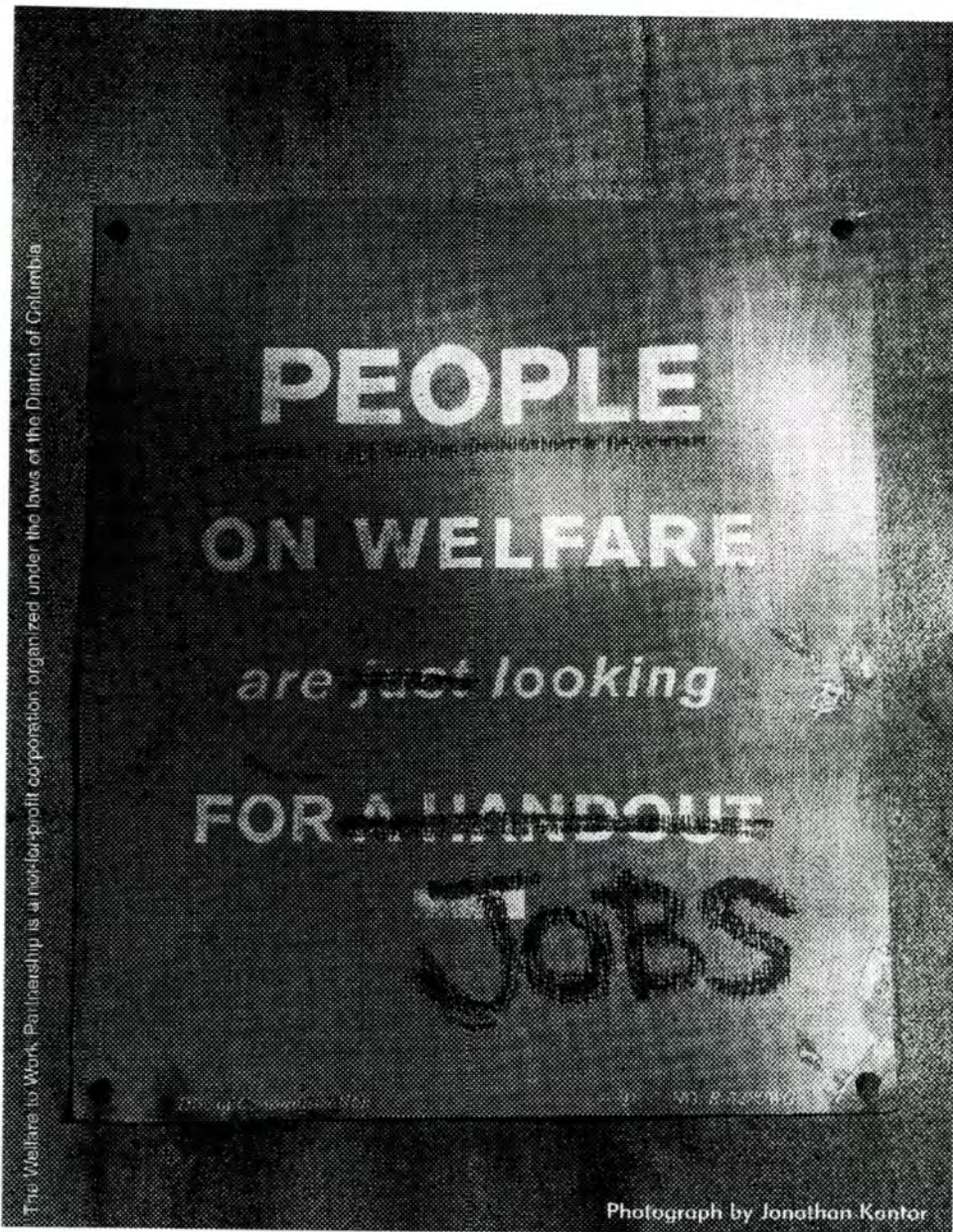
Finally, we know that the lasting success of welfare reform can be measured most dramatically by the individual lives it changes for the better. In the latter section of this report, we highlight the stories of some people who are on their way to claiming the American Dream for themselves and their families, and the testimonials of companies that have proudly given them that chance.

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Photograph by Jonathan Kantor

Lessons Learned

LESSON 1:

Welfare to Work Is A Smart Solution for Business

"Our UPS welfare to work program [exists] for a simple reason: We need dedicated, reliable people. We've found that recruiting welfare recipients is good for them and good for our communities – and we're a better business because of it."

– James P. Kelly, Chairman and CEO, United Parcel Service of America

Before the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed into law, most Americans viewed the welfare system as a failure. Ineffective and costly, it trapped millions of Americans in a vicious cycle of dependence. What started with good government intentions had turned into a system in which parents lost hope in the present and children lost a chance at a future.

While business leaders sympathized with the plight of families mired in poverty, the rationale for hiring welfare recipients would have to be based on something more than compassion or charity. It had to make good *business* sense. Thanks to a booming economy and a record low unemployment rate, American businesses desperately needed more workers to sustain and expand their workforce. If this nontraditional source of labor could help the bottom line, employers would do their part.

That business imperative – combined with the passage of the new law and a series of impassioned public challenges from President Clinton – persuaded more and more employers to turn to the welfare rolls for help.

Three years of evidence is promising. In an effort to track the success these employers enjoyed and the challenges they faced, The Partnership hired Wirthlin Worldwide, an international polling firm, to monitor their progress. Ongoing telephone surveys of Partnership business executives by Wirthlin have documented several lessons about why welfare hiring makes sense, including:

- ◆ **Former welfare recipients make good, productive workers.** Fully 80 percent of Partnership business leaders call their new welfare hires "good, productive employees."
- ◆ **Their job retention rivals – and often exceeds – that for other entry-level workers.** Typically, between 60 and 65 percent of Partnership employers say their welfare to work hires stay on the job as long as – or *longer than* – their non-wel-

Business

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fare peers. That translates into a more stable workforce and a stronger bottom line, especially in the retail and hospitality industries which typically struggle with high employee turnover.

- ◆ **Welfare recipients fill an urgent labor need at a time of historically low unemployment.** The Partnership's Business Partners have hired 1.1 million individuals from the welfare rolls. While this new pool of workers has helped address their immediate labor needs, more than three quarters of Partnership businesses tell us their company or industry *continues* to face a labor shortage. It is no surprise, then, that 70 percent intend to hire additional welfare recipients in the year 2000. In fact, despite the steep decline in numbers of adults left in the public assistance system, two thirds of our businesses believe they can "continue to find and hire good employees off welfare now and into the future."

Employers see the value of investing in their new workers. The fact that many employers invest substantial resources in their welfare to work hires suggests that they see these new employees as valuable assets. Business Partners have learned that providing competitive benefits for all their workers will greatly improve overall morale and loyalty to the company. Among Partnership companies:

- ◆ The average starting **wage** paid to those hired from the welfare rolls is \$7.80 an hour, and, for those earning a **salary**, a much better \$19,641;
- ◆ More than 74 percent offer **medical benefits** to their welfare to work employees, and 88 percent of Partnership businesses cover the employees' dependents;
- ◆ More than 52 percent offer formal or informal **mentoring**;
- ◆ More than 44 percent offer a **401(k) match**;
- ◆ At least 22 percent offer other financial supports, which can include **loans or lines of credit** to buy a home, a car, or other necessities, and 13 percent offer company **stock options**; and
- ◆ Nearly all – 91 percent – provide **training** and other supports that can lead to job promotion.

Companies are documenting the bottom-line benefits of hiring welfare recipients. The large majority (81 percent) of Partnership companies report that their welfare to work programs have been fiscally "cost neutral" or have even *saved* them money – even after the expenditure of company resources to provide additional training, men-

LESSONS LEARNED

toring, and general support to ensure that former welfare recipients stay on the job. And companies report that strong retention among welfare hires can translate into substantial monetary benefits. These include lower staff turnover, less money spent recruiting and replacing employees, and less money wasted on training workers who leave before companies reap a return on their investment.

Government hiring incentives can pay off, too. Many companies are also earning valuable tax refunds – up to \$8,500 per employee – through various financial incentives, most notably the federal Work Opportunity and Welfare to Work Tax Credit programs. Some businesses are putting these hiring bonuses to good use by "recycling" the money back into their welfare hiring initiatives – using it to defray the cost of job training, for example, or to offer new employees vital retention supports like transportation or child care assistance. Many more *could* be receiving these helpful hiring subsidies but are not now taking advantage of them for reasons detailed later in this report.

Other Partnership businesses have learned that government wage subsidies – or work supplementation programs – can favorably impact their bottom line, too. By reimbursing an employer the value of the welfare and food stamp benefits that would have gone to a newly hired welfare recipient, these programs help underwrite the salary of the new worker – providing additional resources during the first few months on the job. For these employers, this is more proof positive that welfare to work is a smart solution to their business needs.

LESSON 2:

What Employers Value In Job Applicants May Surprise You

"I have learned that many welfare recipients need training beyond the nuances of 'having it your way.' We work with service providers to help welfare recipients learn life skills before they come on board. Then, our managers help them translate those skills to the workplace. Any Partnership employer will tell you that this training is the most critical aspect of a welfare to work program."

— Ron English, President, Ron-Bar Inc., Burger King Franchisee



Success of the nation's boldest attempt to change its welfare system depends on the willingness of employers to give recipients a chance to prove they can become valuable employees. If that was so in previous attempts to overhaul welfare, it was not always reflected in the way recipients were prepared for the workplace. Indeed, the weakest link in earlier reform efforts may have been the system's failure to take the needs of employers into account.

The Partnership believes that the experiences of our Business Partners must play a role as the nation's welfare program continues to evolve. For example, in the last few years, employers have reported important – and, in some cases, surprising – lessons about what they are looking for in prospective workers. Several of The Partnership's surveys have yielded encouraging findings about employer attitudes, findings supported by studies from prominent researchers at the Urban Institute, the Economic and Social Research Institute, Manpower Demonstration Research Corp. and other experts in the welfare arena. We have learned, for example, that:

Positive personal traits matter most. The characteristics employers typically value most highly in entry-level workers are dependability, a positive attitude, a strong work ethic, punctuality and the willingness to learn on the job. Employers also look for new workers who exhibit strong customer-service and team-building skills, including friendliness and collegiality.

Formal education and work experience are less important. The lack of a formal education or strong work experience – two areas where many of today's welfare recipients come up short – are not usually an impediment to hiring, according to employers. Only 20 percent of Partnership businesses report that the

absence of work history would prevent them from hiring a job applicant, while additional research illustrates that only one in eight employers list "prior work experience" among the top qualities sought in a new worker.

Lack of "soft skills" presents a problem. Taken together, these findings have taught us that employers can overlook certain perceived deficits common among those struggling to leave the welfare rolls, but other barriers are harder to ignore. Although Partnership companies often do see a lack of education, job skills, or work history among new applicants, they are confident they can train an employee to perform the job. However, 40 percent of Partnership employers say they frequently encounter problems among their welfare to work applicants with so-called "soft" or interpersonal skills – things like punctuality, appropriate dress, and common courtesy. And more than half (53 percent) of our businesses are reluctant to hire such a candidate for fear they will be unable to solve these problems alone. Employers emphasize the importance of community partnerships to help solve these challenges, a subject explored later in this report.

Other barriers that might have seemed insurmountable are not. Polling of Partnership businesses has also revealed another encouraging finding related to employer expectations. In this hot economy, many companies are surprisingly receptive to hiring non-traditional job candidates – including, in some cases, individuals with a criminal background. Two in three Partnership companies would consider hiring an ex-offender who has stayed out of trouble for at least five years. More than half (53%) of our companies report they would be more likely to hire an ex-offender if the government would insure them against financial loss or legal liability should something "go wrong." Similarly, employers are more open to this group of workers if a local intermediary or service provider commits to mentoring the new employee and works to avert any problems.

LESSON 3:**Public-Private Partnerships Are Critical To Success**

"We have developed a wonderful public-private partnership with Wildcat Service Corporation in New York City. By working together, we created a specialized training program to prepare potential employees with the skills to meet our specific needs and demands. We continually adjust the training program as our needs change and through it all, we get well-trained, reliable employees who are prepared to immediately contribute and excited to build a career at our company."

— Marjorie Wagner, Senior Executive Vice President and Chief Administrative Officer, The Global Consumer, a division of Citigroup

Another important lesson The Partnership and its companies have learned in the last few years is that businesses alone cannot make real the promise of welfare reform. Their job is to make a profit, not to serve as social workers for each new employee. They cannot successfully hire, retain and advance welfare recipients unless they are supported by the numerous entities in their community – from government, nonprofit, and for-profit providers to community colleges and faith-based organizations – who do this for a living. These public-private partnerships can take many different forms and be customized to specific employers' needs, but the most effective ones are characterized by close relationships between companies in need of workers and providers seeking to move their clients into good jobs.

Forging partnerships is the best way to find new workers. According to The Partnership's member surveys, the most successful welfare to work programs begin with strong community partnerships. Companies that have successfully hired and saved money through their welfare to work efforts are more likely to have forged partnerships with community-based agencies. These businesses turn to providers to manage key services that are frequently beyond the employers' area of expertise or are difficult for a business – particularly a smaller one – to offer on its own. If a business communicates precise hiring needs and expectations, the provider can recruit and train the best candidates. Eventually, the provider knows what a business is expecting and the business knows it will be referred capable, well-prepared candidates. If the company has a good experience, it is more likely to go back to that provider for continued recruiting.

Maintaining partnerships is the best way to keep new workers on the job. Although many companies utilize service providers to help them hire welfare recipients,

few adequately utilize these community partners to address the needs of new workers after they are on the job. Many businesses are unaware that service providers can help with the toughest challenges recipients may face, including finding stable child care and transportation or honing interpersonal skills so they can succeed and advance in the workplace. Partnership surveys demonstrate that employers who do continue to collaborate with service providers after an employee is hired enjoy a better track record retaining and promoting their welfare to work employees.

Viewing business as a customer is the best public-private strategy. When it comes to the success of welfare to work, service providers must view the *employer* and welfare recipient as customers of equal importance. Providers must understand the customer-service "ethic" and tailor their training, placement and post-employment programs to these needs. Businesses work best with organizations that are able to deliver qualified job candidates according to their standards, pace of business and nature of their hiring needs. In some cases, businesses educate job developers about their culture, practices and routine by inviting them into their workplace to learn first-hand. In other cases, businesses and service providers work together to create a customized training curriculum so graduates of the training program acquire job-specific skills. As Partnership companies have learned, these types of collaborations can ensure that the employers' expectations are met *and* that the job-seeker is getting the best preparation possible.

LESSON 4:**Retention and Promotion Strategies Pave the Way to Well-Being**

"We believe that promoting self-sufficiency is about more than just creating jobs... It requires a broader look at the challenges facing those employees transitioning from welfare and the communities where they live."

– Cathy Bessant, President, Florida Banking Group, Bank of America



Ending welfare as we know it will require more than just moving people off the welfare rolls, but eventually out of poverty. Businesses must not only find ways to hire workers off welfare, but to retain and promote them as well. A key to success, according to many of The Partnership's Business Partners, is thinking strategically about the challenges that confront many new workers seeking to leave public assistance and responding with direct solutions.

A few simple supports can help boost retention. High retention rates do not happen accidentally. As employers have learned what keeps new workers on the job, they have adapted workplace practices to ensure greater success.

- ◆ **Child care, transportation and soft skills.** Partnership employers consistently report that investments in child care, transportation and life skills do the most to promote retention of their welfare to work hires. Unfortunately, employers generally are not able to address these challenges on their own. Just 22 percent of The Partnership's businesses offer any transportation assistance to their new workers, for example, and even fewer are able to pay for child care or specific soft-skills training. Employers call on wider community efforts to help deal with these issues; their recommendations are explored in greater depth later in this report.
- ◆ **Mentoring.** Mentoring provides personal attention during the first critical months on the job and helps entry-level workers address obstacles before they become a problem for the employer. More than 52 percent of Partnership businesses offer some form of mentoring for their welfare to work hires, either in-house through workplace volunteers, or by partnering with churches or community-based, civic and social organizations. Those with mentoring programs see positive results, with 75 percent reporting improved work performance, 67

LESSONS LEARNED

percent reporting higher job retention, 63 percent seeing reduced absenteeism, and more than half reporting a cost savings.

- ◆ **Education and training.** As detailed earlier, employers do not generally expect their entry-level job applicants to arrive for their first day of work with all the needed technical skills. But employers *do* see the value of investing in post-employment education and training to develop new workers and give them the tools needed to succeed on the job. More than three of every four Partnership companies offer ongoing education and training to their welfare to work hires, and the payoff is striking – 80 percent see improved work performance, 68 percent experience improved morale, and 60 percent see higher retention.

Government-sponsored work supports improve retention, too. Many new employees remain eligible for a variety of government-sponsored work supports as they are transitioning off of welfare and even after they have left the welfare rolls for payrolls. This package of programs helps smooth the transition new workers often face, and can help low-wage families maintain viable living standards until they advance and earn higher wages. That, in turn, is advantageous for employers, because workers who do not have to worry about providing for their families, acquiring health benefits or accessing affordable child care are more likely to be good, reliable employees.

Many of The Partnership's companies have learned that their low-wage workers are likely to be eligible for:

- ◆ The **Earned Income Tax Credit (EITC)**, a valuable tax refund offered by federal and some state governments, which can return as much as \$3,800 a year to working families;
- ◆ A partial "wage supplement" in the form of **earned income disregards**, through which new workers may increase their income by retaining part of their welfare check even after they have gotten jobs;
- ◆ Comprehensive health insurance in the form of **Medicaid** or the state-run **Children's Health Insurance Program (CHIP)**;
- ◆ **Child care subsidies**;
- ◆ **Food stamps** or other nutrition programs;
- ◆ **Housing** assistance; and
- ◆ **Transportation** assistance.

By and large, employers understand the value of these programs for many of their low-wage workers and are usually willing to become advocates for these initiatives. In fact, nearly eight in 10 Partnership companies say they would be willing to help a new employee access information on these programs if they knew that workers were eligible.

Businesses want to promote their new workers and are learning how best to achieve that goal. Like all other workers, those leaving the welfare rolls need to know that they, too, will have the opportunity to advance. Seventy-nine percent of The Partnership's companies hire welfare recipients for promotion track positions and 91 percent offer training that could lead to a promotion. Almost all (94 percent) of the former welfare recipients hired by Partnership businesses receive their first pay increase within one year on the job. Their pay raises are on par with their non-welfare, entry-level colleagues. In another encouraging sign, 37 percent of Partnership companies have seen some of their welfare to work hires move on to a better job with another company.

Not surprisingly, many of the strategies employers are using to shore up retention for their new workers are frequently the same factors that drive job promotion. For example, Partnership surveys find that mentoring is the single-most effective strategy for ensuring promotion, while other research shows that education and training can do the most to help promote a new hire. The most successful mentoring initiatives frequently involve partnerships with outside agencies and are formally recognized by the company. Companies see mentoring as an important way to address many challenges, including work-readiness, employer-employee relationships, child care, transportation and other personal issues.

LESSON 5:

Small Businesses Can Benefit from Welfare to Work with Special Help

"More than 30 years ago, I learned that welfare recipients were an excellent source of employees for my small business. Today, more than half of my workforce has come from the welfare rolls, and the results have inspired me to educate other businesses – large and small – about the benefits of welfare to work."

– George R. Stinson, Chairman of the Board, General Converters and Assemblers, Inc.

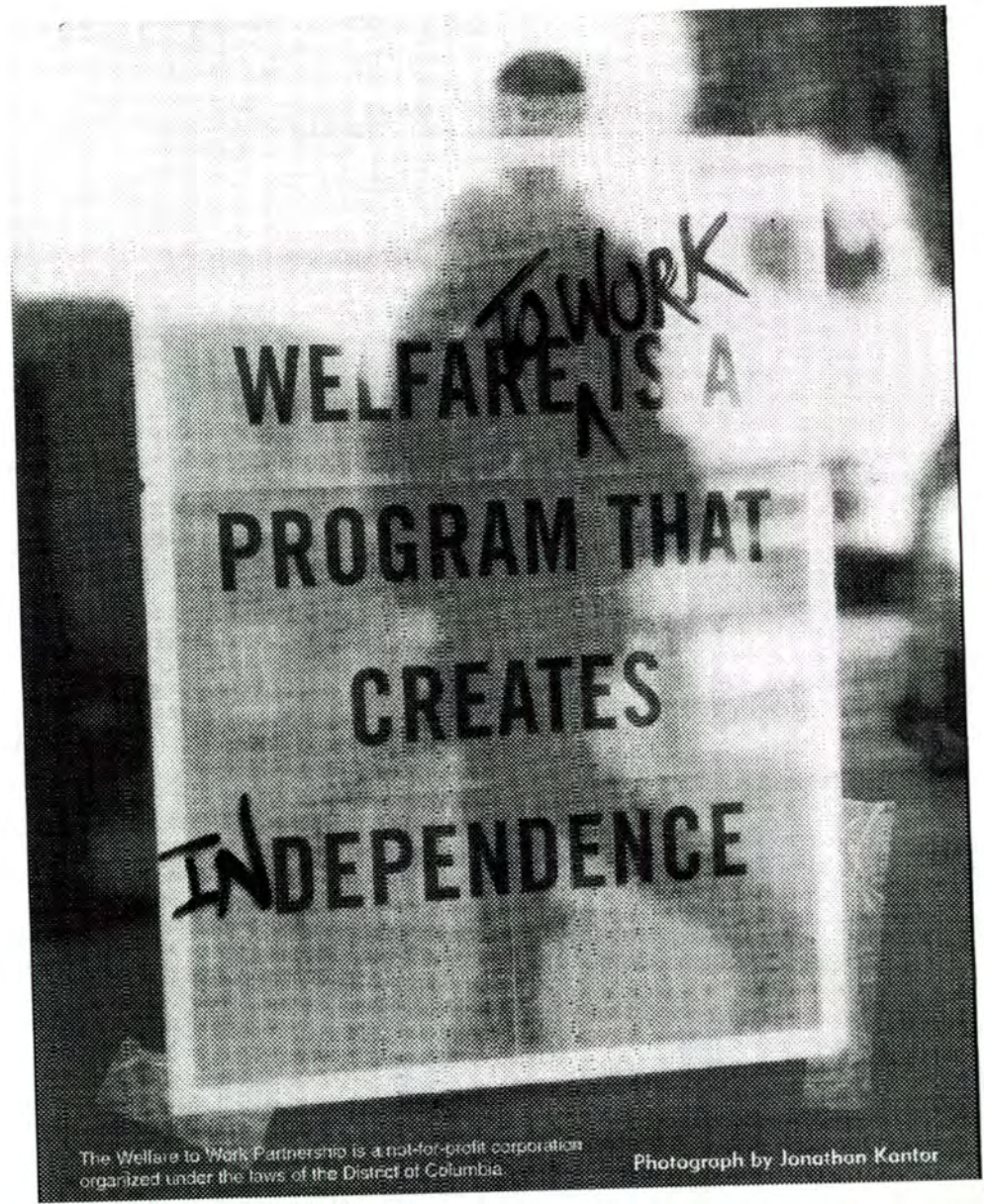
Small businesses are the backbone of our economy. Between 1990 and 1995, companies with fewer than 500 employees created 76 percent of the nation's new jobs. And today, they employ 53 percent of the private workforce, contribute 47 percent of all sales in the nation, and are responsible for over half of the private gross domestic product. The Partnership's membership base reflects the important role small businesses play: Nearly eight in 10 Partnership companies have fewer than 250 employees, and almost half have 50 or fewer employees.

Welfare to work can work for small businesses, too. Of the Partnership's small Business Partners who have hired, more than 80 percent report that former welfare recipients are "good, productive workers," and this percentage has consistently increased over time. Sixty-seven percent of small companies find that retention rates among their welfare hires are equal to or better than those for traditional hires. In fact, small companies appear to enjoy even better retention among their welfare to work hires than do their large colleagues.

Small businesses have a built-in welfare to work advantage over their larger counterparts. Small businesses that report high welfare to work retention rates uniformly attribute their success to the degree of personal attention they can pay to their new employees and the intimacy of their workplace. Managers in small businesses are much more likely to develop the personal relationships with new staff that can ease the transition from welfare to well-being. In fact, some large companies have gone to great effort and expense to create mentoring programs that foster the type of one-on-one relationships that come naturally to small companies.

But small businesses – especially the *smallest* ones – face unique challenges. Ongoing polling by The Partnership has taught us that some small Business Partners are able to

offer employee benefits to their new workers – benefits like health care coverage, mentoring, and even retirement savings accounts. But, not surprisingly, many still struggle to help their new employees with these and other supports. This is especially true among the smallest employers, those with 50 or fewer staff members. For example, 56 percent of these businesses are able to provide their new workers with health insurance, compared with 79 percent of companies with 51 to 250 employees. Similarly, 29 percent of the smallest businesses offer 401(k) matches, compared with 69 percent of the largest corporations. Another concern: The smallest Partnership companies are less likely than their larger counterparts to have hired welfare recipients at all. Many simply do not have the time to access information about where to find qualified candidates, to navigate bureaucratic obstacles, or to figure out where to go for help. Despite these challenges, small businesses that receive specially targeted help – including the efforts outlined in the Recommendations section of this report – can often reap the greatest rewards of hiring welfare recipients, as a handful of successful hires may constitute a significant percentage of their labor force.



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

Photograph by Jonathan Kantor

Recommendations

When The Partnership began, we knew we could be most effective if we left the policy battles to the experts. After three years of first-hand experience, however, we have acquired knowledge that will be valuable in debates surrounding reauthorization of welfare reform, in how to assist and promote low-wage workers in our economy, and in how to move additional people who are not now working into the nation's labor force. We are aware that a system which rewards work will have elements beyond those contained in our recommendations. We have chosen, however, to limit our suggestions to subjects which are direct byproducts of our experience. We urge you, Mr. President, your successor, Congress, federal agencies, state and local officials, and our fellow employers to carefully consider the recommendations. We hope you will call on us or our colleagues in the business community for active input as the debate moves forward. By working together, we will all maximize our mutual investments in this effort and continue to improve lives in the process.

REAUTHORIZE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANTS AND SPEND THE MONEY RESPONSIBLY

As the number of families on welfare has fallen steeply, so too has the amount of money being spent on cash assistance to support them. While many fewer people remain on the rolls, those who do typically face the most serious barriers to employment. Preparing them to find and keep decent jobs will be far more challenging than it was to prepare their predecessors to start working. In addition, millions of individuals who have left welfare need continuing supports—such as assistance with child care and transportation, as well as more training in "soft" skills—as they transition into permanent economic independence.

Some states have been spending their TANF funds responsibly – for example, by ensuring child care for all new workers or investing in valuable skills training for new workers – but others have been less innovative in their spending priorities. In some cases, states have failed to spend millions of excess dollars that could help welfare recipients or fragile new workers. By not using the funds on critical training and retention services, states are sending the wrong signal to Congress, which may, in turn, be tempted to rescind the unspent money.

Strategic Imperatives

- ◆ When funding under the 1996 welfare reform law comes up for reauthorization, Congress should not reduce TANF funding despite the drop in welfare caseloads.



by Jonathon Kantor

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RECOMMENDATIONS

The investment should be sustained to help states tackle more difficult and expensive barriers faced by remaining recipients. We also encourage **Congress** to adjust future TANF funding for inflation so states will be best equipped to tackle the remaining and most costly challenges.

- ◆ The Partnership is pleased that this **administration and Congress** recognize the great importance of retention and career advancement efforts for low-wage workers and offer bonus payments to the states who do, too. Still more could be done to promote the career advancement programs that have proven to be so critical for employers. For example, **Congress** could direct **states** to explain more clearly how they will use their federal dollars to promote better job retention or reduce family poverty among those leaving welfare.
- ◆ **Congress** should not rescind the TANF money from states that has already been approved. **Congress** should also honor the bargain it made with 17 of the nation's poorest states and let them keep supplemental TANF funding that was awarded to them in 1996 – money that was intended to close the large gap between benefit levels paid by these states and their wealthy neighbors. These **states**, in turn, should move quickly to invest this money in programs to help their neediest residents.
- ◆ **State and local officials** should spend responsibly the money they have already received. The Partnership's companies strongly disapprove of TANF money being used to supplant other state costs that fail to provide new services for eligible families, as has happened in some states. Any extra TANF dollars should be used *exclusively* for services and programs that support welfare recipients, additional people who are not working, and existing low-wage workers.
- ◆ **State and local officials** should spend their TANF funds to help us finish the job by subsidizing innovative strategies on higher quality child care, transportation, training and other retention and career advancement approaches. Broader efforts to help low-wage workers find affordable housing – and in closer proximity to the centers of rapid job growth – would be valuable, too. States should also use TANF dollars that are not needed for welfare recipients to assist all of their low-wage workers who strive to join the ranks of the middle class.

FIND THE RIGHT BALANCE BETWEEN "WORK FIRST" AND PREPARING FOR WORK

The business community applauds the strong emphasis Congress and the Clinton Administration placed on *work* in the 1996 welfare reform law. Indeed, employers have

been the direct beneficiaries of the statute's "work first" emphasis, as millions of able-bodied welfare recipients joined or rejoined the labor force in the last four years. Like so many other working Americans, Partnership employers promote the value of work and generally believe that *any job is a good job* to the extent that it promotes good work habits, marketable skills, valuable work experience and self-confidence.

But as the rolls decline, many employers have come to recognize the practical limitations of a program that, in some cases, pushes recipients into jobs *before* they are prepared to succeed in them. According to employers, a combination of factors – little or no work history, poor literacy and numeracy, and especially a wide array of personal problems and soft-skill deficits – leaves many welfare recipients ill-equipped to enter the workplace without adequate preparation before they arrive for the first day of work. Importantly, this is not to say that employers call for a return to the old system that valued endless and typically ineffective training over the expectation of honest, productive work.

Strategic Imperatives

- ◆ **Congress** should give states more latitude to define "work activities" under the law – allowing qualifying recipients to receive intensive but temporary "life skills" training before going to work. Similarly, **Congress** should broaden the definition of work activities to take into account the special needs of recipients who require mental health, substance abuse or domestic violence counseling, for example.
- ◆ To provide a strong incentive for welfare recipients to take jobs and in the broader interests of fairness, The Partnership believes that the five-year time limit on welfare should be suspended for individuals who are trying hard to work their way off welfare but remain on partial public assistance as a result of their low starting pay. In a recent survey, close to two thirds of Partnership employers said **Congress** should amend the 1996 law and waive the time limit if a recipient is working at least part-time, thereby "stopping the clock" for these low-wage earners.
- ◆ Short of this revision, **Congress** and **state lawmakers** should consider other strategies to supplement very low wages for those working their way off welfare, including small worker stipends outside of the TANF cash assistance program.
- ◆ **State and local authorities** should take full advantage of the flexibility they have under current law to allow for more and longer remedial, *pre-employment* help for recipients with the biggest obstacles to work – which, in our experience, is an increasing proportion of them.

SUPPORT NEW WORKERS IN THEIR TRANSITION TO SELF-SUFFICIENCY

In an effort to encourage welfare recipients to transition off the rolls and into jobs, lawmakers have enacted and expanded a range of temporary work supports that help ease the journey from welfare to work. Too often, however, these programs – like health insurance, child care, food stamps, and transportation and housing subsidies – do not get into the hands of those they are intended to help. Sometimes, former welfare recipients want a clean break from a system that they find demoralizing and choose not to pursue continued support. But, too often, recipients simply don't know about these supports, and local public assistance offices fail to adequately educate eligible families about the benefits to which they are entitled. Burdensome application requirements and paperwork can further discourage recipients from applying.

There are also financial wage supplements that can greatly enhance a new worker's income and help stabilize their families during the sometimes difficult transition from welfare to work. For example, Partnership companies recognize the great value of the existing Earned Income Tax Credit (EITC) to lift low-wage workers out of poverty. Similarly, many employers support policies that disregard a part of a family's earnings when determining whether they're eligible for continued welfare benefits. The effect: People who are making low wages may continue collecting part of their welfare check until their wages alone are sufficient to lift them out of poverty.

While these supports are pivotal to new workers, they also benefit employers by providing one more resource to retain and advance new workers. Small companies and those who only offer part-time work will especially benefit, as they tend to be the least likely to offer employer-sponsored supports. Of course, there's no substitute for a well-paid job with comprehensive benefits. Where that is not possible, public programs like these can make the difference between success and failure for fragile new workers.

Strategic Imperatives

Meeting child care needs

- ◆ **Congress** should expand the existing Child Care and Development Block Grant and Child and Dependent Care tax credits to cover more working parents and make the tax credit refundable so that the lowest-wage workers would benefit.
- ◆ **Congress, states, local governments and service providers** should work together to expand options for workers needing quality after-hours, after-school and

emergency care, particularly for families recently off the welfare rolls who are more likely to work nontraditional hours. Child care should also be more readily available for welfare recipients who are participating in education or job training, substance abuse treatment or counseling.

- ◆ **States** should use their existing TANF block grant money to pay for more child care slots for low-income, working parents and to eliminate waiting lists that are now common for families eligible for child care.

Getting workers to the job

- ◆ **Congress** should expand funding for the *Access to Jobs* program to promote innovative community transportation solutions for all low-income workers.
- ◆ **Congress** and the **states** should support additional subsidies to provide low-wage workers with transportation vouchers.
- ◆ **Congress**, as well as **state and local governments**, should expand on existing creative initiatives to "bring work to the workers" – through Empowerment Zones/Enterprise Communities, proposed "Renewal Communities," and other initiatives to promote inner-city economic development. To complement this effort, **Congress** and **state lawmakers** should also help "bring the workers to work" by supporting housing vouchers and other subsidies that enable welfare recipients and low-wage workers to move closer to areas of greatest job growth.
- ◆ **Congress** should support changes in federal law to make it easier for low-income workers to own a car without losing eligibility for work support programs, and to allow low-income workers to save for a car through Individual Development Accounts.
- ◆ **States** with substantial TANF reserves should invest them in transportation solutions for low-income workers, and all states should make this challenge a high priority.
- ◆ **Municipal** and **county officials** should work across jurisdictional lines to find and support regional transit routes.
- ◆ **Local communities, service providers** and **employers** should promote car pools or van services to take workers from their central-city neighborhoods to jobs in the suburbs, as well as innovative car loan or purchasing programs for recipients and low-wage workers.

Expanding the Earned Income Tax Credit (EITC)

- ◆ Congress should increase the value of the credit for families with three or more children, adopt other proposed changes to "phase out" the credit more gradually, and drop the so-called "marriage penalty" which results in a lower tax credit for lower-income married couples.
- ◆ The IRS, service providers, and state and local officials should also more actively promote the EITC "advance payment" option, through which lower-wage workers can earn an incremental credit with each paycheck rather than in a year-end lump sum.
- ◆ States without their own earned income tax credits should enact them, as a dozen states (and one county) have already done.
- ◆ Service providers, state and local officials, and employers themselves should actively promote this valuable wage supplement for lower-paid workers, and the IRS should redouble its efforts to publicize it as widely as possible.
- ◆ Employers should also help their eligible workers access these credits, or enlist the help of service providers to do so. And we encourage our Business Partners and other employers to explore the use of the advance payment tax credit as a valuable way to boost new workers' earnings.

Providing more generous earned income disregards

- ◆ All states should weigh the possible benefits of allowing welfare recipients to keep some portion of their welfare grant even as they begin to earn a paycheck. Where possible, those states that already have earnings disregard policies should make them more generous – allowing recipients to keep more, and for a longer period of time, so that they are able to escape poverty before their grant is completely phased out.
- ◆ The 10 states that do not now have earned income disregards should enact them to help their recipients get off – and stay off – welfare.

Promoting mentoring for new employees

- ◆ State and local officials should find innovative ways to support mentoring programs for those leaving the welfare rolls.

- ◆ **Service providers, civic and faith-based groups, and professional organizations** should reach out to individuals leaving welfare and other new workers who are most likely to benefit from the support a mentor can provide.
- ◆ **Employers** should facilitate mentoring programs in the workplace, encouraging and rewarding staffers who agree to mentor their new colleagues.

Taking further steps to smooth the transition

- ◆ It is unacceptable that millions of families who are eligible for transitional support programs like food stamps, Medicaid and the Children's Health Insurance Program (CHIP) are not receiving support from them. For example, a new study for the Robert Wood Johnson Foundation's national *Covering Kids* program conducted by Wirthlin Worldwide shows that six out of ten parents with uninsured children who qualify for CHIP or Medicaid do not believe these programs apply to them.
- ◆ **State and local governments, service providers and case workers** must do a better job informing people leaving welfare that they are still eligible for these and other support programs, including child care, transportation subsidies and housing. This should be done in an "exit interview" as recipients leave the system, or through a mailing generated automatically as people leave the rolls – ideally, in multiple languages to reach diverse populations. We support new efforts by **federal officials** to promote this worthy goal by offering bonus payments to states with the best track records on food stamp or health insurance outreach, for example.
- ◆ To facilitate this process, the above parties should develop straightforward guidance – perhaps in the form of a brochure or Web site – that would enable employers and their workers to conveniently understand what transitional supports they can receive.
- ◆ **Employers** should play a key role in this process by informing their new and lower-wage workers of government supports for which they may still qualify. For example, employers can include information on these programs with their basic employer-sponsored benefits during orientation. They could also promote these supports through the company newsletter or in-house Intranet and e-mail, or by including information with pay stubs.
- ◆ Equally important in promoting job stability are employer-sponsored benefits like affordable health insurance and retirement savings accounts. Partnership surveys teach us that even though most of our companies offer these programs, many of their welfare to work hires do not take advantage of them. We strongly encourage

our **Business Partners** and other **employers** to promote these valuable benefits for their employees, and to make them more affordable when possible.

MAKE THE SYSTEM WORK BETTER FOR EMPLOYER AND EMPLOYEE ALIKE

In too many communities today, the systems that are responsible for counseling, training, placing and providing ongoing support for recipients and other low-skilled job seekers simply *do not work* for the average employer. Sometimes the problem is a lack of coordination among diverse and competing program bureaucracies; other times, it is a duplication of effort and failure to involve employers early in the process. Either way, the end result is that employers are frustrated by an unfamiliar and cumbersome system, low-income workers are less likely to access the valuable supportive services they need to succeed on the job, and neither employers nor low-income workers are well connected.

Fortunately, the newly implemented Workforce Investment Act (WIA) aims to address these challenges by streamlining the methods by which employers find new workers. A cornerstone of WIA is to transition local Private Industry Councils (PICs) into Workforce Investment Boards (WIBs), whose mission is to connect employers and job seekers to each other. If the law is to be truly effective in allowing employers and employees easier access to a variety of resources and worker supports, local governments and community groups must truly change the way they do business. If the new systems are to meet employers' expectations, their very culture must change. They can no longer be simply "check-cutting" centers; they must become comprehensive job and support centers that place the needs of businesses and new workers first.

Strategic Imperatives

- ◆ **Local welfare and workforce departments** should work together to make the hiring, retention and advancement process simple and seamless for employers. Employers should simply have one phone number to call and one customer service representative to meet their business needs.
- ◆ As PICs phase out and new WIBs emerge, **local welfare and workforce systems** nationwide must become true partners with the businesses in their communities. That means inviting employers into the planning process from its earliest stages and seeking input from employers each step of the way. It will also require them to act more like corporate boards with efficient, business-friendly meetings. They should also form marketing collaboratives to educate employers about available services, cre-

ate materials that speak the business language and customize services for businesses of different sizes, industries and cultures.

- ◆ **Federal agencies, welfare and local workforce development organizations, and service providers** must regularly collaborate to ensure that employer needs and human services will cross agency and regional boundaries. For example, a cross-section of welfare to work agencies should coordinate to meet the needs of employers in the suburbs whose employee base is in the cities. Or, they should complement each other's services by targeting their efforts on the services they know best.
- ◆ To ensure that eligible welfare recipients and other low-wage workers receive food stamps, child care, Medicaid, housing, training and other important transitional work supports, **federal, state, county and local one-stop career center officials** should simplify their application processes. These agencies must recognize that many former welfare recipients are now full-time workers who cannot leave work in the middle of the day to apply for benefits without disrupting employers' schedules or jeopardizing their own employment. To accommodate new workers, local welfare offices and one-stop centers should offer flexible hours – evenings or weekends, for example – or consider setting up satellite application centers or creating on-the-job enrollment. Some Partnership businesses have arranged for local welfare officials to visit their workplace and enroll eligible employees on site.
- ◆ **State and local governments** must build more accountability into the workforce development system by encouraging performance-based employment and training programs and rewarding those that focus most directly on what employers need. Funding should be easily accessible for customized job-training programs, as long as employers are involved in the development and commit to hiring individuals who complete the programs. In the end, such demand-driven programs will benefit businesses in need of workers and workers in need of good jobs.
- ◆ **Employers** can participate, too. They can become active with their local WIB or a task force promoting job training or retention. They can provide feedback to every community-based agency or public agency. The more closely businesses are connected to the workforce development system, the easier it will be for them to access resources and new employees from the one-stop career centers.

STRENGTHEN INCENTIVES FOR EMPLOYERS TO KEEP HIRING

The Work Opportunity and Welfare to Work Tax Credits are incentives for businesses to hire and retain individuals moving from welfare to work. Many of the businesses

RECOMMENDATIONS

that have accessed these tax credits have used the savings to offset the costs of hiring, retaining and providing career advancement opportunities for their new hires. Other businesses, especially small ones, have not taken advantage of the credits for a number of reasons: They do not know these credits exist, they believe the paperwork involved is too burdensome, they have been confused by periodic lapses in the program, and they are often frustrated by a backlog in the certification process by the state employment security agencies.

Strategic Imperatives

- ◆ **Congress** should extend the Work Opportunity and Welfare to Work Tax Credits for longer periods of time, thereby limiting confusion in the business community and increasing the stability of the state agencies that process them.
- ◆ **Federal, state and local governments** should educate **service providers** on the value of these tax credits so they can better market them to business.
- ◆ **State employment security agencies** should process these tax credits more quickly for businesses and eliminate any backlogs.

PROVIDE EXTRA HELP FOR SMALL BUSINESSES

The recommendations we have made in previous sections are applicable to businesses of all sizes and industries, especially the millions of small businesses throughout the country. The following recommendations reflect additional and targeted ways to ensure the successful participation of small businesses in welfare to work. They have the least time and money to spare, creating the imperative to keep things simple.

Strategic Imperatives

- ◆ **Federal, state and local small business-related agencies, small business associations,** and appropriate **trade associations** can be very effective advocates for their constituency and should more actively involve their members in welfare to work. Their outreach efforts must leverage existing relationships that small businesses – with little extra time or money – have with these groups.
- ◆ **The U.S. Departments of Labor, IRS, Health and Human Services and the Small Business Administration** should allocate resources to aggressively market the Work Opportunity and Welfare to Work Tax Credits for small businesses.

- ◆ **Governors and local officials** should recruit small business leaders and small business associations for active and substantial participation on state and local WIBs.
- ◆ **Local governments, one-stop career centers, service providers and Small Business Development Centers** should be prepared to allocate and fund staff to serve as small business "ombudsmen." These staff would provide customized guidance to help small business owners access welfare hiring tax incentives, as well as hire, retain, and advance new workers. They would also broker social and support services for small business employees. Special marketing campaigns and materials need to be developed to get and keep them involved.
- ◆ **Larger businesses** should work with their vendors and suppliers – many of whom are small businesses – to educate them about welfare to work. Also, larger businesses should act as mentors to smaller businesses, educating them on the value of welfare to work and providing them direction on the "ins and outs" of issues like accessing tax credits, solving transportation problems and forming partnerships with local organizations who can help recruit and support new workers.

HELP BREAK THE CYCLE OF POVERTY

One of the major goals of welfare reform was to break the dependence on welfare that many generations experienced. Too often, children grew up in families that relied on welfare checks instead of paychecks. While employers' immediate interest is in hiring adults who are ready to work, many Partnership businesses support efforts to intervene earlier in the lives of disadvantaged youth, the workers of tomorrow.

Strategic Imperatives

- ◆ **Congress, state and local governments** should expand school-to-career programs in local high schools.
- ◆ **State and local governments** should effectively develop and implement high standards for schools so children have the academic skills to excel later in life.
- ◆ **Schools, faith-based and civic organizations, as well as individuals** in the community should actively take part in the lives of younger adults – teaching, mentoring, and inspiring children to value the importance of work in their lives.
- ◆ **Employers** can do more, too, by offering internships and job-shadowing opportunities to young people to expose them to the world of work.

TARGET SPECIAL HELP TO THE FATHERS OF CHILDREN ON WELFARE

Increasingly, Partnership companies understand that welfare reform cannot realize its full promise unless the *fathers* of children on welfare have every chance to support their families. Indeed, many Partnership companies are eager to expand the progress they have made with their new female employees by tapping the large pool of underemployed men who are more loosely associated with the welfare system. Under the 1996 law, many of these men were held more accountable than ever to support the children they fathered. At the same time, many of them are not ready to enter the workforce without more assistance. Local initiatives that focus on the needs of these fathers will find many employers receptive to giving them new opportunities to support themselves and their families.

Strategic Imperatives

- ◆ Congress and state and local governments, as well as service providers should better integrate fathers into existing welfare to work initiatives. States should also take full advantage of existing funds from the U.S. Department of Labor that are intended in part to help fathers access employment-related training.
- ◆ Congress should consider favorably bipartisan legislation that earmarks new grants and services to low-income fathers, with the important goals of helping them gain employment, pay child support and reconnect with their children. Many employers also support proposed changes in the current child support system that would ensure that families get more of a father's support collected on their behalf.
- ◆ Employers should apply the lessons learned from hiring former welfare recipients to all employees, including the fathers of children on welfare or those otherwise struggling to get by.

BUILD ON OUR PROGRESS

In recognition of the fact that the nation's work will not be done until all remaining welfare recipients – and so many others living at the margins – are able to support their families, we add the following.

Strategic Imperatives

- ◆ Federal, state and local governments have been major employers of those leaving the welfare rolls. They should continue aggressively hiring and encourage their

CHILDREN

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subcontractors and others with whom they do business to reach out to this new workforce as well.

- ◆ As previously stated, employers who rely on high-quality service providers have had the greatest success with welfare to work. In communities nationwide, local organizations are helping disadvantaged citizens seize new opportunities to support their families. Partnership businesses will benefit from more such efforts, including those rooted in the faith-based organizations which are receiving well-deserved attention by both major party candidates for President.
- ◆ While The Partnership is truly gratified by the response of our own members, we know much more can be done by the private sector, too. We call on employers nationwide to join the effort, learning by example that welfare to work can be a smart solution to their hiring needs.

CONCLUSION

A few years ago, welfare to work was little more than a slogan. Today it is a reality across America. Companies have proven that welfare to work is as good for their business as it is for the community. And welfare recipients have proven that when employers give them a chance and they have the right employment-related supports, they can make the successful transition from welfare to work. **Together, we have proven that welfare to work is the bottom line for better lives.**

We are happy to report that businesses will remain engaged in the welfare to work effort. In fact, nearly three quarters of Partnership companies intend to hire welfare recipients in the coming year. Having experienced success first hand, these businesses will be working harder than ever to build on the progress to date. In the process of building their business with dedicated and reliable workers, these companies will enable even more Americans to begin the transition from dependence to independence. These new workers, in turn, will gain valuable skills and experience they never had before. Welfare to work has helped – and will continue to help – countless Americans be productive citizens, provide for their families, and be role models for their children.

There are two unanticipated benefits of the welfare to work initiative. First, despite early public skepticism, it has generated deep support in the American business community. Second, it has increased the likelihood that the lessons we have learned in moving welfare recipients toward productive lives can be applied to many other citizens who have lived too long in the shadows of the American Dream. With the help of wise policy makers and committed service providers, we can open the doors of opportunity to millions more of our fellow citizens.



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Voices of Employers Faces of Welfare Reform

UNITED AIRLINES **United Airlines**
Gerald Greenwald

As chair of The Partnership, I have taken great pride in fulfilling my mission to publicize innovative welfare to work efforts across the country and actively encourage other corporations to target welfare recipients as potential new employees. Every company that has come on board has realized one fact: welfare to work programs are good for business.

At United, we remain committed to welfare to work and will reach our goal early by hiring 2,000 former welfare recipients before the end of the year. But beyond the numbers, we have learned that welfare to work benefits all our employees. When our program began, we solicited volunteers to serve as company mentors to each of our new welfare to work employees. Our mentors were there to be a friend: to help the new hire get over any bumps in the road at a new job; to give practical workplace advice; or just be a sounding board or a cheerleader.

We knew that our mentoring program would lead to higher retention rates, and it did – almost twice as high. But the interesting part of the program is that working with former welfare recipients, and hearing how much it meant to have a job and be independent again, offered a unique perspective for our existing employees. We have found that morale is up at United. Our people pull together and work as a team. There is a refreshing new spirit among our employees and it is due in part to this welfare to work experience. Based on our success, I can look any shareholder or customer in the eye and say that welfare to work means a stronger workforce and better service for our customers. I am convinced that by working together to recruit, train and employ former welfare recipients, we can build stronger workforces, companies and families.

United Airlines is one of the five founding companies of The Welfare to Work Partnership. Gerald Greenwald is the chairman emeritus of United Airlines and the current chairman of the board for The Welfare to Work Partnership. United Airlines is the largest majority employee-owned company in the world, as well as the largest air carrier. United offers more than 2,330 flights to 139 destinations in 26 countries and two U.S. territories.



At Burger King, we believe in diversity of race, creed, color, sex, age, and national origin. We believe in business and industry. We believe in talent and innovation. We believe in valuable employees. For these reasons, Burger King is a member of The Partnership for a New American Century. We plus employees and employers tells a terrific story.

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Burger King Corporation
Dennis Malamatinas

At Burger King Corporation, we believe that all people, regardless of economic status, race, creed or color, have an important role to play in our long-term viability as a business and in our community at large. We have learned that each person has a unique talent and gift. If you give them a chance and the tools to succeed, they will become valuable employees. This commitment to diversity and opportunity is one of the main reasons Burger King accepted the challenge in 1997 to join The Welfare to Work Partnership. Our nearly 500 U.S. corporate-owned restaurants alone have hired 17,000 plus employees off welfare since we joined the program. Our welfare to work program tells a terrific, bottom-line story.

At Burger King, we have found that the workers who are hired off welfare have a 45 percent higher retention rate than the turnover rate for all other employees in the industry. In an industry like ours, where dependable workers are in such high demand, this is no small accomplishment. Our successful welfare to work strategies are forever integrated in our hiring, training and recruiting systems. The program reduced turnover costs for all employees and made our restaurant teams feel good about themselves and their restaurant. And that feeling transfers to our customers.

Burger King is one of the five founding companies of The Welfare to Work Partnership. Dennis Malamatinas is the chief executive officer of the Burger King Corporation. Burger King has more than 10,950 restaurants in 58 countries and international territories worldwide and employs more than 300,000 systemwide.

MONSANTO
Food • Health • Hope™



Monsanto Company
Robert B. Shapiro

When President Clinton called for businesses to help end "welfare as we know it," I knew Monsanto could help. As a company we had outsourced most of our entry-level employment opportunities, however, I still felt we could play a role by educating our vendors about welfare to work and advocating change in our local communities.

From the beginning, we have been at the table in our local communities working with government, nonprofits and the private sector to shape a program that works for businesses and prospective employees. Our involvement in welfare to work has helped us develop new relationships in the community and helped our vendors in this tight labor market. We will continue to work in our local communities to improve the program and educate new vendors about the benefits and advantages of hiring former welfare recipients.

Monsanto is one of the five founding companies of The Welfare to Work Partnership. Robert B. Shapiro is the former chief executive officer of Monsanto Company, which recently merged with Pharmacia Upjohn to create the new Pharmacia Corporation. Monsanto Company, a wholly-owned subsidiary of Pharmacia, is a leading provider of agricultural solutions to growers worldwide. Monsanto's employees provide top-quality, cost-effective and integrated approaches to help farmers improve their productivity and produce better quality foods.



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Through its participation in welfare to work, Sprint has enjoyed the satisfaction of helping provide jobs for those in need and the benefit of creating an alternative recruiting source in a tightening labor market. I am honored to serve as one of the original five U.S. CEOs charged with facilitating public/private sector partnerships in support of this initiative.

Over the past three years, our most notable welfare to work accomplishments include the "JazzRoc" call center in Kansas City's historic 18th & Vine jazz district. "JazzRoc" allowed us to hire individuals from the urban core and provided other businesses with a model for revitalizing an economically-depressed area that was once the heart of Kansas City. Sprint has also partnered with other Kansas City-based organizations in developing skills-based training to support the staffing needs in our call center operations. The six-week training program has a graduation and placement rate of over 80 percent. It not only provides candidates to Sprint's multiple call centers, but also to over 20 other call center employers that have found it difficult to attract and retain skilled workers.

We will continue to support the effort of moving individuals from welfare dependency to self-sufficiency, because the benefits are far-reaching – for individuals seeking to achieve the American dream, for a continuing robust U.S. economy and for businesses searching for a new stream of able, willing and dedicated employees.

Sprint is one of the five founding companies of The Welfare to Work Partnership. William Esrey is chairman and chief executive officer of Sprint, a global communications company at the forefront of integrating long-distance, local and wireless communications services, and a large carrier of Internet traffic.



**United Parcel Service
James P. Kelly**

More than 25 years ago, UPS discovered that former welfare recipients make dedicated and loyal workers because they truly value their jobs. Since 1997, UPS has hired almost 35,000 people from welfare and operates welfare to work programs in 40 locations across the country all the while providing excellent pay, health insurance, 401(k) plans and paid vacations and holidays. In addition, many employees have access to tuition assistance through UPS' Earn and Learn Program.

UPS' success in welfare to work is due to the unique partnerships it has formed with government and nonprofit agencies across the country. UPS managers visit these agencies, establish hiring goals and objectives, and conduct mock interviews and job readiness workshops. As one of the five founding companies in The Welfare to Work Partnership, UPS has become even more active in hiring welfare recipients and in encouraging other businesses to get involved in the initiative. UPS is continuing to expand its welfare to work program so more people can make the transition from generations of welfare to financial independence.

UPS is one of the five founding companies of The Welfare to Work Partnership. James P. Kelly is the chairman and chief executive officer of United Parcel Service of America. UPS is the world's largest express carrier, the world's largest package delivery company and a leading global provider of specialized transportation and logistics services delivering over 12 million packages each business day.



AHL Services joined our businesses and community an opportunity and regional recruitment the first quarter 2000 goal of 3,750 welfare has allowed us to opportunities needed. With today's competition must expand the retain employees us to fully staff our

Frank A. Argenbright, a leading multi-national, processes, functions to client



Allied Van Lines joined to our business communities, families Services, L.L.C., former welfare organizations that a training curriculum effort to the a local agent, the program. We have a new source of employment and criticism by the prospect



AHL
SERVICES INC.

AHL Services, Inc.
Frank A. Argenbright, Jr.

AHL Services joined the welfare to work initiative because we learned that we can staff our businesses and service our customers while giving welfare recipients in our community an opportunity to improve the quality of their lives. Through aggressive local and regional recruiting efforts, AHL has hired 398 welfare to work participants during the first quarter 2000, and we are well on our way to reaching the overall three-year goal of 3,750 welfare to work hires by year-end 2000. Our welfare to work program has allowed us to create a training program that provides support and advancement opportunities necessary to ensure the development and work skills of all our workers. With today's competitive labor market and low unemployment rate, all employers must expand their recruiting efforts and get creative in their methods to attract and retain employees. For AHL, welfare to work participants are the employees that allow us to fully staff our business and move ahead of the competition.

Frank A. Argenbright, Jr. is the chairman and co-chief executive officer of AHL Services, Inc., a leading multi-national provider of outsourced business services. AHL provides management, processes, technology and labor for operational, marketing and customer service functions to clients located throughout the United States and Europe.



Allied Van Lines
Mike Fergus

Allied Van Lines became involved in welfare to work because it brings viable solutions to our business objectives and employs a strategy that significantly strengthens communities, families and the future of our nation. We joined with Alliance Relocation Services, L.L.C., our local partner in this effort, in the goal of training and placing 500 former welfare recipients in the year 2000. We also created synergies with selected organizations that strengthen our foundation for success: A local university is preparing a training curriculum for recruits; we are seeking to strategically outsource the retention effort to the BizLink Network Program in Chicago; and Reebie Moving & Storage, a local agent, has provided a full-time trainer to mentor potential participants in the program. We have also educated many of our clients about the benefits of hiring this new source of employees. For us, welfare to work is essential to our business development and critical to the continued success of our corporate citizenship. We are excited by the prospects and possibilities of such a far-reaching effort.

Mike Fergus is the president of Allied Van Lines, Inc., the leading provider for domestic and international relocation services, special products transportation and related insurance service markets.

Bank of America



Bank of America
Cathy Bessant

Bank of America has become a national corporate leader in welfare to work issues through its Welfare to Self-Sufficiency Initiative. In 1998, Bank of America joined The Welfare to Work Partnership to further support our initiative. We have long recognized that the success to community development and expanding economic opportunities to all Americans can best be achieved through partnership and collaboration. We understand that promoting self-sufficiency is about more than just creating jobs. Bank of America focuses on recruitment, retention, career advancement, housing, health care, childcare, transportation, building strong communities, and moving people into the financial mainstream. The result has been an impressive vehicle for the recruitment and retention of a diverse and talented workforce and an opportunity to develop communities and neighborhoods across the country. We currently have training programs for the recruitment and retention of former welfare recipients in 12 locations throughout our franchise, with 10 locations being added in 2000. Through these efforts, we have hired more than 1,500 former welfare recipients into career path positions at the bank and currently are averaging 150 new hires per month. This has been a smart solution for our business in that it has helped lower costs per hire, reduced turnover and training costs and improved retention rates. The associates hired through this program also demonstrate loyalty and gratitude for the opportunity provided to change their lives.

Cathy Bessant is the president of the Florida Banking Group for Bank of America. Bank of America, with \$656 billion in assets, is the holding company for the largest bank in the U.S. It has full-service operations in 21 states and the District of Columbia and provides financial products and services to 30 million households and two million businesses.

C & S Paving, Inc.

C&S Paving
Carolyn Stradley

Since we are a small company that employs around 40 people, being understaffed can make or break a project deadline. To combat the tight labor market, C&S Paving turned to hiring women and men off the welfare rolls to fill laborer and equipment operator positions. We worked with the Georgia Women's Business Initiative, which brought together several companies that donated resources and space for training. In addition

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Carolyn Stradley is the president of the Southeastern United States



Cessna Aircraft
Russ Meyer

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Russ Meyer is the chairman of general aviation aircraft. In c 12,000 people in Wichita, Ka



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to finding valuable employees, welfare to work has helped us learn about the people who are facing the reality of being in the welfare system. These people have the same problems that we employers face in trying to retain our employees – transportation, child care and health care costs. Their problems are our problems. Let us work together to help each other.

Carolyn Stradley is the president of C&S Paving, an asphalt paving and grading company serving the Southeastern United States.



Cessna Aircraft Company
Russ Meyer

When we started our welfare to work program in 1990, it was never intended to be a staffing solution. But today, as we continue to grow and with unemployment at a record low, our 21st Street facility is an important solution to a difficult staffing question. We found that there are an awful lot of people who are willing to make a change in their lives. So instead of giving up on an untapped source of employees, we invested in them. Our training center provides pay and benefits during vocational training and guarantees graduates employment in our company. The Learning Center, opened in 1997, expands the training center to include a sub-assembly plant and houses all of the training programs as well as a new daycare center. All of our trainees are assisted by counselors to help them deal with problems that can arise when transitioning into a new work environment. Since the 21st Street Program opened, we have had over 300 employees, who but for this program, would have never worked for us. They are talented. They are loyal. They hold Cessna in a status beyond which most employees hold their companies. The quality of our graduates is reason enough for any company to take a look at doing something of this nature.

Russ Meyer is the chairman of Cessna Aircraft Company, the world's leading manufacturer of general aviation aircraft. In addition to its 21st Street Learning Campus, Cessna employs 12,000 people in Wichita, Kansas.



Chase Manhattan Bank
Mark Willis

From the onset of welfare reform, we at Chase realized that welfare to work could have a significant effect on the communities we serve. Building on our experience in helping to revitalize communities across the country, and with full support from our chairman, we recognized that locally-based strategies were critical in translating welfare to work into real jobs and economic empowerment. We saw a number of ways for Chase to play an important leadership role, including funding programs and

alliances that support welfare to work efforts and sponsoring forums to engage other businesses in welfare to work employment activities. Additionally, we facilitate partnerships between businesses and nonprofit training organizations and develop our own partnerships so Chase can hire more people who want to leave public assistance. We are proud of the results from all three initiatives and look forward to helping our community while gaining valuable employees.

Mark Willis is an executive vice president for Chase Manhattan Bank and director of the Chase Community Development Group. The Chase Manhattan Corporation is one of the world's top-performing financial services firms and the third largest bank-holding company in the United States.

citigroup **Citigroup
Marjorie Magner**

At Citigroup, there is terrific gratification that comes from our involvement in welfare to work, because we know we are giving people an opportunity. But from a corporate perspective, this is smart business – we get great employees. Citigroup's welfare to work model is unique in that we have developed a wonderful partnership between Salomon Smith Barney and Wildcat, a New York City-based service provider. After the training at Wildcat, former welfare recipients come to Salomon Smith Barney ready to contribute. We get qualified employees who are specifically trained on our computer systems. Our new employees are enthusiastic, excited and incredibly loyal. In fact, we have had a 90 percent retention rate. It has become an inspirational program on so many levels and based on the results at Salomon Smith Barney, we are replicating the program at other Citigroup subsidiaries around the country and in England.

Marjorie Magner is senior executive vice president and chief administrative officer, The Global Consumer, a division of Citigroup. Citigroup is the most global financial services company providing some 100 million consumers, corporations, governments and institutions in 100 countries with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage and asset management.

CVS/pharm

Our involvement with welfare to work has helped us to hire the best people. CVS employs 6,000 former welfare recipients. Our welfare to work program has been successful in many areas. CVS works with welfare recipients on the job and access to public assistance, including Tax Credit, WIC and food stamps, to achieve self-sufficiency. Our welfare to work program is a retailer and a health care provider and a commitment to the community.

Tom Ryan is chairman and CEO of CVS, the largest drugstore chain in the United States.

 **Fannie Mae
FOUNDATION**

I joined the welfare to work program to help identify job opportunities for individuals remain on the program. Through the program, we have accomplished so far. Through the program, by earning a paycheck, we have seen measurable results in the lives of our affordable housing, Career Advancement, and Fannie Mae Foundation and former welfare recipients in order to help get them on their feet.

Stacey H. Davis is president of the Fannie Mae Foundation.

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CVS/pharmacy[®] CVS Corporation Tom Ryan

Our involvement with welfare to work started for strictly business purposes – we needed to hire the best people to handle the critical task of serving our customers. Today, CVS employs 6,000 former welfare recipients among its active workforce, and our welfare to work program has embodied the President's call for "enlightened self-interest." Our success has resulted, in part, from targeted training and support programs in rural and urban areas. CVS works with local service providers to assist former welfare recipients in advancing on the job and accessing valuable government benefits, such as the Earned Income Tax Credit, WIC and food stamps, so that individuals can truly transition from welfare to self-sufficiency. Our welfare to work program has not only been good for our business as a retailer and a health care provider, but it has helped individuals realize that hard work and a commitment to success can lead to a meaningful career.

Tom Ryan is chairman, chief executive officer and president of CVS Corporation, which is the largest drugstore chain in the United States.

FannieMae Fannie Mae Foundation FOUNDATION Stacey H. Davis

I joined the welfare to work initiative because I believe the business community can help identify job opportunities for people coming off welfare and help those individuals remain on the job. I am impressed with the business community's accomplishments so far. Thousands of welfare recipients are now supporting their families by earning a paycheck. This is more than statistics – this is an impact. As president and CEO of the Fannie Mae Foundation, I share welfare to work's emphasis on measurable results and sustainability. As we move forward, financial literacy and affordable housing opportunities are essential components. The Retention and Career Advancement 2000 program presents a natural opportunity for the Fannie Mae Foundation and The Welfare to Work Partnership to partner in providing former welfare recipients with financial literacy and homeowner education resources in order to help get them on the path to self-sufficiency.

Stacey H. Davis is president and chief executive officer of the Fannie Mae Foundation, the largest foundation in the country devoted to affordable housing issues.

THE VOICES OF EMPLOYERS



General Converters and Assemblers, Inc. George R. Stinson

More than 30 years ago, I learned that welfare recipients were an excellent source of employees for my small business. Today more than half of my workforce has come from the welfare rolls, and the results have inspired me to educate other businesses – large and small – about the benefits of welfare to work. By partnering with local organizations, including Workforce Investment Boards and the One Stop Job Center, we provide recipients with job-specific training to ensure that they succeed on the job. Through personal mentors inside the company, our welfare to work hires come to work with the appropriate attitude for a successful career and an independent life. Welfare to work has been crucial to GCA's expansion over the past 30 years. We are living proof that you can help your community and improve your bottom line at the same time.

George R. Stinson is the chairman of the board of General Converters and Assemblers, Inc. (GCA). GCA is a contract packaging and manufacturing company located in Racine, Wisconsin.

IBM Stanley S. Litow

IBM's commitment to ensuring that individuals have the skills and experiences they need for a productive and successful life is part of the culture of this company. When I joined The Welfare to Work Partnership, we saw a new opportunity where IBM's technology and people could make a significant difference. The Partnership's web site, The Solutions Network, is a perfect example of how we can and must go beyond mere access to technology. We can truly bridge the digital divide when we use our technical know-how to work better and smarter on behalf of others. IBM will continue to work with The Partnership to make sure that businesses, community resources, and individuals can find the online resources they need to hire more former welfare recipients and better integrate them into the workforce.

Stanley S. Litow is vice president of Corporate Community Relations for the IBM Corporation. IBM is the world's largest information technology Provider (hardware, software and services) and the sixth-largest company in the Fortune 500, ranked by revenue. The company employs more than 290,000 people worldwide and does business in more than 160 countries.

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Loews Hotels
Jonathan M. Tisch

As the worker-shortage crisis continues to be a challenge for the growing travel and tourism industry, welfare to work is the perfect example of how two supposedly diametrically opposed goals of business – making money and being socially responsible – can intersect in a meaningful way. As part of Loews Hotels' efforts to transition former welfare recipients into the lodging industry, we have hired over 125 former recipients with a higher retention rate than our overall turnover rate. Our commitment to the initiative even transcends competition with other hotels. In an unprecedented step for the tightly competitive hotel industry, Loews brought together 44 area hotels from the Greater Miami & The Beaches Hotel Association, along with the mayors from Miami/Dade County and Miami Beach, to create a program that is now helping to transition 300 former welfare recipients into the lodging industry. Collectively, corporate America needs to understand that we cannot look to government to solve all of our problems. The public sector can set the tone and take the initiative, but the private sector must also take responsibility.

Jonathan M. Tisch is the president and chief executive officer of Loews Hotels and the vice chairman of the board for The Welfare to Work Partnership. Loews Hotels currently owns and/or operates 14 hotels and resorts in the U.S. and Canada.

 Marriott International
J.W. Marriott, Jr.

In my mind, Pathways to Independence is the best thing we do at Marriott. Marriott is a company that cares about its employees, and Pathways to Independence has trained and placed a new source of dedicated, productive employees in the company's operations. In addition to providing career opportunities for thousands of welfare recipients and disadvantaged individuals, Marriott's Pathways program is also helping the communities in which it operates. It is a great privilege for Marriott International to participate in an initiative such as welfare to work, where we can help individuals gain self-respect and become productive members of society. We offer former welfare recipients jobs and career opportunities in a truly supportive, trusting environment, and in return, Marriott receives dedicated and loyal employees.

J.W. Marriott, Jr. is the chairman of the board and chief executive officer of Marriott International, Inc. Marriott is a leading worldwide hospitality company with over 2,000 operating units in the United States and 57 other countries and territories.



**THE MILLS® The Mills Corporation
Laurence C. Siegel**

At Mills, we have found that there is an untapped resource of loyal and dedicated workers just waiting for a chance to prove themselves. We have significant employment demands – more than 3,000 new positions for every mall we open – and we have learned that welfare to work can help us build the workforce we need at each location. From the very beginning, the key to the Mills MATCH program was transforming development directors, once driven by deadlines and dollars, into community activists. With the transformation complete, MATCH addresses the toughest welfare to work challenges, including transportation and child care. Mills' investment in the community benefits not only our retail/entertainment venues, but other local businesses as well. We will continue to hire former welfare recipients because it is a sound business practice, and we are proud that the education, training and certification provided to Mills' employees will stay with them for life – wherever they live and wherever they work.

Laurence C. Siegel is the chairman and chief executive officer of The Mills Corporation. Across the United States, ten Mills super-malls employ almost 4,000 people each and are one of the top two tourist attractions for their respective states.



production products **Production Products
Barry N. Corona**

I joined The Welfare to Work Partnership because it makes good business sense. I started my business in the inner-city 24 years ago, and from the beginning, I relied on a workforce predominately made up of individuals coming from welfare. I have found that given the right training and support, this sector of the population is a valuable source of good, productive employees.

Barry N. Corona is the president and chief executive officer of Production Products. Based in St. Louis, Missouri, Production Products is a small minority manufacturing business that primarily serves the Department of Defense.



**Rachel's Bus Company
E. Rachel Hubka**

Having once applied for welfare myself, I know that welfare recipients are smart, motivated people who only need a chance to prove that they make loyal and dedicated workers. My key to success is making basic decisions that most businesses, especially small ones, need to consider, such as making a personal commitment to helping

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employees stay on the job, offering incentives, and never lowering my standards. My welfare to work program has given me highly motivated employees. In return, I have been able to help my employees improve their self-esteem and gain hope for themselves and their children's futures. Because our future depends on continuing to hire from the welfare rolls, my commitment is to hire and train as many qualified individuals as are available.

E. Rachel Hubka is owner and chief executive officer of Rachel's Bus Company, Inc., a contract carrier for Chicago Public Schools, providing safe and timely transportation to Chicago's school children. Approximately 40 percent of Rachel's Bus Company's 150 employees have come from a welfare background.

SEARS **Sears, Roebuck and Co.**
John T. Sloan

As a part of the fabric of American life for more than 100 years, Sears was pleased to take a leadership role in welfare to work. Sears' Chairman and CEO, Arthur C. Martinez, personally directed efforts across the country to identify, hire and retain qualified applicants. Sears has also developed relationships and networks with other like-minded businesses and organizations, hired a vendor to screen all new hires, created awareness about wage subsidy programs and rolled out wage subsidies in a number of Sears stores. Sears has hired more than 32,000 former welfare recipients with a retention rate higher than the company average. Our welfare to work associates have proven to be an excellent source of dedicated, hard-working employees, many of whom have been promoted. In a time when the pool of qualified job seekers is at historic lows, we have found a great resource of willing, able and loyal employees who have turned into respected Sears associates.

John T. Sloan is the executive vice president of Human Resources of Sears, Roebuck and Co. Sears is a leading U.S. retailer of apparel, home and automotive products and services with annual revenues of nearly \$40 billion.

TIME WARNER **Time Warner Inc.**
Gerald Levin

Time Warner has always put a high value on social commitment, respect for individuals, fostering diversity and supporting local communities. It is the vibrant, vital tradition of community responsibility that leads us to be involved in the welfare to work initiative. In addition to creating community partnerships and developing an internal hiring program within our New York operating units, Time Warner is leveraging its national networks and print media in a PSA campaign to break down negative stereotypes about welfare

THE VOICES OF EMPLOYERS

recipients. Early on, we recognized the importance of media in changing public perceptions about the welfare population. We are proud to play a role in helping individuals achieve lives of independence and self-respect within the private sector.

Gerald Levin is chairman and chief executive officer of Time Warner Inc., the world's leading media company. Its businesses include cable networks, publishing, music, filmed, cable and digital media. Time Warner's merger with AOL will create the world's first fully integrated Internet powered media and communications company.



TJX Companies **Ted English**

When we joined The Welfare to Work Partnership in 1997 we felt it was a rare opportunity to make a difference on several fronts. We believed that welfare to work would be good for TJX, good for business in general and good for America. Our initial commitment was to hire 5,000 former welfare recipients by the year 2000. Our welfare to work program evolved faster than anyone could have imagined. As of June 2000, TJX has hired more than 15,000 associates from the welfare rolls. Former welfare recipients proved to be such good workers, that many have been promoted and others have been hired to take their place. We saw early on that making the transition from welfare to work is not any easy one for many individuals. We addressed this issue by partnering with Morgan Memorial Goodwill Industries and creating the First Step Program, which provides classroom training, internships, and job placement to former welfare recipients. This program continues to play an important part in our already successful welfare to work initiative. We believe that programs such as First Step and partnerships with community based organizations create win-win scenarios. An unexpected benefit has been the retention rate for former welfare recipients, which we have found to be higher than that of more traditional entry-level hires. With the labor market as tight as it is, it makes excellent business sense to utilize creative recruitment practices. TJX will continue to hire former welfare recipients and has made welfare to work an integral part of our company.

Ted English is the president and chief executive officer of The TJX Companies, Inc. The TJX Companies, Inc. is the leading off-price retailer of apparel and home fashions in the U.S. and worldwide. In total, TJX operates more than 1,450 stores, including T.J. Maxx, Marshalls, HomeGoods, and A.J. Wright in the U.S., as well as Winners Apparel Ltd. in Canada and T.K. Maxx in Europe. The company employs 73,000 associates worldwide.

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7 we felt it was a rare opportunity that welfare to work would be for America. Our initial commitment in the year 2000. Our welfare to work program is designed. As of June 2000, TJX has 10,000 former welfare recipients. Former welfare recipients are promoted and others have been promoted. The transition from welfare to work has been addressed this issue by partnering with the First Step Program, a placement to former welfare recipients. Our already successful program is First Step and partnerships with various organizations. An unexpected benefit, which we have found to be with the labor market as tight as it is, is recruitment practices. TJX made welfare to work an integral

of TJX Companies, Inc. The TJX Company is a leading home fashions in the U.S. and internationally, including T.J. Maxx, Marshalls, and HomeGoods Apparel Ltd. in Canada and other countries worldwide.

THE DOCUMENT COMPANY
XEROX

Xerox Business Services (XBS)

Joe Valenti

Over the past two years XBS has hired nearly 400 welfare recipients coast-to-coast, with a 65 percent retention rate. Establishing a strong working relationship with service providers and community-based organizations is a key element to this success. In developing a comprehensive mentoring program, XBS worked with Women in Community Services (WICS), a national organization providing mentoring expertise, to ensure that both mentors and new employees make the most of their relationship through a program called Friends at Work. XBS has also partnered with the Xerox Federal Credit Union to enable former welfare recipients to obtain Visa cards, lines of credit, and financial advice and training. Due to this support, our welfare to work hires are experiencing more success in their careers and delivering greater value to our customers.

Joe Valenti is senior vice president of XBS Operations. XBS is the fastest growing division of Xerox Corporation and the worldwide leader in document services outsourcing. It provides a comprehensive portfolio of services to some four million customers each day in more than 5,000 client companies worldwide.

Antoinette Patrick – CVS Corporation

Antoinette Patrick never dreamed of working at a pharmacy. Now, Antoinette can't imagine a career at any place other than CVS. After almost three years on welfare, Antoinette entered the CVS Apprenticeship Program on her way to a full-time job as a pharmacy technician. She excelled on the job by treating her customers with patience and respect. "I try to put myself in their shoes to see how they would feel, and treat them accordingly," said Antoinette. In addition to full benefits, Antoinette is taking advantage of the CVS educational opportunities, working toward her certification as a lead pharmacy technician through an innovative online curriculum developed by CVS. "I never thought I could learn to do all this," said Antoinette. "I feel like I'm making a difference at CVS."



Antoinette Patrick (right)

Chris Wilcox – Cessna Aircraft Company

For years Chris Wilcox and his wife had a drug addiction problem. His three children – Rikki, 14, Toni, 13, and Lance, 10 – were suffering from the instability of their parents and the limitations of welfare. Finally, Chris got "sick and tired of being sick and tired." One of the workers at the KanWorks program in Kansas introduced Chris to Cessna's 21st Street Facility, a program designed to train welfare recipients for jobs at Cessna. Today, Chris is the final assembly mechanic on the Citation 750 line at Cessna Aircraft in Wichita, Kansas. Chris started working first shift, but he later discovered that the best way to take care of his children and still do the job at Cessna was to be on third shift. Chris sees his children off to school in the morning, he is waiting when they come home from school in the afternoon, he spends quality time with them at night, and then goes to work. Chris has custody of his three children and he has already been promoted. Chris has goals for himself, including earning a Bachelor's Degree in business, but his true gratification comes from his children. "It's pretty neat to show them, 'Hey, there's one of the planes I've built,'" Chris said. "Now when somebody asks, 'Where's your dad work?' they've got an answer. It's out at Cessna."



Chris Wilcox

Consuelo

Thanks to Co Hotel in Miami now have steady income. I go on public rent was \$32 and gas bills. everything," reduced to \$100 at Loews. Now p.m. to 6:30 p.m. before and now relies on her for money," Consue

Elaine Ki

Elaine Kinslow, a mother of her learned that years, Elaine v afford day ca Service, where I challenged me and continued to help transport. Ivy Tech College is also learning Response Team. "Everyday, I see paycheck to

Consuelo McGlond – Loews Hotels

Thanks to Consuelo McGlond's job as a night telecommunications operator at Loews Hotel in Miami Beach, Florida, she and her three children – Kortney, Brandis and Kori – now have stability in their lives and Consuelo is focusing on a long career in the hospitality industry. Consuelo's future was not so clear three years ago when she was forced to go on public assistance. On welfare, Consuelo's monthly check was \$335 a month and rent was \$325 a month. She needed help from her mom and brother to pay the light and gas bills. Her cousin used to buy Pampers for her son. "I relied on other people for everything," Consuelo said. Finally, Consuelo was introduced to America Works, who recommended her for a job at Loews. Now Consuelo works the night shift – from 10:30 p.m. to 6:30 a.m. – allowing her to take care of her children before and after school. After 18 months on the job, she now relies on herself. In fact, her friends and family come to her for money. "I tell them the same thing they used to tell me," Consuelo said. "Do I look like the Bank of Miami?"



Consuelo McGlond

Elaine Kinslow – E-Z Ride

Elaine Kinslow's future appeared secure when she graduated high school as the valedictorian of her class. But her college scholarship was revoked when her future school learned that Elaine was a single parent and Elaine was forced to go on welfare. For 13 years, Elaine was on and off welfare. She couldn't find a job that allowed her to work and afford day care for her children. Finally, Elaine was hired at Path Finder Transportation Service, where she found more than a job. "They believed in me," Elaine said. "They challenged me and things started getting better." When Path Finder lost its funding, Elaine continued to persevere and landed a job at E-Z Ride, a minority-owned company that helps transport people to and from work. Elaine is also taking classes in Public Safety at Ivy Tech College and plans to earn an EMS certificate. She is also learning to become part of a Hazardous Material Response Team. "My situation is not unique," said Elaine. "Everyday, I see former welfare recipients who are earning a paycheck to support themselves and their families."



Elaine Kinslow
(second from right)

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Antoinette Patrick (right)

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Chris Wilcox

LaTonya R. Stephens – Bank of America

LaTonya Stephens was determined to reach her dreams when she and her two daughters - Regina and Nakeisha- moved to Dallas three years ago to get a fresh start after living on public assistance. Her path off welfare began with GED and computer training through the Dallas Housing Authority, and entrance into a customized training program offered by Goodwill and Bank of America to train people for jobs as Customer Service Representatives. LaTonya is now a member of the top performing Call Center team at Bank of America and has won a national award for her work performance (and a trip to Beverly Hills). With benefits like subsidized child care, medical, 401(k), life insurance, and stock options, LaTonya has purchased a car and is now closing in on her biggest dream - a house with a backyard. Through the Bank's Associate Home Ownership program, LaTonya has been working with a personal financial counselor, will take advantage of an employee \$5,000 principal-free loan, will qualify for a mortgage at a discounted rate, and begin house hunting this summer. From homeless to homeowner in two years - LaTonya Stephens.



LaTonya Stephens

Lou Ann Catano – Marriott International

Lou Ann Catano's motto could be, "I want more." That's what she said to herself when she hit rock bottom - stuck in an abusive relationship, grappling with a drug and alcohol program and separated from her daughter, Angeline. She went on welfare, waiting for a spot in a supportive housing unit so she could get help. She took advantage of education and skills training opportunities, all the while telling her caseworker that she wanted more. Lou Ann was referred to the Marriott Pathways program. She was hired by Marriott and worked her way up from hotel operator to concierge. Now, she has a job that she loves in the city that she loves, and she is able to fulfill a passion for travel. Lou Ann just wrote Angeline a check for her college sorority dues. "Four years ago, she wouldn't have even bothered to ask," said Lou Ann proudly.



Lou Ann Catano

Maria Meru

Maria Mercado about college. Marshalls, Maria Maria Ellena, 7. For almost a decade entered The First between The TJX program led to an retail. She was associate to a accomplishment her to pursue accounting in TJX's Brid on her way to b is studying to accounting degree said Maria.

Rena Burn:

As one of five children financially self-sufficient technology/software company, Autonom recipients. She did who worked for I to bid on a particular have the resources asked if she could running a business Regional Welfare speaker for a Los risk youths in LA Central valley counties said. "If I can do it

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LaTonya Stephens

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Lou Ann Catano

Maria Mercado – The TJX Companies, Inc.

Maria Mercado never graduated from high school, but now, she can't stop thinking about college. After spending nine years on welfare before landing a job with Marshalls, Maria has started college funds for her two daughters Elixmarie, 11, and Maria Ellena, 7. "I want them to have the opportunity to follow their dreams," she said. For almost a decade, she dreamed of getting off welfare. In the autumn of 1998, Maria entered The First Step Transition to Work Program, which is a collaborative program between The TJX Companies, Inc. and Morgan Memorial Goodwill Industries. The program led to an internship at Marshalls, where Maria discovered her natural ability for retail. She was promoted from intern to full-time sales associate to a merchandising lead sales position. Each accomplishment gave her more confidence and inspired her to pursue additional responsibility. Maria is now training in TJX's Bridges To Management program and is well on her way to becoming an Assistant Store Manager. She is studying to earn her GED and hopes to pursue an accounting degree. "I learned that nothing is impossible," said Maria.



Maria Mercado (left)

Rena Burns – Automated Data Sciences/CADscan

As one of five children raised by a single mother on welfare, Rena Burns dreamed of being financially self-sufficient. Today, she has reached that dream for herself – she owns her own technology/software development business – and helps others accomplish that dream. Her company, Automated Data Sciences, employs 60 people, including four former welfare recipients. She did not intend to target welfare recipients but one former welfare recipient who worked for Rena as a secretary changed her mind. "She asked why we weren't going to bid on a particular project," she said. "I told her that we are a small company and don't have the resources to respond to every request for proposal." The former welfare recipient asked if she could try in her spare time. A month later, they got the account. In addition to running a business, mentoring employees and earning the Small Business Administration's Regional Welfare to Work Entrepreneur award, Rena is a speaker for a Los Angeles Juvenile Hall program. She assists at-risk youths in LA County, and plans to expand to the nine central valley counties. "I bring one important message," Rena said. "If I can do it, so can anyone."



Rena Burns

Rhonda Costa – Salomon Smith Barney

Rhonda Costa didn't dream much when she was on welfare. She spent her days trying to pay her bills with a \$280 a month welfare check and her nights shielding her two daughters from stray gunfire in a one-bedroom apartment. Rhonda decided to change her life after her oldest daughter, Lakiyah, told Rhonda to get up and do something with her life. "It really hit home when your 11-year-old daughter recognizes that you are not doing anything productive with your life," said Rhonda. The next day, Rhonda enrolled with Wildcat Service Corporation, a New York service provider that trains welfare recipients for jobs. After a 16-week training course, Rhonda was hired by Salomon Smith Barney. Rhonda was recently promoted to office manager and now has an assistant of her own – a Wildcat graduate. Through Salomon Smith Barney's tuition reimbursement program, Rhonda is taking a class at Borough of Manhattan Community College for her business management degree. "It's great when you have a job where you're excited to get out of bed in the morning," she said.



Rhonda Costa

Tiffany Smith – United Parcel Service

Tiffany Smith was on welfare with her six-month-old son, Shawn, when his father stopped coming around. It was then that Tiffany realized that she was the only role model in Shawn's life, and she needed to get a job. "A working parent means a lot to a child," said Tiffany. "I became a mother and a father to him and he needs to know that what I'm doing, he should be doing too, once he grows up." Tiffany now works part-time at UPS, where her benefits include health and dental insurance in addition to her paycheck. Tiffany takes pride in being a positive example for her two children – Shawn and Bre'anna. She is obtaining her GED and will apply for a supervisory position at UPS. With a GED, Tiffany will also become eligible for UPS's Earn and Learn program, which provides financial assistance for college. "The more you work, the more opportunities become available," said Tiffany. "I want my kids to learn that you never know what you can accomplish unless you try."



Tiffany Smith



The Welfare to Work
PARTNERSHIP

A not-for-profit organization

The Welfare to Work Partnership
1250 Connecticut Avenue, NW
Suite 610
Washington, DC 20036
TEL 202.955.3005 FAX 202.955.1087

August 29, 2000

Dear Mr. President,

Sandy
is there any
more we can do?
PK

9-1-00

I write this letter with a rather heavy heart. I spoke with Andy yesterday and he told me that Al Moses told him that the Cyprus thing was over. He said that the United States will never take a chance on losing the permission to fly over Turkey. He also stated the same old excuses our government uses when it comes to the Cyprus issue. Sounds to me like Madeline and the bunch have made up their minds not to REALLY do anything, just go through the motions. I consider that quite a shame.

I guess the 250,000 who were displaced should feel like they gave up their land, homes, businesses, and graveyards for a good reason. So the United States can land in Turkey and fly over Turkey. The couple of thousand were killed for the same great cause. So the United States can fly over Turkey and land in Turkey.

Well, I'll tell Madeline that I think she is lazy and doesn't really care about right and wrong unless it is very convenient. It also seems to me that she is prejudice towards those with money and power. To be honest Mr. President this attitude makes me sick if it is accurate.

Anyway, I know I sound like a bad sport, but I have seen these people's faces and spoken with the regular guys in Cyprus. This thing really did happen, it was wrong and it should be fixed. It also seems that you are the only President and will be the only President for a long time to identify with this and care about this. I have heard the Al's person is not sympathetic towards Greece or Cyprus. I think his VP is, but you know how that goes.

Anyway I am convinced you could make great strides if you personally were involved. Especially if you got Gore's support so that they (the Turks) knew they would get the same message from the new President, etc.

Anyway, I just believe in you, Mr. President. I know you care and I know if you personally handled this situation you could probably make great strides.

Your Friend,

David L.



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cc NSC

cc Ann McCoy

Schulz
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WASHINGTON

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Scheduling

August 31, 2000

Dr. Brian L. Harbour
First Baptist Church
1001 North Central Expressway
Richardson, Texas 75080-4602

Dear Brian:

I was pleased to receive such a positive report on your trip to Latvia and your extended visit with President Ulmanis. It sounds as though it was a rewarding endeavor.

At this time, I'm not sure what my schedule holds during the time you'll be here in the fall. Ann McCoy will be in touch with you about the possibility of a visit if it can be worked out.

All the best to you and Jan.

Sincerely,

Bill



Brian L. Harbour, Ph.D.
Pastor

*Will
Reply*

August 10, 2000

President Bill Clinton
The White House
Washington, D.C. 20500-2000

Dear President Clinton,

We just returned from our mission to Latvia – plus a couple of extra weeks in Scandinavia and then England for Jan and me. We had a wonderful time. In addition to the normal kinds of things we do on mission trips, we took a group of our business men who linked with business leaders in Riga, including the mayor of Riga and President Ulmanis and Ambassador Holmes and some of the leaders in the national government. We held two seminars for business leaders and both were well attended. Since Dallas and Riga are sister cities, we hope our links on this trip will prove beneficial in the days ahead for the people of Latvia.

I especially wanted to thank you for writing to President Ulmanis. We had lunch on the Wednesday when I was in Riga. What was planned to be a brief lunch expanded into more than three hours time together. He greatly respects you. And by the way, he is a wonderful storyteller. He told me a story about you – I'll share it with you if we have a chance to visit in the days ahead.

Hope all is going well with you. I know you are enjoying your extra time with Chelsea since she is not in school this fall.

Hope to see you October 1, when I preach at the Calvary Baptist Church. I'll be there Saturday, Sunday, and Monday nights. I would love to be able to spend one night in the White House if that is possible.

Your friend,

Brian L. Harbour

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WHITE HOUSE
WASHINGTON

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Scheduling

August 31, 2000

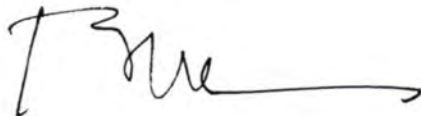
Charles D. Morgan
Fourth Floor
Acxiom #1 Information Way
Little Rock, Arkansas 72202

Dear Charles:

Congratulations on being chosen to receive the Vision Award to be presented by the World Services for the Blind. I don't yet know what my schedule will hold for December, but we will look toward the possibility of being there. My scheduler will be in contact with you.

All the best to you and Susie.

Sincerely,





#1 Information Way
4th Floor
Little Rock, AR 72202
www.acxiom.com

① 8/21
C
Stephanie
Signed to a
video of me
don't go
② Mulli

August 11, 2000

President Bill Clinton
White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Bill:

Susie and I are hoping that you will be able to pay a quick visit to Little Rock to serve as the keynote speaker and awards presenter for an event of great importance to me.

I have been chosen to receive an award that, in some ways, means more to me than any I have ever received. It's the first 'World Services for the Blind's Vision Award'. It is designed for an outstanding citizen of Arkansas for his or her vision and leadership in achieving goals above and beyond the ordinary. I am honored by what it represents for many reasons.

There was a period not so long ago that there were some questions about my own eyesight as it was deteriorating. While I have now recovered, that experience gave me a much deeper appreciation for the value of my eyesight – and for the noble mission of those who help people protect and recover their vision.

I would be honored if you could participate in this event which will raise much needed funds for the World Services for the Blind, headquartered in Little Rock, an organization with an international reputation. Of course, great flexibility with your schedule is offered, however, we are hoping to hold the event in December of this year. It will be a luncheon format with the presentation following the noon meal.

Sincerely,

Charles D. Morgan
Company Leader

CDM/st

cc: Stephanie Street, Director of Scheduling

THE PRESIDENT HAS SEEN

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The New York Times
August 27, 2000

Looser Rules Are Considered for Bacteria in Students' Beef

By MARIAN BURROS

Agriculture Department officials say they are discussing the possibility of loosening their new standards for preventing salmonella contamination in ground beef used for the nation's school lunch program.

The reconsideration, which was provoked by criticism from the food industry, angered consumer advocates.

Since June, the department, which provides 70 percent of the ground beef used in schools, has required that every batch it buys be free of salmonella. Before that there were no standards for any pathogens, including salmonella, bacteria responsible for about 600 deaths and 1.4 million illnesses last year.

Meat processors complained that the standards were unnecessary, because proper cooking kills the bacteria, and were too difficult to meet. At first many declined to even bid on government contracts for the school lunch program. But the industry ended up with a glut of beef and over the last few weeks more companies have offered their meat for sale. Still, the department has been able to buy only half the ground beef it needs for the schools, and at about 55 cents a pound more.

School officials in Wisconsin and Illinois said they would buy ground beef on the open market to ensure a steady supply, and New York City officials said they would do the same but reduce the amount they used.

Faced with the industry criticism, department officials began to reconsider the salmonella rules.

When asked this week whether the department was scaling back the standards, Kathleen Merrigan, administrator of the department's Agricultural Marketing Service, said, "I would prefer to say we are fine-tuning them."

Neither Ms. Merrigan nor anyone else at the department would say what the new standards might be.

Consumer groups accused the department of caving in to industry.

Carol Tucker Foreman, a former Agriculture Department official and now director of the Food Policy Institute of the Consumer Federation of America, said the department was falling back on its more traditional role of promoting the interests of the food industry and neglecting its duty to protect consumers. That duty is one that Agriculture Secretary Dan Glickman has accepted with greater vigor than most of his predecessors.

"What we are saying is they should change their priorities," Ms. Foreman said. "They are saying to buy meat with no salmonella costs us more money and it's not worth it."

"Its first obligation is to assure safe food for children who eat school lunches," Ms. Foreman said of the department.

Officials of the American School Food Service Association said its members, who are in charge of school feeding programs, are caught in the middle.

"We are fully committed to all steps appropriate to ensuring safety of food for kids," Barry Sackin, the association's director of government affairs, said of the salmonella rules. "Our only concern is the precipitous way it has been implemented."

The department adopted the new specifications after a federal judge rebuffed its efforts to implement random tests for salmonella at a Texas meat-processing plant. The department wanted to close the plant, which had supplied as much as 75 percent of the ground beef

used in the school lunch program, after it failed tests for salmonella three times. But the judge said the department did not have the authority to use such tests, which the department has implemented nationwide, and ordered that the plant remain open.

Mr. Glickman canceled the department's contract with the company, Supreme Beef, and adopted the new standards for its ground beef purchases.

Since the regulations went into effect, salmonella contamination has dropped by as much as 50 percent, studies show.

END

THE PRESIDENT HAS SEEN

9-1-00

THE PRESIDENT HAS SEEN

9-1-00

THE WHITE HOUSE

WASHINGTON

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August 7, 2000

Mr. President -

Here is the formal
invitation to the
Progressive Presidents
Conference. This will be
a great event.

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over Sean a lot -

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Princeton University

American Studies Program
42 McCosh Hall
Princeton, New Jersey 08544
609-258-4710
Fax 609-258-2765

August 4, 2000

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

In conjunction with the Woodrow Wilson School of Public and International Affairs, the American Studies Program at Princeton University is planning a conference on October 5 and 6 on The Progressive Tradition: Politics, History, and Culture. It will be a chance for several of the most preeminent scholars of the Progressive era to discuss intensively the Progressive tradition and its importance today.

I wish cordially to invite you to participate in the conference. Specifically, I would like to invite you to give the keynote address on the afternoon of October 5.

I need not tell you how exciting it would be for us all to hear what you have to say on this particular topic, one that I know interests you a great deal.

Among the scholars who have already agreed to participate are John Morton Blum, James M. McPherson, Christine Stansell, and Arthur M. Schlesinger, Jr. In short, this will be an auspicious scholarly event, which I hope we can entice you to attend.

With best wishes,

Yours sincerely,



Sean Wilentz
Dayton-Stockton Professor of History and
Director, Program in American Studies

SW:jsf

CASA DE JUSTICIA de este lugar donde me hallo en éste momento.
TEL: 6725506 - 6699114 o al 6614081 De ésta Ciudad. Barrio Chiquinquirá-Olaya (CARTAGENA).
FAVOR LEER URGENTE COLOMBIA.

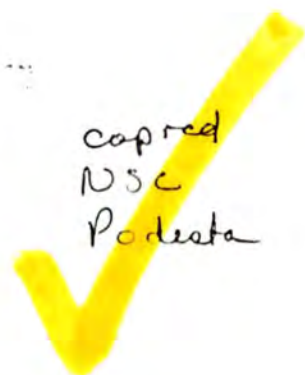
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Excelentísimo
Señor Presidente de la Republica
De los E.E. U.U. de Norteamérica
Doctor
BILL CLINTON
L. C.

THE PRESIDENT

9-1-00

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Cartagena de Indias Agosto 30 del 2000

Excelentísimo
Señor Presidente de la Republica
De los E.E. U.U. de Norteamérica
Doctor
BILL CLINTON
L. C.

Apreciado señor.

Con el más profundo y sincero reconocimiento y fervoroso homenaje de aprecio, admiración, y respeto que usted merece, por medio de la presente, a su grata visita de llegada a esta ciudad, reciba usted junto con su honorable delegación que lo acompaña, mi atento y efusivo saludo muy cordial, en particular haciéndolo extensivo a su apreciada familia y dedicarle a la vez, mis mas expresivas y amenas congratulaciones, por su exitosa labor, y prosperidad administrativa, y victoriosas conquistas, lograda^s por usted hasta ahora, como buen gobernante y primer magistrado actual, de la Nación Norteamericana, deseándoles a todos ustedes indecible felicidad, alegría, y gozo, sin limites en este día al llegar aquí al barrio de Chiquinquirá Olaya, rogando a nuestro Dios todo poderoso que los colme en lluvia de grandes bendiciones, y gracia^s, y deseándole^s que la salud, el bienestar, y la paz, entre ustedes perduren por siempre.

Doctor CLINTON:

A mi presente saludo le diré lo siguiente:

En la actualidad, yo como evangelista y misionero cristiano, he procurado hasta ahora cumplir con Dios, para llevar adelante, y colocando muy en alto la encargada tarea de gran responsabilidad de dar a conocerle su bendito, glorioso, y gran nombre de el, como el único Dios verdadero y a Jesucristo a quien nos ha enviado, S.S Juan 17 - 3 a través de mis múltiples y selectos mensajes, y preciosos heraldos cristianos, que tengo preparados y ya listos

como este, para transmitirlos y publicarlos, y dándolos a conocer a muchas gentes, entre ellos a personas muy especiales y distinguidas como usted, cuando ya el final funesto de este mundo se acerca, y por medio de estos mensajes ayudarlos a preparar y escapar y salvar sus vidas, del fuego destructor que muy pronto quemará este super-poblado planeta, donde moramos los habitantes de todas las esferas y clases sociales, de este tenebroso mundo muy hambriento de paz y seguridad, pero viviendo en medio del contaminado ambiente de inseguridad que él nos ofrece... aquí donde se respira una atmósfera asfixiante de irrespirable corrupción moral y maldad e injusticia social. El desamor, indolencia, el egoísmo, desafuero, etc, y la violencia la venganza y el crimen prevalecen casi por todas partes de este mundo amortajado por el pecado y envuelto ya, entre los crespones negros de la muerte, al borde del ocaso, tendiendo a ^{extinguirse} extinguirse y a punto de desaparecer... muy pronto... en lo profundo y cubierto por la gran inmensidad de un verdadero mar de llama^s siendo esto parte del castigo por todo esto, con que Dios ya a destruir muy pronto gran parte de la humanidad, a todo aquel que vive y actúa ahora implamente y no se arrepiente de corazón sincero, apartándose de todo pecado injusticia, impiedad, y maldad, entre ellos los descritos en este mensaje.

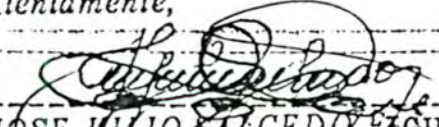
Además el objeto de esta carta, es para exponer ante su ^Bexcelencia, urgentemente el serio caso personal, de mi dura y difícil y apremiante situación precaria, por la que estoy atravesando con mi esposa gloria y mis 6 hijos, y mis nietos, y otros familiares nuestros, separados y dispersos en varias ciudades, al hallarme desprovisto sin alimentos, ni vivienda, ni ropa etc, y al encontrarme un poco enfermo de viento y dolores aunque fácil mente recuperable pero sin atención medica. Con mi familia sufriendo agobiado por el peso enorme de esta ^{embarazosa} situación infrahumana, de males y penurias, sufriendo indescriptiblemente con mi familia, careciendo de todo aún de lo mas elemental y necesario para nuestro diario vivir y sin dinero, viviendo en extrema y ^{abyecta} pobreza y miseria, y sin la esperanza de alguna pronto^a recuperación económica, motivo por el cual hoy me siento obligado a acudir y apelar a su ^Bexcelencia, en solicitud y demanda de su digno y grande aporte generoso de donación y ayuda económica procurando proteger y salvar a otras almas ^{llevarandoles} llevandoles el mensaje de salvación etc, deseando de usted antes de irse de aquí pronta solución y remedio para sufragar y aliviar y liberarme de esta terrible y muy difícil situación de crisis económica, en que me

encuentro sufriendo con el derrotado y perdido hogar mío de mi familia por los motivos descritos antes.

Yo, en este día esperando ser oído, atendido, y acogido, prontamente por el gesto de su gran solidaridad, y favor, e irrestricto apoyo en mi expresa solicitud de petición de generosa ayuda económica, le anticipo a usted mis mas profundos y sinceros agradecimiento en su digna atención a la presente. me suscribo de usted,

SINCERO SERVIDOR SUYO

Atentamente,


JOSE JULIO SALCEDO FIGUEROA .

C.C.Nº 2.320.448 de Honda Tolima República de Colombia

La dirección donde me puede escribir o dan información de mí.
Carrera 57 N° 31B-57 segunda planta Tel: 6725506 - (095)-6699114 hasta
entonces. También me puede llamar al Tel. 6614081 o informar-
a esos teléfonos, citados aquí en Cartagena Colombia.

Barrio Chiquinquirá Olaya Carrera 57 No. 31 B. 57

Pamela Cicetti
07/24/2000 04:44:36 PM

THE PRESIDENT HAS SEEN

9-1-00

Record Type: Record

To: Nancy V. Hernreich/WHO/EOP@EOP

cc:

Subject: Sen. Percy

former Republican senator Chuck Percy called to say how proud he is of the President and his work in the Middle East. He suggested the following biblical quotes from the Old Testament on the subject of Jerusalem for the President:

Zacharia	3	3, 7, 8
Revelations	21	2, 24, 27
	22	5

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BC

9-1-00

After you have
seen, we will send
a Delta Cohen for
reply -

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CLINTON - ARKANSAS

Memo

'00 SEP 1 AM 10:22

TO: Nancy Hernreich
FROM: Lynda Dixon
DATE: 8/31/00
RE: Birthday Letter / Speer

Please send letter to:

Daisy Speer
734 Crestwood
Camden, AR 71701

She will be 107 on September 1, 2000.

Send to Delia Cohen?

Yes ☒

No ☐

9-1-00

Carol



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America 2000

Personal Urgent

President Bill Clinton
The White House
Washington DC

August 29, 2000

2010 Newcastle A
Boca Raton FL 33434
tel/fax 561-470-9323

Dear President Clinton:

A peace agreement between Israel and the Palestinians appears close. You know and have seen our prior video programs on the peace process.

I have written to you on our need for funds to continue our work especially now. I mentioned that at a cost of \$30 per school or \$3 million for 100,000 public schools in the USA, every school could have our program this fall. The cost includes an evaluation sampling.

The money could come from various government departments such as military recruitment commercials or drug abuse commercials. Enclosed are rate sheets. It could come from foundations or private philanthropists. I have tried some of these resources myself and have not succeeded at this time. Prior successes were limited financially with private individuals and corporations and took many months and longer to complete. Now time is running out!

Since the schools receive the videos free sponsored by the inserted messages, they can go nationally very fast. It is not curriculum material bought state by state. Other messages could include fight hate, no smoking etc. to obtain the funding.

I have worked at this program for twenty years often at great financial sacrifice. We can not continue without the funds. There is so much money out there whether it be government or private that I ask you to intercede at once. We want to cover the next round of the Camp David accords and distribute the program now as it is timely.

Please contact me at the above listed Florida address and telephone 561-470-9323.

Very truly yours,


Alan Freeman
President

enclosures

P.S. The program will also be sent to 4,000 colleges.

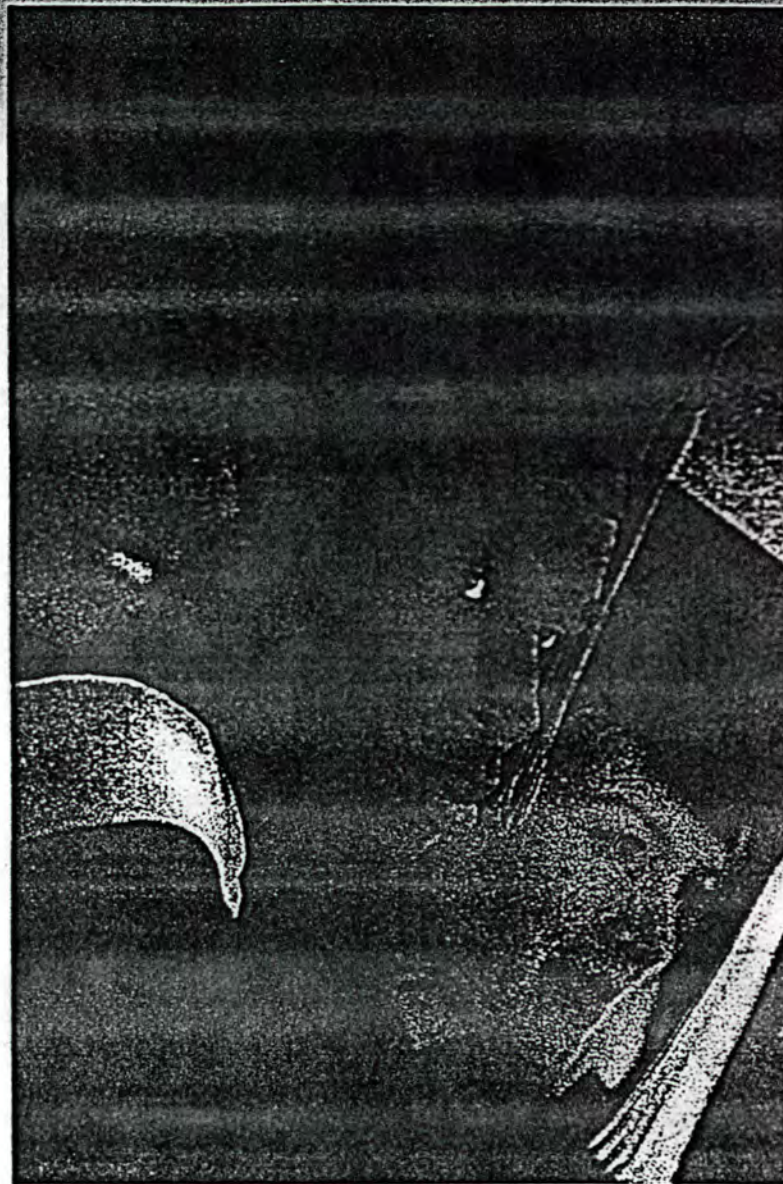
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THE PRESIDENT HAS SEEN

9-1-00

Shen



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Podesta*

Expanding College Opportunity

More Access, Greater Achievement,
Higher Expectations

EXECUTIVE SUMMARY

More and more, college is the gateway to the American Dream. Education may be the most important investment we make in our lifetimes. It holds the key to good citizenship, enriched lives, and economic prosperity—both for ourselves as individuals and for us as a nation.

The economic returns to college are higher than ever before, and more Americans than ever are going to college. In 1998, young men who completed at least a bachelor's degree earned 150 percent the salary of their peers with no more than a high school diploma—and young women earned twice as much if they had graduated from college.¹ A college graduate earns \$600,000 more over a lifetime, on average, than a high school graduate.² And the real rate of return on a college investment is 12 percent—nearly twice the historical average of the stock market.³

Over the past seven years, we have more than doubled our investment in student aid. As a nation, we need to help America's parents pay for their children's college education and their own continuing education. For seven years, President Clinton and Vice President Gore have sought to make colleges and universities, community colleges, and trade schools universally affordable for all Americans. The Clinton-Gore approach is three-pronged:

- **More college scholarships.** The new Hope Scholarship tax credit provides up to \$1,500 in tax relief for the first two years of college, saving 2.6 million families \$2.6 billion in 1998. The Lifetime Learning credit—which provides up to \$1,000 for juniors and seniors, graduate students, and adults seeking job training—gave 2.3 million families \$800 million in tax relief in 1998. Over 3.8 million needy students receive up to \$3,300 in Pell Grant scholarships, a \$1,000 larger maximum grant than in 1993. Since 1994, over 150,000 AmeriCorps members have earned nearly \$400 million for college while serving their communities.
- **More affordable student loans.** This Administration has introduced lower fees and interest rates that have saved the average borrower over \$500; more flexible repayment terms, including the option to repay as a share of income; and a restored tax deduction for student loan interest. The new Direct Student Loan program—established in 1994—bypasses federally guaranteed lenders to deliver loans to students more quickly, simply, and cheaply. Together, students and taxpayers have already saved \$15 billion through student loan reforms.
- **New paths to college and successful careers.** The new GEAR UP initiative raises expectations and helps over 450,000 disadvantaged middle-school students get on track for college success through partnerships between high-poverty middle schools, universities, and communities. AmeriCorps education awards and a one-third increase in work-study jobs have allowed hundreds of thousands of Americans to earn money for college. Our investment in the TRIO program to help low-income, first-generation students succeed in college has increased by two-thirds since 1993, to \$645 million. The School-to-Work Opportunities Act has provided seed money to help every state broaden young people's career options, make learning more relevant, and promote successful transitions to college and careers. And Youth Opportunity grants make possible comprehensive employment and training assistance to 75,000 out-of-school youth in high-poverty communities.

The Clinton-Gore commitment to opening the doors of college is the largest investment in higher education since the G.I. Bill. College is affordable for all Americans, and more and more of us are benefiting from it. The evidence is in:

- **More Americans are going to college than ever before:** Sixty-six percent of 1998 high school graduates enrolled in college or trade school the next fall, compared to only 60 percent in 1990. Although low-income and minority students continue to go straight to college at significantly lower rates than high-income and white students, the gaps have narrowed since the 1970s and 1980s.⁴
- **More high school students are preparing themselves for college:** The percentage of high school graduates who have taken four years of English and three years each of math, science, and social studies increased from 38 percent to 55 percent.⁵ This increasing academic rigor is heartening because the intensity and quality of high school curricula are dominant determinants of degree completion. Also, SAT scores, especially in math, have gone up over the past 10 years, and the number of test takers reached an all-time high last year— even as a larger and more diverse group of students took the test.⁶
- **Fewer students are dropping out of school:** During the 1990s, approximately 11-12 percent of 16- to 24-year-olds had not completed a high school program and were not enrolled in school, compared to 13-14 percent in the 1980s and over 14 percent in the 1970s. Progress has been especially strong among African Americans, whose high school completion rate now slightly exceeds the national average.⁷
- **More Americans are earning college degrees:** Over 32 percent of 25- to 29-year-olds had earned at least a bachelor's degree in 1999, up from 27 percent in 1990. In particular, white and African American women have seen their college opportunities grow.⁸
- **Americans are becoming lifelong learners:** Fifty percent of adults participated in formal learning in the year prior to a 1999 survey, up from 38 percent in 1991.⁹

This report describes President Clinton and Vice President Gore's efforts to expand college scholarships, make student loans more affordable, and close the college opportunity gap. It describes the impact these efforts have had on college preparation, enrollment, and completion. Finally, it outlines the challenges that continue to face all of us who care about expanding and equalizing college opportunity.

MORE COLLEGE SCHOLARSHIPS

More financial aid is available for college than ever before. Since 1993, new college tax credits and national service programs— as well as the greater availability of federal scholarships for low-income families— have opened the door to higher education for millions of students who otherwise could not afford it. The federal government will provide over \$60 billion in 2001 aid, including the Hope Scholarship and Lifetime Learning tax credits, compared to only about \$25 billion in 1993. Today, students are going to college in record numbers.

College and lifelong learning are more important than ever before. One hundred years ago, we passed laws requiring every child to attend school. Fifty years ago, we extended public schools to 12 years and passed the G.I. Bill to open the doors of college to middle-class Americans. Today, as we enter the 21st century— stepping confidently into the Information Age and an era of global economic competition— we must expand postsecondary education opportunities for everyone.

- President Clinton proposed the Hope Scholarship to make two years of college affordable for all families. A \$1,500 tax credit for the first two years of college, the Hope Scholarship will pay for nearly all of a typical community college's tuition and fees. When proposing the credit in 1996, President Clinton declared that "our goal must be nothing less than to make the 13th and 14th years of education as universal to all Americans as the first 12 are today." In 1998, 2.6 million families received \$2.6 billion in tax relief for higher education through the Hope Scholarship.
- President Clinton also proposed the Lifetime Learning tax credit to complement the Hope Scholarship and promote lifelong education and worker training. The \$1,000 Lifetime Learning credit reimburses families for 20 percent of their tuition and fees (up to \$5,000 per family) for college, graduate study, or job training. Starting in 2002, the credit will reimburse families for 20 percent of their costs up to \$10,000, for a maximum value of \$2,000. In 1998, 2.3 million families saved \$800 million on higher and continuing education through the Lifetime Learning credit.
- These credits make a difference for American families. For instance, a family earning \$60,000 with one child at a community college (with a tuition of \$2,000) and another child who is a sophomore at a private college (with a tuition of \$11,000) would receive as much as \$3,000 in tax relief under the Hope Scholarship. An automobile mechanic with an income of \$30,000, taking courses at a local technical college (with a tuition of \$1,200) to upgrade his computer skills would save as much as \$240 using the Lifetime Learning credit.

The Clinton Administration has been dedicated to expanding scholarships for needy students. The cost of college makes a difference for students from low-income families. Some scholars believe, for instance, that a \$100 increase in the cost of college decreases the enrollment of lower-income students by about 1 percent.¹⁰

- Pell Grant scholarships for low-income students are the federal government's single largest commitment to equalizing college opportunities. Pell Grants— more targeted to meet financial need than any other of the Department's student aid programs— help ensure

financial access to postsecondary education. Over the past quarter century, 30 million students have used a Pell Grant to help pay for college or career training.¹¹

- The Clinton Administration restored the financial integrity of Pell Grants. The Clinton Administration inherited a \$2 billion funding shortfall in the Pell Grant program. During the next several years, this funding shortfall was eliminated— restoring this important program's solvency— even while increasing the amount that the lowest-income students receive.
- The Clinton Administration has increased the federal investment in Pell Grants by over 40 percent. Today, 3.8 million students receive grants of up to \$3,300. When President Clinton took office in 1993, the maximum Pell Grant was \$2,300. In contrast to this \$1,000 increase, the maximum grant increased by only \$630 during 12 years of the Reagan-Bush Administrations.
- Supplemental Educational Opportunity Grants, which provide scholarships up to \$4,000 to low-income students, have also been expanded under this Administration. This year, 1.1 million students will receive nearly \$800 million in SEOG scholarships.

Since 1994, AmeriCorps has allowed more than 150,000 Americans to strengthen their community while earning help to pay for college. AmeriCorps members tutor children, fight crime, build houses, and do countless other things to improve lives and bring people together. AmeriCorps has made available nearly \$400 million dollars to help participants achieve their dream of a college education while improving their communities.

MORE AFFORDABLE STUDENT LOANS

Many working families could not afford to pay for college without college loans. Although a college education usually pays for itself in higher earnings many times over, immediate liquidity problems may be a major obstacle for many families.¹² As a result, an accessible and affordable student loan program is essential to college access.

In 1993, the student loan program needed serious reform.

- More than one borrower in five defaulted within two years of graduation.
- Subsidies for lenders and guaranty agencies (intermediaries between lenders and the Department of Education) created a large and unnecessary expense for taxpayers.
- Lenders and guaranty agencies faced financial disincentives to prevent defaults or spend taxpayer dollars prudently.
- Different lenders often had different paperwork, procedures, and schedules, causing confusion and administrative burdens for students and schools.
- Lenders and guaranty agencies often reported unreliable financial data to the government.

In 1993, President Clinton revolutionized college loans by championing the Direct Student Loan program. The Direct Loan system applies free-market principles effectively: It raises capital less expensively through U.S. Treasury bond sales and delivers and services loans through competitively awarded, performance-based contracts with top-quality private firms.

For students, reform means more accessible, cheaper loans. Students now can repay their loans as a share of their income and have saved \$9 billion through lower interest rates and fees.

- **New flexible loan repayments.** By allowing graduates to repay their loans as a share of income, Direct Lending allows students to start college without fear of being unable to repay their loans. The "income-contingent" plan also enables college graduates to undertake teaching and other public service careers.
- **Lower interest rates.** Student loan borrowers since 1993 will save \$100 annually for each \$10,000 in outstanding loans—a total of \$5 billion so far—due to reductions in the interest rate formula in 1993 and 1998. The Administration also championed the lower maximum rate paid by students, reduced from 10 percent to 8.25 percent, to protect them against high interest rates.
- **Lower fees.** Thanks to savings from the Direct Loan program, fees on direct and guaranteed loans were reduced from up to 8 percent of loan principal in 1993 to up to 4 percent today, saving students \$4 billion so far. In 1999, in recognition of widespread discounts available on guaranteed student loans, the Administration reduced direct loan fees to 3 percent.
- **Easier to receive and repay.** Direct loans require less application paperwork and, unlike the guaranteed program, all borrowers have just one account with a single point of contact.
- **Favorable refinancing terms.** Loan consolidation allows students to better manage their debt and lock in favorable loan terms. A typical member of the Class of 2000 who consolidates before July 1, 2000, will save over \$1,500 on \$20,000 of debt due to today's lower interest rates.

For taxpayers, the student loan reform means billions in savings.

- Direct loans are much cheaper for taxpayers. By eliminating subsidy payments to lenders, direct lending has saved over \$4 billion over the past five years.
- Federal costs of guaranteed loans have also fallen. Federal subsidies for banks and guaranty agencies have also been pared down, saving taxpayers an additional \$2 billion.
- The default rate has fallen for seven straight years, from 22.4 percent at the start of this Administration to a record-low 8.8 percent today.
- Collections on defaulted loans have tripled, from \$1 billion to \$3 billion, under this Administration.

For schools, student loan reform slashed administrative burdens.

- Over 1,200 schools chose to leave the guaranteed loan program and join Direct Lending during its first three years. Direct lending offers one set of procedures, fast and reliable delivery of funds, less paperwork, electronic loan processing, and a customer service emphasis.
- Schools in the guaranteed loan program have also benefited through competition. A new and strong competitor in one of the largest financial markets in the world, the Direct Loan program inspired lenders to improve their service.
 - School satisfaction with the guaranteed loan programs has increased every year since 1994, according to independent surveys.
 - A senior banking executive told a trade journal that "[Direct Loans] have introduced some ways of doing business and some delivery mechanisms that made the private enterprise wake up a little bit. To be perfectly honest, as a private enterprise we thought we were doing almost an A-plus job. When we stepped back a little bit, we saw some of the things the Department of Education was doing and we realized we weren't. . . . It's been relatively good for the industry, particularly for the recipients in terms of students and schools."¹³
 - A 1999 independent assessment concluded, "Virtually no one disputes that the operation of an alternative loan program has produced a competition that inspired innovation and service—to the benefit of all borrowers and schools."¹⁴

By signing a tax deduction for student loan interest into law in 1997, President Clinton complemented these reforms. This legislation—which reinstated a provision that had been repealed in the 1980s—will, for example, provide \$144 in tax relief to a college graduate earning \$25,000 a year and struggling to repay her \$12,000 debt. This year, President Clinton asked Congress to expand the student loan interest deduction because current law covers only the first 60 months of loan repayment.

In sum, there was little competition in the student loan program in 1993. The Direct Loan program gave students and schools a choice, injecting healthy competition into the marketplace. Students have saved \$9 billion in interest and fees and enjoyed new tools to manage their debt, including income-contingent repayment. Taxpayers have saved an additional \$6 billion. Today we have two leaner, more competitive, customer-focused programs.

NEW PATHS TO COLLEGE AND SUCCESSFUL CAREERS

Student aid matters, but more is needed to expand college opportunities for all Americans. The Clinton Administration has substantially expanded the federal government's investment in student aid through the Hope and Lifetime Learning tax credits, cheaper and more widely available student loans, and larger Pell Grant scholarships for needy students. But too many students still limit their potential by ruling out education beyond high school. Research indicates that financial aid is not enough—we must intervene in the lives of poor and minority youth to raise their expectations and help them prepare for college, and do so early enough to make a difference.

The GEAR UP initiative is raising expectations of disadvantaged students. In his 1998 State of the Union address, President Clinton proposed a new initiative to make a difference for students in high-poverty schools. Ten months later, Congress enacted GEAR UP—Gaining Early Awareness and Readiness for Undergraduate Programs—with broad bipartisan support. This academic year, its first in operation, the GEAR UP initiative is giving hope, raising expectations, and creating college opportunities for over 450,000 disadvantaged children. Next year it will grow to 750,000 students, and President Clinton requested \$325 million to serve 1.4 million students in 2001-02.

- GEAR UP supports partnerships of schools, colleges and universities, and community organizations to strengthen academics and tutoring, raise expectations, provide college visits and counseling, inform families about college requirements and financial aid, and often provide college scholarships. It also funds state efforts to promote college awareness and provide scholarships for needy students. Over 1,000 organizations are GEAR UP partners, including colleges and universities, libraries, arts organizations, and chambers of commerce.
- Developed based upon academic research about college success, GEAR UP has several special characteristics. GEAR UP partnerships start no later than the 7th grade because research shows that students who take challenging coursework in middle school, including algebra, are far more likely to succeed in high school and college. Second, GEAR UP programs stay with children through high school graduation to provide long-term mentoring over a period of six or more years, helping children stay on track for college, and often providing scholarships when they reach college. Third, GEAR UP partnerships work with entire grades of students to transform their schools. And finally, they provide college scholarships, which research shows to be particularly important in preventing low-income students from dropping out.
- Research on existing programs demonstrates the value of and the need for GEAR UP.
 - The I Have a Dream (IHAD) program provides an entire grade of low-income students with intensive mentoring, academic support, and a promise of public and private aid for college tuition. Roughly 75 percent of Chicago IHAD students in the class of 1996 graduated from high school, compared to only 37 percent of students in the control group.
 - Project GRAD is a college-school-community partnership to improve inner-city education that has produced dramatic results on a large scale: The percentage of middle school students passing the Texas statewide math test has tripled from 21 percent in 1995 to 63 percent in 1998. Five times more students are going to college.

The Clinton Administration has also expanded the TRIO programs to promote college success. TRIO is a network of initiatives designed to help low-income, first-generation college, and disabled individuals achieve academic success beginning in middle school, throughout college, and into graduate school. Since 1993, funding for the programs has increased by two-thirds, from \$388 million to \$645 million. Named TRIO in the late 1960s after its first three programs— Upward Bound, Talent Search, and Student Support Services— TRIO now serves 730,000 students. The eight TRIO programs include:

- Upward Bound provides intensive mentoring and academic enrichment throughout high school to primarily low-income or first-generation college-bound youth. In 1999, over 560 Upward Bound projects engaged 42,000 students in demanding coursework and summer residential programs.
- Educational Opportunity Centers provide pre-college academic and financial aid counseling primarily for adults seeking to return to school.
- Student Support Services provides tutoring and counseling to help students stay in college.
- Talent Search provides academic, career, and financial counseling to disadvantaged students with the potential to succeed in higher education.
- The Ronald McNair Post-Baccalaureate Achievement Program provides colleges and universities with funds to subsidize research projects by low-income students to prepare them for a doctoral program.

This year, one million college students will have work-study jobs, over 250,000 more than in 1993. Federal work-study funds have increased 43 percent since 1993. Work-study jobs both expand opportunity and teach responsibility and employment skills. And through the America Reads and America Counts initiatives, work-study students at 1200 schools serve as reading and math tutors in their communities.

Other important Clinton-Gore initiatives have helped young people and their parents set their sights high as they plan for the future:

- Through the School-to-Work Opportunities Act of 1994, the Administration funds state efforts to broaden young people's career options, make learning more relevant, and promote successful transitions to college and careers.
- AmeriCorps builds paths to college. A recent evaluation found that AmeriCorps helped at least three-quarters of members benefit more from school, pursue their careers, and become engaged citizens. The evaluation also found that the education award served as both an incentive and a clear opportunity to further education and skills.¹⁵
- Youth Opportunity grants are aimed at increasing the long-term employment of youth in high-poverty. In some areas of pervasive joblessness, the Department of Labor found that only one out-of-school youth in four had a job.¹⁶ Youth Opportunity grants take a saturation approach to bring about community-wide change, promoting economic development, reducing drop-outs, decreasing crime, and increasing post-secondary enrollment. Youth Opportunity grants now serve over 58,000 youth.
- The Administration's Think College Early campaign provides accessible guidance to students and their families as they plan for college. The campaign targets the nation's 19

million adolescents, 20 percent of whom live in poverty. Recognizing that disproportionate numbers of low-income students and minority students attend two-year colleges, Think College Early encourages all students to pursue admission to a four-year college. A brochure available at the Department's web site, *Think College? Me? Now?*, emphasizes the importance of college preparatory coursework and early financial planning for college. In particular, the campaign urges students to take algebra by the 8th grade, as students who gain early exposure to high school math are far more likely to go to a four-year college than those who do not.

- The new College Opportunities On-Line (COOL) web site at the Department of Education informs students and their families about their college options. By displaying information on 9,000 colleges—from small technical colleges to the nation's largest and most prestigious universities—the COOL site helps families make informed decisions and creates an incentive for colleges to reduce tuition prices. For each college, the web site provides tuition and financial aid statistics, information on the most recent incoming freshman class, a list of the degrees offered, the available fields of study, and contact information for the college's departments. The web site is available through www.ed.gov.
- To encourage low-income students to take AP classes and tests, the Administration's Advanced Placement Incentive Program will provide \$15 million in competitive grants this year to 40 states. Schools use the funds to pay test fees for low-income students, tutoring, classroom materials, and other innovative methods to boost the number and quality of AP classes and participation by low-income students. Since 1998, over 92,000 low-income students have benefited from the program, and this year, over 80,000 more students will benefit from funds to offset the cost of AP exams. Federal support has also encouraged many schools that had not participated in the AP program to begin offering AP courses.

These initiatives complement the Clinton Administration's efforts to strengthen elementary and secondary education:

- Through high academic standards for all children, President Clinton has sought to raise expectations and measure results over the past seven years — no longer tolerating lower standards for children living in poverty, with disabilities, or with limited English proficiency.
- To improve teacher quality, this Administration has invested in the recruitment, preparation, mentoring, and support of new teachers for the first time in 30 years. It has promoted rigorous standards, supported high quality professional development, and vigorously called for a complete reform of the teaching profession at every level. In 1999, the Administration launched its initiative to hire 100,000 teachers for the early grades to reduce class sizes and strengthen reading and early childhood development.

TRENDS IN HIGHER EDUCATION

President Clinton and Vice President Gore have worked hard to expand college opportunity, and our country has seen remarkable results. As the benefits of college, high academic standards, and student aid grow, so too do high school and college completion rates. Although a "college opportunity gap" still faces many minority and low-income students, our society is making headway in promoting equal educational opportunity for all our citizens.

The Benefits of Postsecondary Education

The real rate of return on a college investment is 12 percent— nearly twice the historical average of the stock market. This figure is based on only earnings; the documented benefits of higher education such as job benefits, better health, and more informed investments and purchases might double the value of higher education. Finally, society's return on its investment in higher education, in higher tax revenues and lower crime and welfare rates, is also roughly 12 percent.¹⁷

The economic power of higher education is growing steadily, especially for women, as technology and knowledge increasingly drive our nation's economy. Whereas young men and women in 1980 who completed at least a bachelor's degree earned 19 percent and 52 percent more, respectively, than their peers with no more than a high school diploma, by 1998 the earnings gap had grown to 56 percent among men and 100 percent among women. In other words, women with a bachelor's or higher degree now earn twice as much as women with no more than a high school diploma. Similarly, young adults with only a high school diploma earned 30 percent more than young adults who dropped out of high school.¹⁸

Jobs that require a college degree are growing twice as fast as others. The 20 occupations with the highest earnings all require at least a bachelor's degree.¹⁹ The growing importance of education is illustrated by the demand for technology skills: In 1997, for example, information-technology workers earned 78 percent more than workers in all industries combined— up from 56 percent above average in 1989.²⁰

Higher levels of education encourage additional education over a lifetime— an increasingly important activity in an age of rapid technological and economic change.

- Overall, among adults age 18 or older, participation in some type of formal learning activity during the past 12 months rose from 38 percent in 1991 to 50 percent in 1999.
- In 1999, 65 percent of adults with a bachelor's or higher degree participated in a formal learning activity within the past 12 months, compared to only 41 percent of those with a high school diploma and only 27 percent of those who had finished middle school but not high school.²¹

Finally, higher levels of education are associated with more active citizenship. In the 1998 congressional elections, college graduates between 25 and 44 years old were 77 percent more likely to vote than high school graduates. High school dropouts were 52 percent less likely to vote than high school graduates. Voting patterns in the 1996 presidential election were similar.²²

High School Dropout and Completion Rates

Fewer students drop out of school than in the 1980s and 1970s. During the 1990s, around 11 to 12 percent of 16- to 24-year-olds had not completed a high school program and were not enrolled in school, compared to 13 percent to 14 percent in the 1980s and over 14 percent in the 1970s. In 1998 and 1999, around 88 percent of 25- to 29-year-olds had completed high school.

Progress has been especially strong among African Americans, whose high school completion rate now slightly exceeds the national average. While there has been some progress, the dropout rate among Hispanic youth remains too high. During the 1990s, around 30 percent of Hispanic 16- to 24-year-olds had not completed a high school program and were not enrolled in school, down only slightly from around 33 percent during the 1970s.²³

College Preparedness

Academic intensity of students high school curriculum is a dominant determinant of whether they will earn a college degree, according to U.S. Department of Education research. Rigor of curriculum is a better predictor of college completion than test scores or class rank and GPA, and the positive impact of the high school curriculum is far more pronounced for African-American and Hispanic students than any other pre-college indicator of academic resources.²⁴

So it is heartening that students who finish high school are better prepared for college than they were a decade ago. Between 1990 and 1998, the percentage of high school graduates who have taken four years of English and three years each of math, science, and social studies increased from 38 percent to 55 percent, with large increases across all racial and ethnic groups.²⁵

Advanced Placement test-taking is at an all-time high. In 1999, over 704,000 students took college-level AP exams; 55 percent of the test-takers were women and 30 percent were minority students, including the highest proportions of African American and Hispanic students ever. Fifty-six percent of high schools offer AP classes today, compared to only 40 percent in 1989.²⁶ As a result, more students are entering college with experience in college-level curriculum than ever before.

Scores on the Scholastic Assessment Test are rising. SAT scores, especially in math, have gone up over the past 10 years, and the number of test-takers reached an all-time high last year— even as a larger and more diverse group of students took the test. Average verbal and math scores have risen among all racial and ethnic groups except Mexican Americans and Hispanics/Latinos.²⁷

College Enrollment and Educational Attainment

High school graduates are enrolling in college in record numbers. The percentage of high school graduates going straight to college rose from 60 percent in 1990 to 66 percent in 1998. These rates of college-going exceed comparable rates during the 1980s, when only 50 percent to 60 percent of high school graduates immediately enrolled in college.

Much of this progress is due to substantial increases in college attendance among women, who now go straight to college at higher rates than men. Lower-income students continue to go straight to college at significantly lower rates than higher-income students, and African Americans and Hispanics go straight to college at lower rates than whites. Nevertheless, the gaps have narrowed somewhat since the mid-1980s and, for the first time, a majority of young African-Americans is enrolling in higher education.²⁸

More Americans are earning college degrees. The percentage of 25- to 29-year-olds with a bachelor's or higher degree rose from 27 percent in 1990 to over 32 percent in 1999. Progress among white women account for much of this gain; while less than 29 percent of white women had completed a bachelor's degree in 1990, over 37 percent had done so in 1999. African American women have also made substantial progress; around 19 percent had completed a bachelor's degree in 1999, up from 13 percent to 14 percent at the start of the decade. However, African American men and Hispanic men and women have not shown consistently strong gains over this period. The rates of degree attainment for these groups continue to hover at roughly half the rates for whites.²⁹

Educational attainment among women increased rapidly over the past decade, continuing a trend beginning in the 1970s. Their rates of educational attainment have increased more rapidly than rates among men. By 1999, among 25- to 29-year-olds, women had higher rates than men for completing high school and some college, and there were no differences in the percentages of men and women with a bachelor's or higher degree.³⁰

THE ROAD AHEAD

We can all be proud of our colleges and universities. They are preparing more of our youth from more diverse backgrounds for a more challenging future than ever before. Two-thirds of our high school graduates are immediately enrolling in college and trade school, the most ever. And workers with a bachelor's degree earn 50 to 100 percent more than do their peers with only a high school diploma.

Yet as we enter the 21st century, we face new challenges. We must redouble our efforts to help all students who enter college or trade school earn their degrees and certificates. More than one-third of students who enter college or trade school drop out before they earn a certificate or degree.³¹ The problem is particularly acute among minorities: 29 to 31 percent of African Americans and Hispanics drop out of college in their first year, compared to 18 percent of whites.

In his Fiscal Year 2001 budget, President Clinton proposed new critical investments in higher education, training, and youth opportunities as part of his New Opportunity Agenda:

- The College Opportunity Tax Cut to allow families to save up to \$2,800 by deducting \$10,000 in college tuition from their taxes. Investments in human capital deserve the same favorable tax treatment as those in equipment. The College Opportunity Tax Cut would save American families \$30 billion over the next 10 years.
- More student aid, including a \$716 million investment in Pell Grants to increase the maximum grant to \$3,500, and substantial increases for Supplemental Educational Opportunity Grants and Federal Work-Study.
- A \$325 million investment in GEAR UP, a \$125 million increase, to mentor 1.4 million disadvantaged students on their way to college, and an \$80 million increase for the TRIO programs for low-income and first-generation college students.
- College Completion Challenge grants to reduce college drop out rates through increased scholarship aid and pre-freshman summer "bridge" programs.
- The Dual Degree initiative to increase opportunities for minority students to earn advanced degrees.
- Critical investments in elementary and secondary education. The President asked Congress to reduce class sizes in the early grades, modernize our school facilities, provide high-quality after-school and summer school learning opportunities, and invest in quality teachers. All students ought to be held to high academic expectations.
- Increase economic opportunities for disadvantaged youth. The President's budget would increase our investment in Youth Opportunity Grants from \$250 million to \$375 million, serving 25,000 more youth in high-poverty areas. The budget would provide funds to employ 3,330 young high school drop-outs to build houses through YouthBuild, increasing employment skills and creating housing for low-income and homeless families. Finally, the President asked Congress to increase our investment in Job Corps—the nation's largest and most comprehensive residential education and job training program for impoverished young people—to nearly \$1.4 billion.

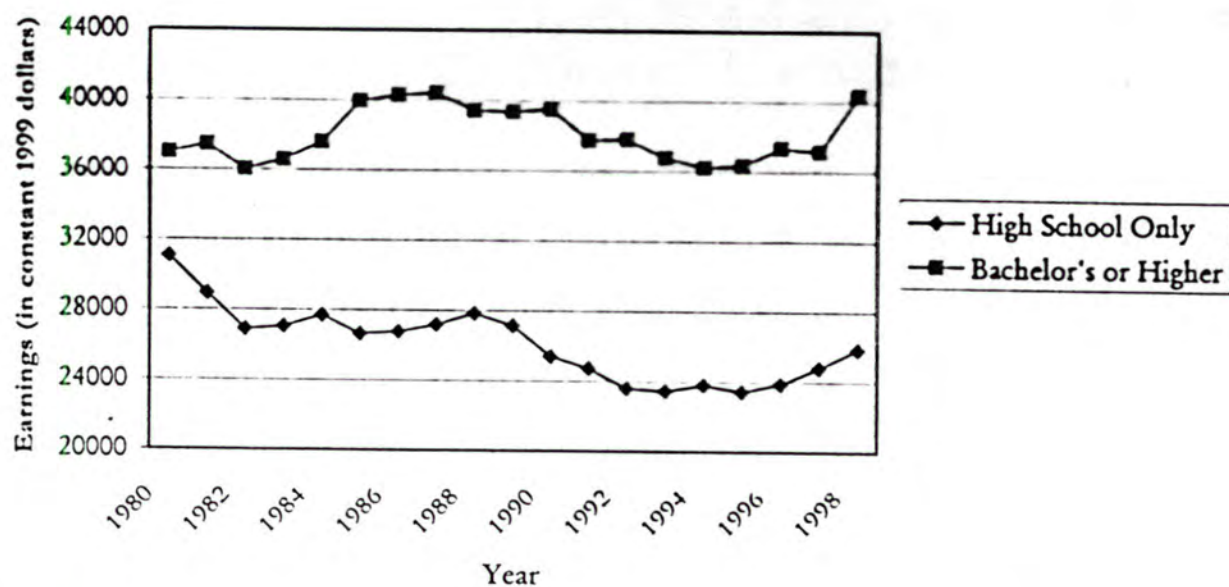
Over the past seven years, President Clinton and Vice President Gore have implemented an unprecedented array of initiatives to expand college opportunities. The new Hope Scholarship and Lifetime Learning tax credits provide \$3.5 billion in tax relief for college. The Direct Student Loan program has saved students and taxpayers a total of \$15 billion. Student loans are cheaper and can be repaid based on the ability to pay.

AmeriCorps has given over 150,000 young people the chance to earn their way through college by serving their country and their communities. The GEAR UP initiative is raising college aspirations for 450,000 at-risk teenagers. And more needy students receive larger Pell Grants scholarships.

We have made great progress toward enabling all of our citizens to achieve the American Dream. All Americans deserve a chance at the economic opportunity, cultural enrichment, and civic engagement that result from higher education. By building upon our investment in education, we can ensure the future prosperity of our nation.

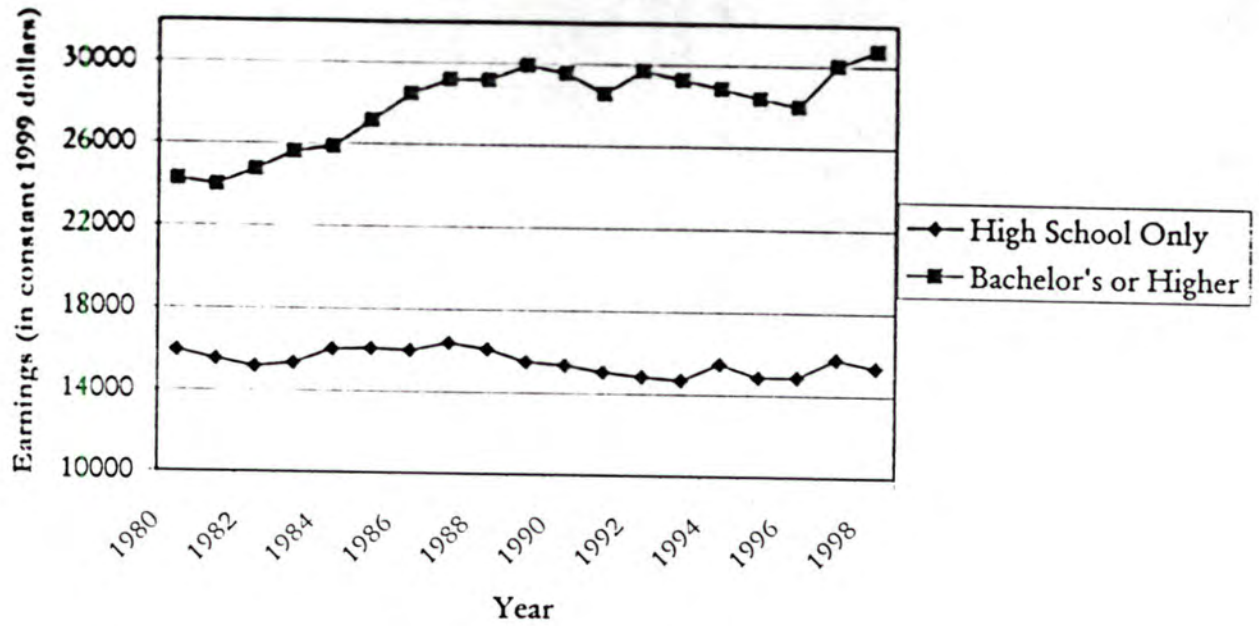
APPENDIX

CHART 1. Average Earnings for Males
(by Educational Attainment)



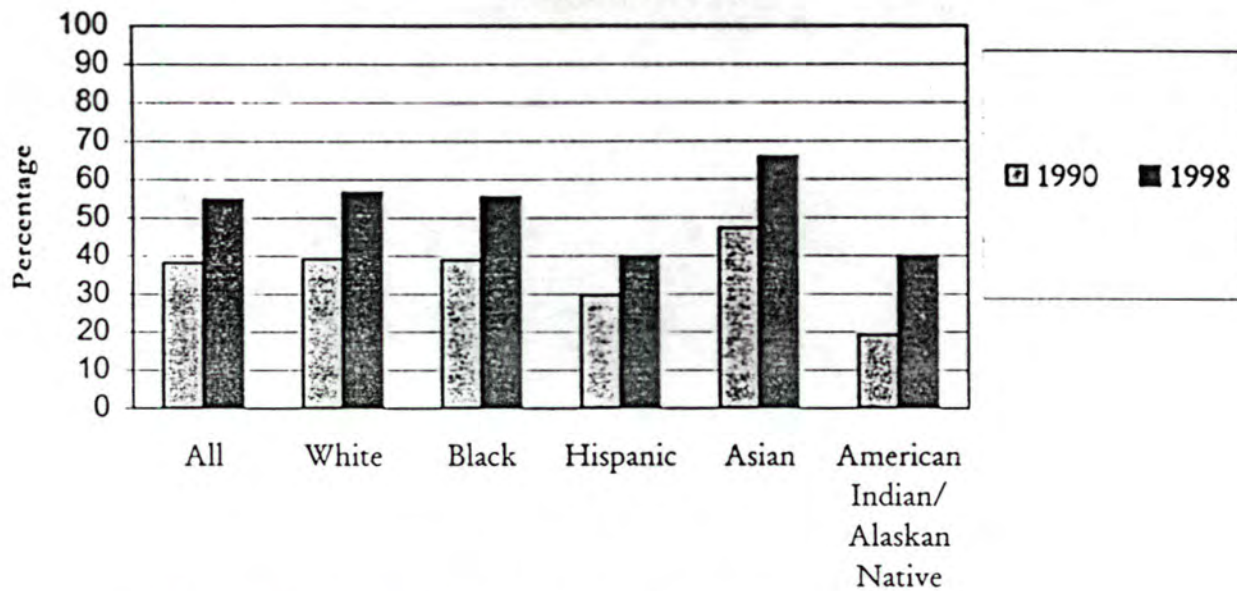
SOURCE: National Center for Education Statistics, *The Condition of Education 2000*, Washington, D.C.: U.S. Department of Education, 2000, p. 34.

CHART 2. Average Earnings for Females
(by Educational Attainment)



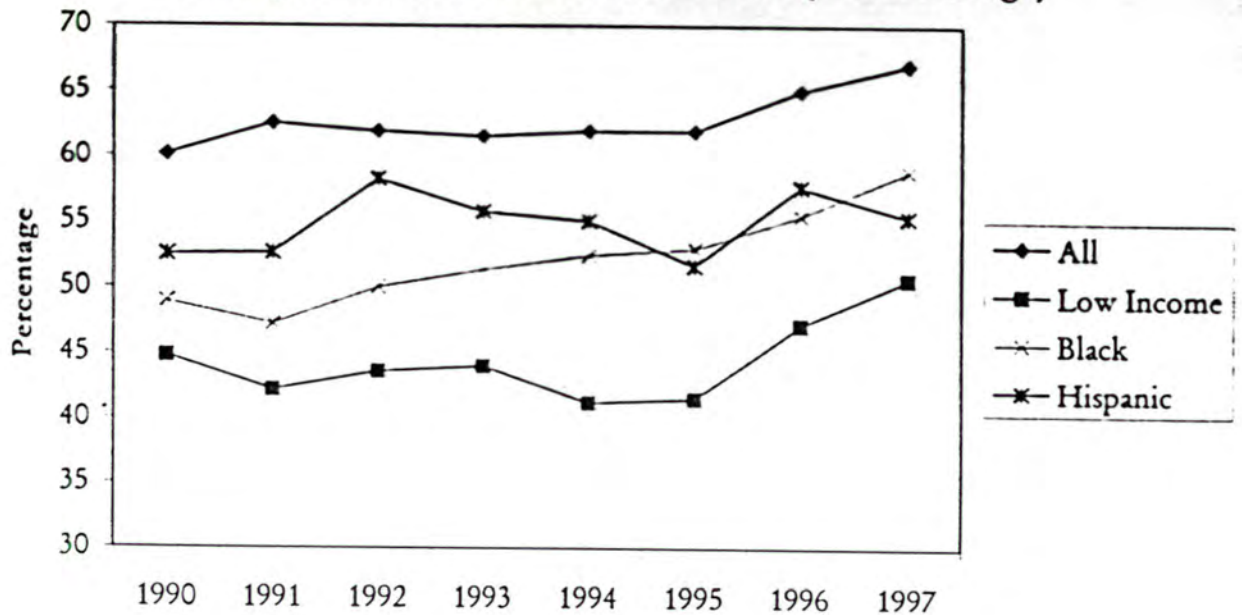
SOURCE: NCES, *The Condition of Education 2000*, p. 34.

**CHART 3. High School Graduates Completing Four Years of English and Three Years of Math, Social Studies, and Science
(in Percentage)**



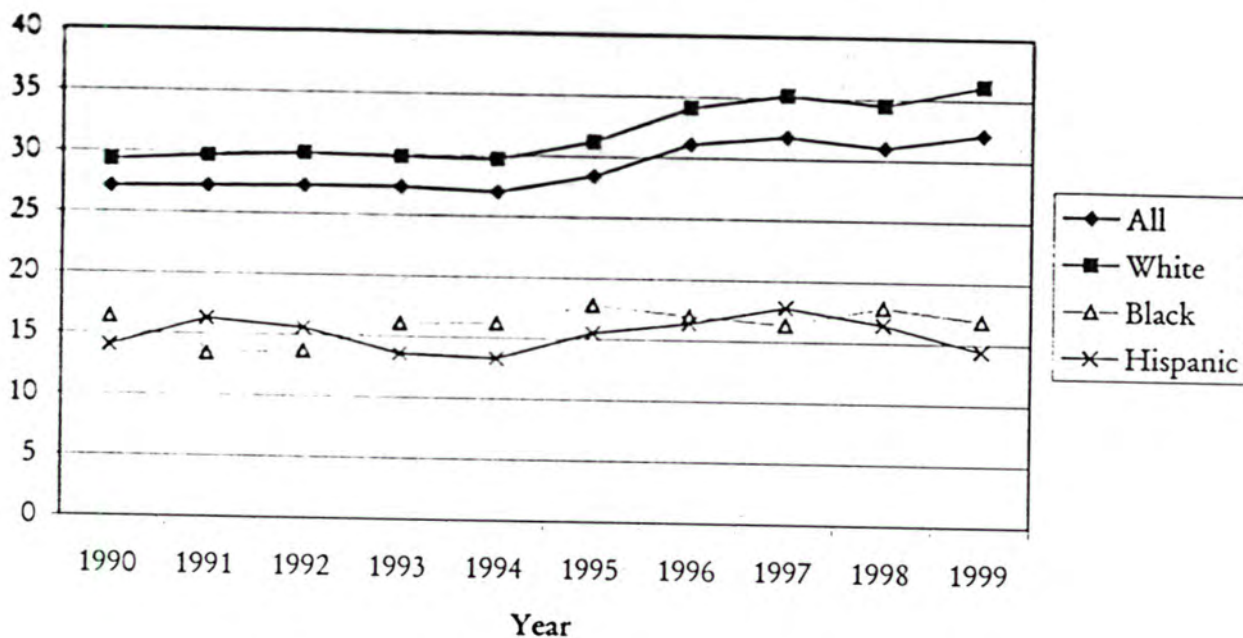
Source: NCES, *Digest of Education Statistics 1999*, p. 156 (Table 142).

CHART 4. High School Completers Immediately Enrolled in College the October after Graduation (in Percentage)



Note: Low-Income, Black, and Hispanic lines reflect three-year averages.
Source: NCES, The Condition of Education 2000, p. 155 (Table 38-2).

CHART 5. 25- to 29-Year-Old High School Completers with a Bachelor's Degree or Higher (in Percentage)



SOURCE: NCES, *The Condition of Education 2000*, p. 155 (Table 38-2).

ENDNOTES

- ¹ National Center for Education Statistics, *The Condition of Education 2000*, Washington, D.C.: U.S. Department of Education, 2000, p. 34.
- ² U.S. Department of Commerce, Bureau of the Census (1994), *Statistical Brief: More Education Means Higher Career Earnings*, p. 2.
- ³ U.S. Department of Education, National Library of Education (1999), *College for All? Is There Too Much Emphasis on Getting a Four-Year Degree?*, pp 30-31.
- ⁴ *The Condition of Education 2000*, pp. 49, 149 (Table 32-1) (using three-year averages for low-income students, African Americans, and Hispanics), 151 (Table 32-3).
- ⁵ National Center for Education Statistics, *Digest of Education Statistics 1999*, Washington, D.C.: U.S. Department of Education, 2000, p. 156 (Table 142).
- ⁶ The College Board, "College Board Reports 'Decade of Promise' for America's College-Bound Students As Record Numbers Take the SAT and Advanced Placement Courses," August 31, 1999 (available at < www.collegeboard.org/press/senior99/html/990831.html >)[hereinafter "College Board SAT/AP Report"].
- ⁷ Unless otherwise noted, the data come from *The Condition of Education 1999*, pp. 132, 140, 142, 152, 274-76.
- ⁸ *The Condition of Education 2000*, p. 156 (Table 38-3).
- ⁹ *The Condition of Education 2000*, pp. 15, 129 (Table 10-1).
- ¹⁰ McPherson, Michael S., and Morton Owen Schapiro (1998), *The Student Aid Game: Meeting Need and Rewarding Talent in American Higher Education*, p. 39.
- ¹¹ The College Board (1997), *Memory, Reason, Imagination: A Quarter Century of Pell Grants*.
- ¹² Kane, Thomas J (1999), *The Price of Admission: Rethinking How Americans Pay for College*, p. 127.
- ¹³ *Student Lending Update*, "Interview with James Gathard, Senior Vice President for Business Executives for NationsBank Education Loans," January 13, 1998.
- ¹⁴ Macro International (1999), *Five-Year Assessment of the Direct Loan program*.
- ¹⁵ Aguirre International (1999), *An Evaluation of AmeriCorps Summary*, pp. 3, 8.
- ¹⁶ U.S. Department of Labor, *FY 2001 Budget Justifications of Appropriation Estimates and Performance Plans for Committee on Appropriations*, p. TES-91.
- ¹⁷ U.S. Department of Education, National Library of Education (1999), *College for All? Is There Too Much Emphasis on Getting a Four-Year Degree?*, Washington, DC, pp 26, 30-31.
- ¹⁸ National Center for Education Statistics, *The Condition of Education 2000*, Washington, D.C.: U.S. Department of Education, 2000, p. 34.
- ¹⁹ U.S. Department of Labor (1999), *Futurework: Trends and Challenges for Work in the 21st Century*, Washington, DC, p. vii.
- ²⁰ Council of Economic Advisors (2000), *Economic Report of the President*, p. 137.
- ²¹ *The Condition of Education 2000*, pp. 15, 129 (Table 10-1).
- ²² *The Condition of Education 2000*, p. 33.
- ²³ *Digest of Education Statistics 1999*, p. 127 (Table 108); *The Condition of Education 2000*, p. 154 (Table 38-1).
- ²⁴ Adelman, C. (1999), *Answers in the Tool Box: Academic Intensity, Attendance Patterns, and Bachelor's Degree Attainment*, Washington, DC: U.S. Department of Education.
- ²⁵ *Digest of Education Statistics 1999*, p. 156 (Table 142).
- ²⁶ The College Board, "More Schools, Teachers, and Students Accepted the AP Challenge in 1998-99," August 31, 1999 (available at < www.collegeboard.org/press/senior99/html/990831b.html >); College Board SAT/AP Report.
- ²⁷ College Board SAT/AP Report.
- ²⁸ *The Condition of Education 2000*, pp. 49, 149 (Table 32-1) (using three-year averages for low-income students, African Americans, and Hispanics), 151 (Table 32-3).
- ²⁹ *The Condition of Education 2000*, p. 156 (Table 38-3).
- ³⁰ *The Condition of Education 2000*, p. 56.
- ³¹ National Center for Education Statistics, *The Condition of Education 1999*, Washington, D.C.: U.S. Department of Education, 1999, p. 34.

THE WALL STREET JOURNAL

THE PRESIDENT HAS SEEN

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9-1-00

DOW JONES

VOL. CCXXXVI NO. 42

EE/WO

★★★

WEDNESDAY

Executive Retreat

As Violence Worsens,
Business Leaders Flee
Colombia, Venezuela

Refugees Flock to Miami,
Creating a New Center
For Andean Economy

A Tax to Avoid Kidnapping

By JOSE DE CORDOBA

Staff Reporter of THE WALL STREET JOURNAL

MIAMI—Augusto Lopez, once the chief of Colombia's largest conglomerate, now operates a venture-capital fund from a seaside apartment here. Juan Carlos Botero, a Colombian novelist, newspaper columnist and the son of the famous painter Fernando Botero, grew so alarmed at the threat of kidnapping that he moved to this city's Coconut Grove neighborhood. Claudia Chaustre, a 30-year-old doctor, abandoned her practice in Colombia and settled for a job as a Miami preschool teacher's assistant.

All over this city, there are signs of a large-scale exodus from the Andes, threatening new instability for a region already grappling with political and economic unrest. Tens of thousands of middle- and upper-class Colombians are fleeing to the U.S., and also Canada, Costa Rica, Spain and Australia. Shaken by an unprecedented wave of kidnappings and fearful about the political and economic future of a country immersed in a long civil war, many of Colombia's most promising professionals and entrepreneurs are leaving South America's second-largest country.

The flight from Colombia comes amid a wave of emigration from its neighbor Venezuela, spurred by President Hugo Chavez's heated rhetoric of class warfare and his erratic economic policies. The timing of the brain drain is terrible: As more and more entrepreneurs liquidate their businesses, lay off workers and sell their houses to raise capital for their exodus, the legions of the unemployed swell, feeding the cycle of violence and poverty that is badly damaging both countries.

President Clinton plans a one-day visit to Colombia today to underscore U.S. determination to suppress the drug trafficking that feeds both Colombia's guerrilla armies

What's News—

Business and Finance

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Laporte SUVs in Venezuela came to
its attention in late 1998, more than a
year before a tire recall began there.
U.S. regulators don't require the car in-
dustry to report overseas recalls, and
regulators aren't sure they have the au-
thority to mandate such disclosure.

Bridgestone will further boost pro-
duction of replacement tires at plants
in Japan and will charter jumbo jets to
shuttle the tires to the U.S. next month.

(Articles on Pages A3 and A8)

AT&T plans to offer up to five months
of free phone service to people who sign
up for cable telephony, or phone service
over cable lines. The move comes as
AT&T scrambles to meet its goal of at
least 500,000 customers by year end.

(Articles on Pages A3 and B7)

Sweden's OM Gruppen launched a
hostile \$1.19 billion bid to buy the Lon-
don Stock Exchange. The LSE, which
rejected the offer, was forced to delay a
planned vote by its holders on whether
to merge with Frankfurt's exchange.

(Article on Page A18)

New-home sales rose a steep 14.7%
in July, confounding market expecta-
tions of a slowing housing sector. Con-
sumer confidence slipped slightly in
August but kept near its historic high.

(Article on Page A2)

The British pound slid to \$1.4556 in
intraday trading, a 6½-year low
against the dollar. The euro dropped to

World-Wide

CANDIDATES WRESTLED
terms and the propriety of relig-
ious accusations. Gore accused Bush of duckin-
g his recommendations for thr-
televized presidential debates.
can says he will "pick and choo-
prefer more informal venues.
an Anti-Defamation League ca-
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appropriate. (Related article c
Cheney spoke to a gatherin
titan athletes in Missouri and
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Clinton ended his Africa t
where he met with Mubarak on
talks, and travels to Colombia to
an address saying the U.S. has
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But protests erupted and 5,0
guarding Cartagena. (Article

The Census Bureau estima-
and Pacific Islander populatio
10.8 million in the 1990s, while
population grew 38.8% to 31.
vada was the fastest-growing s
Hispanic whites are now a mi
fornia. Census 2000 data are due

SAT math scores rose this
highest point in 30 years, the
said. The average math score
points higher than last year.
the verbal test were flat at 50
points below 1971's level. (Artic

Gadhafi basked in publici-
ty as a ransom freed six Western
by Philippine Muslim rebels.
ex-hostages, some wearing T-
picture, at the site near Trip
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An American was taken ho-
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Rebels claim Jeffrey Schilli
Calif., is a CIA agent; his m
and said he was on a trip to vi

Wen Ho Lee will be freed
after 8½ months in solitary, b
a judge ruled. Prosecutors w
hand in documents bearing on
that the ethnic-Chinese scier

President Clinton plans a one-day visit to Colombia today to underscore U.S. determination to suppress the drug trafficking that feeds both Colombia's guerrilla armies and paramilitary warlords. He will arrive in a nation whose unemployment rate, already more than 20%, is the highest in Latin America. The Colombian government estimates that 800,000 people have left during the past four years. Last year, about 366,000 applied for nonimmigrant U.S. visas, more than double the number that applied in 1997.

"Colombia desperately needs to hang on to its middle class," says Bruce Bagley, a Colombia expert at the University of Miami. "If it doesn't, you might as well turn out the lights."

In the past decade, about 35,000 Colombians have perished in a chaotic civil war between government troops, right-wing warlords at times allied to the army, and left-wing guerrillas. The terror has uprooted more than two million people, most of them peasants who have landed in miserable shanty towns ringing the nation's cities. Now a different type of refugee can be found on the streets of Miami: "airplane people," middle- and upper-class Colombian professionals desperate to stay in the U.S. on their tourist visas.

So many Colombians are arriving in South Florida that Colombia's largest online university, Universidad Nacional Abierta y a Distancia, has plans to open a Miami office. And at Eastern National Bank, President Clemencia de Tobon has developed a program that provides credit to recent arrivals who otherwise might have difficulty financing the purchase of a car or house because of shaky immigration status.

The newscast on Bogota's RCN radio is quickly overtaking Miami's traditional Cuban radio stations as the Spanish-language market leader. Meanwhile, the Haagen-Dazs ice-cream parlor in the tony island suburb of Key Biscayne is the company's only U.S. franchise that sells Colombian coffees and the country's popular Postobon soda. "They allow it because there are so many Colombians here," says owner Ana Maria Caballero.

Colombians are exerting growing influence in a city where nearly all of the big Latin American players once were Cuban. When Isaac Lee, the former managing editor of Colombia's top news magazine, hosted a party earlier this month for a new Latin American business magazine and Web site, he attracted 300 people, including many of Miami's most prominent Latin American power brokers and technology executives. "Everybody wants to come here," says Mr. Lee, 29 years old.

Other recent arrivals include Mr. Lopez, the former chief executive of Grupo Empresarial Bavaria. "I'm on sabbatical," says Mr. Lopez, who left Bavaria after a dispute with its billionaire owner, Julio Mario Santodomingo, last year. Now Mr. Lopez is running Colombia's first venture-capital fund. He hasn't returned to Colombia since Bavaria stopped providing him bodyguards. "The worst thing I see is the brain drain, not of old men like me, but of young men who are graduating from the top U.S. universities and not returning," says Mr. Lopez, who is 65 years old. "Making up for them will take a long time."

As Mr. Lopez speaks, another recently arrived businessman from Colombia stops to greet him at a local restaurant. "People of the highest levels are arriving every day," says Mr. Lopez. The businessman, who asked to remain anonymous, left Colombia soon after the son of his business partner was kidnapped and then killed in a botched rescue attempt. He

Please Turn to Page A12, Column 1

Continued From Page A1

now runs his faltering Bogota construction firm from his apartment in Key Biscayne. Like many Colombian entrepreneurs, he lacks confidence in the future of his homeland and has begun expanding operations to Costa Rica. "I'm not here because of business," he says. "I'm here because there is no security in Colombia."

Colombian kidnappings have been particularly rampant in the past 18 months. In April last year, guerrillas seized a domestic Avianca airline flight with 46 passengers aboard and held them for ransom. The guerrillas are still holding several passengers. The following month, another group of guerrillas kidnapped dozens of churchgoers in an exclusive neighborhood in Cali. The hostages were released in small groups over the next six months.

Armed with automatic rifles and personal computers, guerrillas often stop traffic, check motorists' bank records, then detain anyone whose family might be able to afford a lucrative ransom. At the beginning of the year, about 3,000 people were being held for ransom, most of them by the country's major guerrilla groups. During the first six months of the year, 1,559 people—including 127 children—had been kidnapped, according to Free Country, a Bogota-based organization that monitors kidnappings in Colombia.

Every morning in Bogota, Radio Caracol, the country's leading radio network, links its 169 stations with its stations in Miami, New York, Panama and Paris. It opens its lines to relatives of kidnap victims who broadcast messages they hope will be heard by their missing loved ones. That programming move appears to have a solid future. Recently, the 15,000-strong Armed Revolutionary Forces of Colombia, the country's largest guerrilla group, announced that it was imposing a tax of 10% on anyone whose net worth was \$1 million or more. The penalty for nonpayment: kidnapping. No wonder Colombian newspapers and magazines are chock full of advertisements for Miami real estate and seminars on how to emigrate to the U.S. and Canada.

The kidnapping wave has led some immigration lawyers to argue in court—unsuccessfully, so far—that the wealthy in Colombia should be treated as a persecuted class and given political asylum. Colombian immigrants are also lobbying to be allowed to work temporarily in the U.S. regardless of their visa sta-

tus. Nevertheless, U.S. immigration officials have been sympathetic to asylum requests, approving 61% of the 626 cases closed by March this year, up from a 39% approval rate of the 602 cases closed last year.

While political-asylum applications are increasing rapidly, most Colombians seek other means of staying in the U.S. Some apply for student visas. Others get visas that allow them to work in the U.S. for periods of up to six years on average. Other visas go to foreign investors who run businesses or engage in trade here. Stockbrokers, textile manufacturers and even the owner of one of the largest office-cleaning companies in Colombia have established operations here to guarantee their stay in the U.S., says Mrs.

De Tobon, the banker.

"People who have advanced degrees or skills don't have to sit still in a country which doesn't guarantee them their security," says Michael Bender, a leading immigration lawyer.

A wave of violent robberies and kidnappings is also driving people out of Venezuela. Venezuelans were shocked in July when Richard Boulton, a member of one of the country's wealthiest families, was kidnapped, presumably by Colombian guerrillas. He is still being held. Recently, the violent beating during a home-invasion robbery of a prominent entrepreneur and opposition political figure, Rafael Tudela, further shook confidence.

Still, economic and political uncertainty

is the main motor driving Venezuelan emigration. Many foreign companies have been closing down their Venezuelan operations since President Hugo Chavez, a former paratrooper who led an unsuccessful coup attempt in 1992, won a landslide election in 1998.

Since then, Mr. Chavez's economic policies have helped drag down Venezuela's economy despite record-high oil prices. About \$7 billion in deposits left the country last year as businesses and individuals departed.

Mr. Chavez has done little to inspire confidence. After taking office, he wrote a gushing letter to Carlos the Jackal, the international terrorist and Venezuelan native who languishes in a French prison. On

a recent trip to shore up support for high oil prices, Mr. Chavez was the first head of state since the Persian Gulf War to meet with Iraq's Saddam Hussein. Mr. Chavez, an admirer of Cuban leader Fidel Castro, says that both Cuba and Venezuela are flowing toward the same "sea of happiness."

The charismatic Mr. Chavez enjoys using incendiary rhetoric, which he often aims at Venezuela's professional and business classes, accusing them of being a bunch of oligarchs. Consider Venezuelan state oil company *Petroleos de Venezuela SA*. Mr. Chavez used to blast the country's flagship company as "a state within a state." Cleaning house in a company once famous for its meritocracy, he named a former low-ranking executive and political crony, Hector Chavaldin, as company president. Critics of Mr. Chavez say that appointment led to the departure of hundreds of talented executives.

Officials at the company say its high turnover rates last year were a normal part of reorganization.

Ramon Espinasa, the company's former chief economist, says the exodus and declining investment were responsible for a 500,000 barrel-a-day drop in oil-production capacity last year. "Venezuela has done nothing but lose oil market share," says Mr. Espinasa, 48, who now works at the Inter-American Development Bank in Washington. "That is irreversible and is due to the deterioration of investment and human capital."

Two years ago, Javier Peraza, 33, was part of a key 11-person team of U.S.-trained economists working for Mr. Espinasa. Mr. Peraza and most of his colleagues quit. He will soon move to a new life and job at McKinsey & Co., a consulting firm in Miami. "The majority of the best students of my generation are outside the country," he says.



JAMES A. HARMON
PRESIDENT AND CHAIRMAN

EXPORT-IMPORT BANK
OF THE UNITED STATES

August 31, 2000

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am pleased to report to you on my recent trip to Russia (July 26 – 28, 2000). The purpose of the trip was to review the progress being made by the Russian Government in its economic reform program and to assess the prospects for Ex-Im Bank business with Russia in the future. I also hoped my trip would help move forward two long pending Ex-Im Bank transactions – one involving the sale of Pratt & Whitney engines and Rockwell Collins avionics to equip a Russian-made Ilyushin IL-96 aircraft, a transaction you discussed with President Yeltsin in Vancouver in 1993, and the other involving the export of Case and John Deere agricultural equipment.

After meeting with Prime Minister Kasyanov, and other senior government officials, I am cautiously optimistic about Russia's prospects for economic recovery. Rising oil prices and the devaluation of the ruble have brought about improvements in the Russian economy, and the Russian government has taken some promising initial steps toward addressing the economic recovery. In fact, during the time of my visit, the Russian government announced a tax reform initiative that is aimed at simplifying the tax system.

Notwithstanding these positive signs, I report to you that in order to attract foreign investment, Russia must continue to implement economic reforms, *i.e.*, reaching agreement with the Paris Club and implementing legal reforms. While it is too early to tell whether the Russian government is committed to this road, I believe they are off to a promising start.

With regard to the IL-96 transaction, I am pleased to report that our negotiations were successful and resulted in the signing of a term sheet between the parties during our visit. Last week, the Ex-Im Bank Board of Directors approved this transaction, subject to Congressional and interagency review, which will involve the purchase of approximately \$143 million in U.S. goods and services. While this deal had been stalled for a long period of time, I believe the

9-1-00
Send to NSC? ☒
Yes ☒
No ☐ 1

Carl



DAVID J. OHRENSTEIN
Special Assistant to the Chairman

EXPORT-IMPORT BANK
OF THE UNITED STATES

811 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20571

(202) 565-3532 FAX: (202) 565-3505

E-MAIL: david.ohrenstein@exim.gov



00 SEP 1 PM 5:19

Justin -

Thank you for getting this to Ms Currie
for placement in the President's briefing
materials for his meeting next week with
President Putin.

David



JAMES A. HARMON
PRESIDENT AND CHAIRMAN

EXPORT-IMPORT BANK
OF THE UNITED STATES

August 31, 2000

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am pleased to report to you on my recent trip to Russia (July 26 – 28, 2000). The purpose of the trip was to review the progress being made by the Russian Government in its economic reform program and to assess the prospects for Ex-Im Bank business with Russia in the future. I also hoped my trip would help move forward two long pending Ex-Im Bank transactions – one involving the sale of Pratt & Whitney engines and Rockwell Collins avionics to equip a Russian-made Ilyushin IL-96 aircraft, a transaction you discussed with President Yeltsin in Vancouver in 1993, and the other involving the export of Case and John Deere agricultural equipment.

After meeting with Prime Minister Kasyanov, Deputy Prime Ministers Gordeyev and Klebanov, and other senior government officials and private business leaders, I continue to be cautiously optimistic about Russia's prospects for economic progress in the near future. While rising oil prices and the devaluation of the ruble have certainly helped spark short-term improvements in the Russian economy, the Russian Government under President Putin has taken some promising initial steps toward addressing the structural obstacles to long-term economic recovery. In fact, during the time of my visit, the Russian Federation Council adopted a major tax reform initiative that is aimed at simplifying Russia's overly burdensome tax regime.

Notwithstanding these positive signs, I repeatedly advised the Russian leaders that in order to attract foreign investment, Russia must continue to take significant steps toward reform, *i.e.*, reaching agreement with the Paris Club and IMF and enacting a wide array of additional legal reforms. While it is too early to tell whether the current Russian leadership is fully committed to this road, I believe they are off to a promising start.

With regard to the IL-96 transaction, I am pleased to report that our negotiations were successful and resulted in the signing of a term sheet between the parties during our visit. Last week, the Ex-Im Bank Board of Directors approved this transaction, subject to Congressional and interagency review, which will involve the purchase of approximately \$143 million in U.S. goods and services. While this deal had been stalled for a long period of time, I believe the

Mr. President
August 31, 2000
Page Two

successful agreement we negotiated suggests that we can find common ground with the Russians to move forward on similar transactions in the future.

I also had several productive discussions regarding the Case/Deere agricultural deals, but was unable to reach any definitive agreement. Russia clearly has a significant need for new agricultural machinery to replace a rapidly deteriorating stock of such equipment, but the Government has been unwilling to date to support such transactions with sovereign guarantees. In my meetings with Prime Minister Kasyanov and Deputy Prime Minister Gordeyev, we discussed other potential financing structures for this transaction, including recapitalizing several large Russian banks that could then serve as obligors or guarantors. I remain hopeful that we can make further progress on this matter in the near future and will continue to coordinate my efforts in this regard with Secretary Glickman and others at the Department of Agriculture.

As a sign of the improving economic climate in Russia, within the next week Ex-Im Bank economists will recommend to the Interagency Country Risk Assessment System (ICRAS) process that Russia's risk rating be upgraded for both sovereign and non-sovereign transactions. If this recommendation is approved – the ICRAS process should be completed by the end of September – it will enhance Ex-Im Bank's ability (as well as the ability of other U.S. Government financing programs) to finance transactions in Russia by significantly lowering the budget cost of such transactions.

Lastly, I wanted to inform you that on September 6 we are scheduled to sign in New York City the credit agreement for a significant piece of the \$500 million Tyumen Oil transactions previously approved by Ex-Im Bank's Board of Directors. The timing of this signing was suggested by the Russians to coincide with the visit of President Putin for the United Nations summit.

Russia has many obstacles to overcome on its long road to economic recovery, but the current Government thus far appears to be willing to make the hard decisions that are required. Ex-Im Bank has long believed in the creditworthiness of Russian purchasers, a belief borne out by our low default history in this market. Ex-Im Bank currently has over \$2 billion in exposure to Russia and is hoping to continue working with the Russian public and private sectors to expand our business with this important trading partner. A strong Ex-Im Bank relationship with Russia will not only prove beneficial to U.S. exporters, but should also play a role in helping to stabilize the Russian economy while underscoring our commitment to supporting Russian economic reforms.

I hope you find this information helpful as you prepare for your upcoming meeting with President Putin in New York.

With best regards,

Sincerely,

*We did some
good work in Nigeria and
will follow up in the weeks ahead - Joe*

Pamela Cicetti
07/24/2000 04:44:36 PM

THE PRESIDENT HAS SEEN

9-1-00

Record Type: Record

To: Nancy V. Hernreich/WHO/EOP@EOP

cc:

Subject: Sen. Percy

former Republican senator Chuck Percy called to say how proud he is of the President and his work in the Middle East. He suggested the following biblical quotes from the Old Testament on the subject of Jerusalem for the President:

Zacharia	3	3, 7, 8
Revelations	21	2, 24, 27
	22	5

Doty

BC

9-1-00

After you have seen, we will send to Delia Cohen for reply -

cul

9/3

THE WHITE HOUSE
WASHINGTON

Lockhart would like to
Request a POTUS letter
for Jennifer Palmieri's
new Gun Control group:
"Americans for Gun
Safety." The group will
be hosting a state conference
on Sept. 25 and would
like a welcome / congrats letter
to kick-off their first
conference. Please see
attached draft letter -

thanks,

Jennie
62673

9-1-00
Send to Delia Cohen?

Yes

No

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AMERICANS FOR GUN SA

PAGE 01

1925 North Lynn, #305
 Rosslyn, Virginia 22209
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 703.243.8835 (fx)



Fax

To: Jenni	From: Jennifer
Fax:	Pages: 2
Phone:	Date:
Re:	CC:

☐ Urgent
 ☐ For Review
 ☐ Please Comment
 ☐ Please Reply
 ☐ Please Recycle

9-1-00

Send to Dalia Cohen?

Yes ☒

No ☐

Carl

Subj: Clinton letter/media plan draft 2
Date: 00-08-25 17:31:47 EDT
From: mark@fenton.com (Mark Aurigemma)
To: cwnjonathan@aol.com, jenniferpalmieri@aol.com
CC: emile@fenton.com, dcorkery@fenton.com, emily@fenton.com

File: media plan 8-24.doc (174592 bytes)
DL Time (28800 bps): < 2 minutes

Jon and Jennifer:

Attached are:

A draft letter from the President to the Oakland Conference

A revised draft media plan. As discussed, we will continue to work on this, and will have an Andy-ready final version to you by COB Monday. If you have any thoughts or comments before then, please let me know.

Hope you both have a good weekend.

Mark

LETTER FROM PRESIDENT CLINTON

Greetings:

I applaud each of you for coming together in this new venture to promote gun safety. I believe that what Americans for Gun Safety stands for - respecting rights while promoting responsibility - is a fundamental American value. I wholeheartedly support your advocacy for common sense measures such as closing the gun show loophole, requiring the safer design of handguns, and safety training for gun owners.

Many of the state groups that are now part of Americans for Gun Safety have worked long and hard in their regions. Now you are sharing resources, ideas, and strategies, and the entire gun safety movement will be the stronger and more effective for it.

As each day passes and ten more children are killed with guns in our country, Congress remains in a stalemate on legislative measures to prevent gun deaths. I believe that Americans for Gun Safety can and will play an important role in breaking that stalemate, by mobilizing the large number of Americans who support reasonable solutions. I wish all of the participants in this meeting the best of luck in your important work.
</XMP>

----- Headers -----

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To: Ricchetti
From: The President



9-1-00

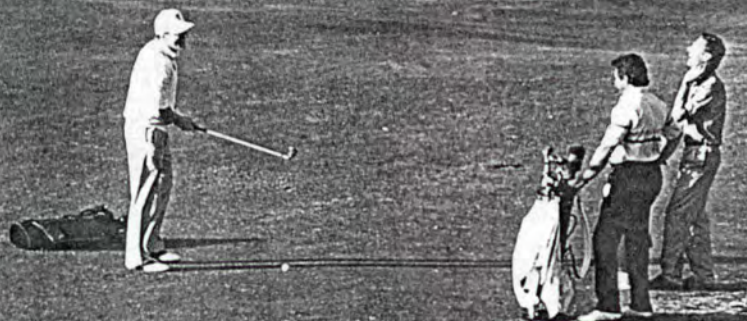
"And Then Arnie Told Chi Chi..."

More than 200 of the
Best True Golf Stories
Ever Told

DON WADE

Author of the bestselling
"And Then Jack Said to Arnie..."

Foreword by Gary McCord



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FOREWORD

If you liked "*And Then Jack Said to Arnie . . .*", you will love Part Deux. These fast-paced explosions—some funny, some poignant—will keep you rushing to the next tee, so to speak. They provide me with some great material for my television commentary on CBS and once in a while I substitute my name into the stories and impress my friends with all the fun stuff that has happened to me.

To Don's credit, it's much easier to hang around listening to these stories from all his friends than it is to write the Great American Golf Novel. Let's face it, Don didn't get to be a Senior Editor at *Golf Digest* by being two down with one to go.

So, now that you have this book, please do me another favor and go out and buy another copy. Better yet, do a friend or relative a favor and buy a copy for them.

All kidding aside, this is a must book for all lovers of the game. I don't see how you can afford to be without this wonderful collection of golfing lore and legend.

Gary McCord



"And Then Jack Said to Arnie..."

A Collection of the
Greatest True Golf Stories
of All Time



To Rich with

Foreword by Lee Trevino

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For the Gang of Wade, who aren't quite sure what all this golf writing business is about but do know it produces a lot of wonderful presents from the assorted Pebble Beaches and St. Andrews of the world and, therefore, can't be all bad—or even be a real job.

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ACKNOWLEDGMENTS

Any book is by definition a group effort, and that's certainly true in a case such as this.

The idea for doing this book grew out of a dinner conversation during the 1989 Ryder Cup at the Belfry in England, where I was doing the telecast back to the States. I was with Bob Rosen and Craig Foster, the men in charge of what is laughingly referred to as my television career. After I told them a couple of stories, Bob suggested doing this book, and off we went.

Chris Tomasino, who works with Bob and Craig and handles the literary side of the business, took over from there and did what she does so well—a combination of cheerleading, hand-holding, ego boosting, reality therapy, and negotiating. She also brought to bear her sense of humor and editing touch, which are extraordinary, and her knowledge of golf, which isn't—yet.

Lee Trevino was gracious enough to take time out from the zillion other demands on his time to do the Foreword, and his generosity is much appreciated—as is his friendship.

The same is true for Paul Szep, who paused in his Pulitzer Prize-winning bashing of politicians for the *Boston Globe* to do the illustrations. I once asked Sam Snead what he'd have been if he hadn't been a golfer. "I used to think I'd like to draw political cartoons for a



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*Don't miss my
Sung signed copy
I gave*

President William J. Clinton
THE WHITE HOUSE
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Washington DC 20500-2000

9-1-00

After you have seen,
we will send to
Delia Cohen for
reply.

Carol.



00 SEP 1 PM 5:22

August 25, 2000

President William Jefferson Clinton
The White House
1600 Pennsylvania Ave.
Suite # 200 East Wing
Washington, D.C. 20500-2000

THE PRESIDENT
9-1-00

Dear Mr. President,

Congratulations on your speech. Nothing has ever made me feel more proud of being an American. I will be at the front of the line for those missing you dramatically as our leader. I know, however, our friendship will continue and I will do whatever small thing I can to keep us out of the "Bushes". I met George Bush personally at Terry Semel's home here in Los Angeles and I am more determined than ever that he is not the one to run our country.

I just did my first concert in Paris after 50 years. I spent a couple of nights with Felix Rohatyn. Your ears must have been ringing because we were both speaking of our fondness for you. The concert was wonderful. Phil Collins, Toots Thielemann, Henri Salvador, Siedah Garrett, Michel Legrand and a wonderful Symphony Orchestra all made for a night that will not soon be forgotten.

I couple of weeks after the concert, I visited Mandela in Johannesburg. I spent 5 of the most incredible days of my life there. I visited with his HIV Orphans and was part of the Parliamentary debates on the AIDS Crisis in South Africa. Through my Listen Up Foundation, we took 5 at-risk youth from Los Angeles with us to be part of this whole process. These kids were from the inner city streets and gang bangers. Not only did they get a chance to meet Mandela, but they visited his cell on Robben Island. The kids named themselves "cellblock # 5". They were speechless and brought to tears with much of what they observed.

The kids visited many communities in South Africa and actually helped to physically build houses. My Listen Up Foundation and Habitat for Humanity formed a partnership to sponsor the building of homes in South Africa. The kids worked hard and made such an incredible shift while they were in South Africa. We called our project "From South Central to South Africa". It is my hope that they will bring something of their journey and this change in thinking back to their communities.

Lisette and her crew are serious "Guerillas" in leading our youth out of darkness. This is a vision I have had all my life and it is finally coming to fruition. I know the foundation will continue to make a difference in the life of our kids. This is something believe in with all of my heart.

I am here in the South of France writing music and finishing the last few chapters of my autobiography. It is due out next spring. It has been a very exciting time in my life and I just wanted to share it with you.

Know that I can feel the emotional journey you must be on now. As a 19 year old, I remember the Eisenhower inauguration. I have been watching the White House from near and far since then. No one has ever done it better than you and I will always remember the warmth and hospitality you extended to me in the Lincoln bedroom. I had such a great time.

Give my love to Hillary and Chelsea. Tell Chelsea that I hope those jazz lessons are still coming along and tell Hillary I wish I was a New Yorker just so I could vote for her.

HAPPY BELATED BIRTHDAY SWEET BILL. I WISH YOU ALL THE WARMTH, LOVE AND HAPPINESS YOU DESERVE.

 I Love You,
Quincy

PS. Bono is over here with me and you are often in our thoughts. We both love you and wish you nothing but the best. If you want to reach me, I will be here in France until mid September. Feel free to call me at 011-33-4-9332-9094 or fax me at 011-33-4-9332-8167.

Dictated but not read