Chron

THE PRESIDENT HAS SEEN
8-7-98

① 9th Circuit
② Africa-trade leave
③ vehicle - capital (CHICAGO Fair St Stimulus)

PRESIDENT CLINTON MUST DESEGREGATE THE FOURTH CIRCUIT

- The United States Court of Appeals for the Fourth Circuit is a racially segregated court. All eleven active judges sitting on the Fourth Circuit are white. No African-American has ever served on the Fourth Circuit in the history of this country.

THE PRESIDENT HAS SEEN
8-7-98

Podesta / Nash

Jesse Jackson
gave me this -
~~[illegible]~~
when are we?

BC

copied
Podesta
Nash
COS

- ... federal appellate court for all federal lawsuits ... ginia, West Virginia and Maryland. Cases are ... tes. Appeals of those decisions are then made ... Fourth Circuit serves as the court of last resort ... the five states comprising the Fourth Circuit. ... tes Supreme Court.)

- ... ircuit come from ... from ... Virginia, and one f ... Again,

- ... of the Fourth Circu ... t are ... he highest African- ... n of ... ption of the D.C. C.

- In fact, 35 percent of all African-Americans living in the South ... rth Circuit. This substantial African-American population warrants at le ... American appointment to this Court, if not more.

- Other Circuit Courts within the deep South have less African-American representation and yet have one African-American judge on their Courts:

  Eleventh Circuit (Alabama, Georgia and Florida)
  Judge Joseph Hatchett sites on the Eleventh Circuit Court of Appeals.
  The total population within the Eleventh Circuit is 26,026,294.
  The African-American population is 5,350,786.
  African-American representation within the Eleventh Circuit is 20.6 percent.

  Fifth Circuit (Mississippi, Louisiana and Texas)
  Judge Carl Stewart sits on the Fifth Circuit Court of Appeals.
  The total population within the Fifth Circuit is 26,194,955.
  The African-American population is 4,716,738.
  African-American representation within the Fifth Circuit is 18 percent.

- President Clinton has a historic opportunity to nominate an African-American to this all-white Court. There are three vacancies on the Court. An African-American should be the first person nominated by President Clinton for this Circuit in order to desegregate this Court. An African-American should be the first nominee confirmed by the U.S. Senate for this Circuit in order to desegregate this Court.

THE PRESIDENT HAS SEEN
8-7-98

(1) 9th Circuit
(2) Africa-Sierra Leone
(3) vehicle-capital (CH: VA (?) from stimulus)

PRESIDENT CLINTON MUST DESEGREGATE THE FOURTH CIRCUIT

- The United States Court of Appeals for the Fourth Circuit is a racially segregated court. All eleven active judges sitting on the Fourth Circuit are white. No African-American has ever served on the Fourth Circuit in the history of this country.

- The Fourth Circuit Court of Appeals is the federal appellate court for all federal lawsuits brought in North Carolina, South Carolina, Virginia, West Virginia and Maryland. Cases are first filed in federal district courts in these states. Appeals of those decisions are then made to the Fourth Circuit. In most instances, the Fourth Circuit serves as the court of last resort for the federal claims of the citizens who live in the five states comprising the Fourth Circuit. (Few cases are considered by the United States Supreme Court.)

- Four of the active judges on the Fourth Circuit come from South Carolina, three from Virginia, three from Maryland, one from West Virginia, and one from North Carolina. Again, all are white.

- 25 million people live within the jurisdiction of the Fourth Circuit. Of those, 22 percent are African-American. The Fourth Circuit has the highest African-American representation of any Circuit within the country, with the exception of the D.C. Circuit.

- In fact, 35 percent of all African-Americans living in the South reside within the Fourth Circuit. This substantial African-American population warrants <u>at least</u> one African-American appointment to this Court, if not more.

- Other Circuit Courts within the deep South have less African-American representation and yet have one African-American judge on their Courts:

  <u>Eleventh Circuit</u> (Alabama, Georgia and Florida)
  Judge Joseph Hatchett sites on the Eleventh Circuit Court of Appeals.
  The total population within the Eleventh Circuit is 26,026,294.
  The African-American population is 5,350,786.
  African-American representation within the Eleventh Circuit is 20.6 percent.

  <u>Fifth Circuit</u> (Mississippi, Louisiana and Texas)
  Judge Carl Stewart sits on the Fifth Circuit Court of Appeals.
  The total population within the Fifth Circuit is 26,194,955.
  The African-American population is 4,716,738.
  African-American representation within the Fifth Circuit is 18 percent.

- President Clinton has a historic opportunity to nominate an African-American to this all-white Court. There are three vacancies on the Court. An African-American should be the first person nominated by President Clinton for this Circuit in order to desegregate this Court. An African-American should be the first nominee confirmed by the U.S. Senate for this Circuit in order to desegregate this Court.

- The current composition of the Fourth Circuit includes six judges appointed by Presidents Reagan and Bush. Another judge was appointed by President Nixon. There are only four judges appointed by Democratic presidents.

- In July, 1998, President Clinton nominated William B. Traxler, Jr. of Greenville, South Carolina to a judgeship on the Fourth Circuit. Traxler is white. Traxler currently sits as a federal district court judge for the District of South Carolina in Greenville, South Carolina. He was appointed to that position by President Bush in 1992, and was recommended by Republican Senator Strom Thurmond. South Carolina already has three white judges on the Fourth Circuit. There are no African-American federal judges at all -- appellate or district -- in the State of South Carolina.

- President Clinton must be called upon to desegregate the Fourth Circuit. He must appoint an African-American judge to this Court. He must ensure the confirmation of an African-American judge to this Court. He must take steps to break the Republican stronghold that has gripped the Fourth Circuit for all these years. The African-American citizens of these Southern states deserve as much.

- In summary, President Clinton has both the opportunity and the ability to appoint the <u>first</u> African-American judge to this important Court. The President can -- and should -- integrate this Court. This Court decides the law with respect to many important issues, including civil rights, constitutional claims and criminal law. It is unacceptable for President Clinton to deny African-Americans any seats whatsoever on this Court. President Clinton must not perpetuate the segregation of the Fourth Circuit.

EMERGENCY RESOLUTION
TO END THE RACIAL SEGREGATION OF THE FOURTH CIRCUIT

WHEREAS, the United States Court of Appeals for the Fourth Circuit is a racially segregated court. No African-American has ever served on the Fourth Circuit Court of Appeals in the history of this country.

WHEREAS, four judicial vacancies now exist on the Fourth Circuit Court of Appeals. In filling the first vacancy, President Clinton has an historic opportunity to nominate an African-American to the Fourth Circuit Court of Appeals and to end the racial segregation which has endured on this Court since its inception.

WHEREAS, the Fourth Circuit Court of Appeals is the appellate court for all federal lawsuits brought in North Carolina, South Carolina, Maryland, Virginia and West Virginia. In many instances, the Fourth Circuit is the court of last resort for the federal claims of citizens living in these five states.

WHEREAS, the Fourth Circuit is the only Circuit Court in the Deep South with no African-American representation on its judiciary.

WHEREAS, the Fourth Circuit has the largest African-American population of any Circuit Court in the entire nation, excluding the District of Columbia. Twenty-two percent (22%) of those persons residing within the Fourth Circuit are African-Americans.

WHEREAS, a substantial number of African-Americans living in the South reside within the Fourth Circuit. Thirty-five (35%) percent of all African-Americans living in the South reside within the five states comprising the Fourth Circuit.

WHEREAS, the perpetuation of racial segregation in the judiciary through the judicial appointment process is blatantly contrary to a commitment to racial equality, a commitment to equity within the justice system, and a commitment to ensuring that this nation's judiciary reflects all Americans.

WHEREAS, IT IS HEREBY RESOLVED THAT the racial segregation of the Fourth Circuit Court of Appeals must end immediately and that the NAACP urges President Clinton <u>at once</u> to desegregate the Court by nominating and ensuring the confirmation of the first African-American judge to the Fourth Circuit Court of Appeals, <u>before</u> any other nomination to the Fourth Circuit Court of Appeals.

COMPOSITION OF FOURTH CIRCUIT

ACTIVE JUDGES: 11
States represented:

South Carolina: 3	William Wilkins (Reagan in '86) Clyde Hamilton (Bush in '91) Karen Williams (Bush in '92)
Virginia: 3	Emory Widener (Nixon in '72) J. Harvie Wilkinson (Reagan in '84) Michael Luttig (Bush in '91)
Maryland: 3	Francis Murnaghan (Carter in '79) Paul Niemeyer (Bush in '90) Diana Motz (Clinton in '94)
North Carolina: 1	Sam Ervin (Carter in '80)
West Virginia: 1	Blane Michael (Clinton in '93)

SENIOR JUDGES: 4

South Carolina: 1	Robert Chapman (Reagan in '81)
Virginia: 1	John Butzner (Johnson in '67)
North Carolina: 1	James Phillips (Carter in '78)
West Virginia: 1	Kenneth Hall (Ford in '76)

VACANCIES: 3

North Carolina: 1	(Phillips' seat vacated 7/94)
New position: 1	(Created in 1990)
West Virginia: 1	(Hall's seat vacated 2/98)

NOMINATIONS: 1

South Carolina: 1	(Russell's seat vacated 2/98) Nominated William Traxler in July, 1998

FOURTH CIRCUIT APPOINTMENTS BY PRESIDENT:

REPUBLICANS

Nixon:	1 (Widener - VA)
Ford:	one senior (Hall - WVA)
Reagan:	2 plus one senior (Wilkins - SC; Wilkinson - VA; Chapman (s) - SC)
Bush:	4 (Hamilton - SC; Williams - SC; Luttig - VA; Niemeyer - MD)
TOTAL	7 (plus two seniors)

DEMOCRATS

Johnson:	one senior (Butzner - VA)
Carter:	2 plus one senior (Murnaghan - MD; Ervin - NC; Phillips (s) - NC)
Clinton:	2 (Michael - WVA; Motz - MD)
TOTAL	4 (plus two seniors)

HISTORY OF FOURTH CIRCUIT APPOINTMENTS SINCE 1980

1980

NC 2
SC 2
VA 2
MD 2
WVA 2

1981

NC 2
SC 2 (appointed Chapman to vacant position)
VA 2
MD 2
WVA 2

1984

NC 2
SC 3 (added Sneeden to new position)
VA 2 (appointed Wilkinson to vacant position)
MD 2
WVA 2

1986

NC 2
SC 3 (appointed Wilkins to vacant position)
VA 2
MD 2
WVA 2

1990

NC 2
SC 3
VA 2
MD 2 (appointed Niemeyer to vacant position)
WVA 2

1991

NC	2
SC	3 (appointed Hamilton to vacant position)
VA	3 (added Luttig by omnibus bill of 1990)
MD	2
WVA	2

1992

NC	2
SC	4 (added Williams by omnibus bill of 1990)
VA	3
MD	2
WVA	2

1993

NC	2
SC	4
VA	3
MD	2
WVA	2 (appointed Michael to vacant position)

1994

NC	2
SC	4
VA	3
MD	3 (added Motz by omnibus bill of 1990)
WVA	2

Democrats Fear Loss of Black Loyalty

To Survive in Key States, Party Battles Discontent

By Terry M. Neal
and Thomas B. Edsall
Washington Post Staff Writers

Democrats running for top offices in states as diverse as Florida, Missouri, South Carolina and Maryland are facing the unexpected challenge of keeping the party's most loyal constituency—black voters—in the fold.

The situations vary from outright rebellion and open flirting with the GOP to growing rumblings of discontent from an increasingly independent black electorate, angry at a Democratic Party seen as taking them for granted.

Dependent for its survival in many areas on African American support, the Democratic Party faces problems with the black political community in certain states that have the potential to further weaken its national stature. Republicans are moving to capitalize on the fissure in the Democratic coalition, wooing black leaders and voters and pitching conservative ideas, such as school choice, to an increasingly receptive black audience.

In close elections, a decline of just a few percentage points among black voters—either from defection to the Republican Party or staying away from the polls—could make the difference between winning and losing for a Democratic candidate.

Nowhere is that clearer than in Florida, where the once-dominant Democratic Party is in danger of imploding amid racial tensions. Gubernatorial nominee Buddy MacKay, the lieutenant governor, is struggling to keep his candidacy viable in a state where the nomination was once a virtual guarantee of election. Moreover, the GOP appears very likely to strengthen its hold on the

See DEMOCRATS, A6, Col. 1

DEMOCRATS, From A1

state legislature.

The situation in the nation's fourth-largest state poses a major problem for Vice President Gore's prospects in the 2000 presidential contest. The Clinton-Gore team carried Florida with its 25 electoral votes in 1996, but the state has become tough for presidential Democrats to carry. Further erosion of the party there will make it even tougher.

Lingering racial tensions erupted in January when Democrats in the Florida legislature voted along racial lines to remove Rep. Willie F. Logan, who is black, as the speaker-designate. They replaced him with Rep. Anne Mackenzie, a white lawmaker from Fort Lauderdale.

The move inspired a political backlash among black political and civic leaders who alleged that Logan was removed because the party did not want its most visible leader to be African American as it tried to woo suburban and rural white voters.

Logan did not go quietly. With U.S. Rep. Alcee L. Hastings, one of Florida's most prominent black politicians, and others, he vowed to seek political revenge and to begin working against some of the white Democrats who voted against him.

In a display of political muscle, Hastings, Logan and others told blacks voting in a special state Senate election that the Democratic candidate, Steve Geller, had voted to oust Logan. Geller won the election. But the GOP candidate defeated Geller in five of the district's 12 precincts where blacks made up more than 80 percent of the population, and Geller carried another by only one vote.

Earlier this month, Mackenzie, who has

expressed frustration with the racial rift, announced that she was resigning as speaker-designate and not running for reelection in November. Several of the other Democrats who had voted to oust Logan have either switched parties—widening the GOP's lead in the House—or announced that they, too, would not seek reelection.

Meanwhile, Logan started, with Hastings's support, a political action committee to advocate issues important to blacks, and most of the PAC's money has come from Republicans, Hastings said. The situation has deteriorated so much that in recent weeks Gore has intervened.

Democrats also are dealing with a severe division among Missouri's black Democratic leadership, which is split in its willingness to support the likely Democratic nominee for U.S. Senate, Attorney General Jay Nixon.

The Missouri dispute—prompted by Nixon's support for ending controversial, federal court-ordered desegregation programs in Kansas City and St. Louis—cuts both ways for Democrats in the state: It may hurt Nixon in heavily black city precincts, while helping him and other Democratic candidates in mostly white outstate regions.

In black areas, Nixon faces the prospect of a lower turnout and the loss of some voters to Sen. Christopher S. Bond (R), unless he succeeds in converting criticism into support.

Kansas City Mayor Emanuel Cleaver II, who is black, said Nixon's "desegregation work has not been well-received either in St. Louis or Kansas City. Many of us believe he played to the 'outstate' [white] areas for political purposes." The mayor, who said he was born a Democrat and "will go to my grave a Democrat," contended that "it pains me to make this statement to a reporter about a Democrat."

Cleaver then rattled off a list of major projects, many visible from City Hall, that Bond has helped bring to the city. "All that was done at a time when my people in my party were saying to me Kit Bond is not concerned with the urban core. Excuse me, am I blind?"

The situation in Maryland is slightly different, but no less vexing for Democrats. Baltimore Mayor Kurt L. Schmoke (D) and Prince George's County Executive Wayne K. Curry (D), both of whom are black, have broken party ranks to endorse Eileen Rehrmann, who is challenging Gov. Parris N. Glendening (D) in the primary.

In radio ads, Curry has blasted Glendening for shortchanging Prince George's schools and suggested that the governor was ashamed of residing in the majority black county.

In South Carolina, Republicans are reaching out to black voters to take advantage of perceived soft support for Democratic incumbents, such as Sen. Ernest F. Hollings, who will face Rep. Bob Inglis (R) in November.

In an independent poll in May, Hollings had a 47 percent to 42 percent lead over Inglis among all voters. But Inglis led Hollings 54 percent to 37 percent among white voters. Among black voters, Hollings held a 78 percent to 7 percent percent advantage, with the rest undecided.

Whit Ayres, Inglis's pollster, contended that Hollings's lead among blacks should be even stronger and that Inglis's number among blacks will improve as the campaign heats up. Fred Yang, Hollings's pollster, noted that Hollings's better than 10 to 1 edge among blacks is a strong showing at this time.

Inglis has campaigned on black college campuses and has supported GOP Gov. David M. Beasley's proposal to remove the Confederate flag from the dome of the state Capitol, angering many white conservatives. He also repudiated the so-called Southern Strategy of portraying the Democratic Party as too beholden to black voters.

No one is anticipating a massive black exodus to the Republican Party. According to David Bositis, a political analyst at the Joint Center for Political and Economic Studies, the GOP is still considered by most blacks as "the white people's party."

The percentage of blacks who identify themselves as Democrats has remained steady for years, averaging around 82 percent now, according to the Joint Center, a black think tank based in the District of Columbia. But Democrats still have to worry. In 1994, 90 percent of black voters supported Democratic congressional candidates, according to election polling. In 1996, that number dropped to 82 percent.

"I would say as a sort of a basic premise that there's a lot of underlying disaffection with the Democratic Party [among blacks]," Bositis said.

The apparent softening of black support for the Democratic Party and its candidates is significant for a number of reasons: In many states, particularly in the South, whites are increasingly supporting the GOP, leaving the Democratic Party to rely more on black voters. For example, in Florida's last gubernatorial election, Gov. Lawton Chiles (D) won 95 percent of the black vote, but he defeated Jeb Bush (R) by 2 percent of the vote overall.

Republican success last year in Virginia resulted in part from the combination of low black turnout and the fact that among those who did turn out, an unusually high 20 percent voted for Republican James S. Gilmore III for governor, according to exit polls.

Gilmore benefited from the refusal of former governor L. Douglas Wilder, the state's best-known black politician, to endorse the Democratic nominee, Don Beyer, and Gilmore's plan to cut the car tax. Black men approved of the car tax cut, according to John McLaughlin, Gilmore's pollster.

Bositis said polls show that younger blacks—particularly younger black men—are increasingly independent-minded politically. They are far more inclined to be receptive to some conservative fiscal ideals and social policies, such as school choice. Older blacks, particularly those who lived through the civil rights movement, are more likely to identify themselves as liberal Democrats.

The rift in Florida has drawn national attention. Bush, who is running for governor again, is actively courting black voters, and his efforts are hurting the MacKay campaign. Various polls have shown anywhere from 15 percent to 18 percent of blacks supporting Bush—a proportion that could doom MacKay if it holds steady.

Last month, Gore requested a session with MacKay and Hastings to try to resolve the disputes among the state's Democrats. They met Friday at the White House, and Hastings said another meeting was planned for this week so Gore could meet with more Florida Democrats in Fort Lauderdale. "If he wants to be in a position to win the 25 electoral votes here, [the Democrats] best get busy," Hastings said last week.

THE PRESIDENT HAS SEEN
8-7-98

5592

THE WHITE HOUSE

WASHINGTON

'98 AUG 7 AM 11:40

Copied
Berger
NSC West Wing
Desk
COS

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Telephone Calls re Bombings in Africa

Attached at Tabs A and B are talking points for your telephone calls to Ambassador Prudence Bushnell in Kenya and Charge John Lange in Tanzania concerning the bombings today.

At Tabs C and D are talking points for your calls to President Moi of Kenya and President Mkapa of Tanzania offering our condolences and encouraging continuing cooperation with their Governments in our efforts to respond the crisis and bring the perpetrators to justice.

Attachment
Tab A Talking Points for Call to Ambassador Bushnell
Tab B Talking Points for Call to Charge Lange
Tab C Talking Points for Call to ~~President Mkapa~~ PM SUMAYE
Tab D Talking Points for Call to President Moi

cc: Vice President
Chief of Staff

A

POINTS TO BE MADE FOR TELEPHONE CONVERSATION WITH AMBASSADOR PRUDENCE BUSHNELL ("Pru")

- We are all very relieved to know that you are well and safe.
- I am sure that it must be trying for you to have to manage this crisis and mourn the loss of many staff members at the same time.
- You have my full confidence and support during this difficult time.
- With your many years of experience in the foreign service, we are truly fortunate to have you on the ground out there. Our Government and the American people are proud of you.
- I plan to call President Moi to offer our condolences and encourage the continued cooperation of the Kenyan Government in our efforts to respond to the crisis and bring the perpetrators to justice.

7 US dead
7 missing under rubble
31 Kenyan dead
Bomb next door

B

<u>POINTS TO BE MADE FOR TELEPHONE CONVERSATION WITH CHARGES DES AFFAIRES JOHN LANGE ("John")</u>

- We are all very relieved to know that you and the Embassy staff are well and safe.
- We know that this is a trying time for you and your staff.
- You have my full confidence and support during this difficult time.
- Our Government and the American people are behind you in your efforts.
- I plan to call President Mkapa to offer our condolences and encourage the continued cooperation of the Tanzanian Government in our efforts to respond to the crisis and bring the perpetrators to justice.

6 killed (Sgt)(1 Kenyan - [illegible])
58 Am inj. (Marine Sgt [illegible] injured)

C

POINTS TO BE MADE FOR TELEPHONE CONVERSATION WITH PRIME MINISTER SUMAYE

- I, like you, am saddened and shocked by the tragic event that took place in Dar es Salaam this morning.

- On behalf of my family and the American people, I have called to offer our sincere condolences for the Tanzanian lives lost in the bombing. Our hearts go out to their families. They are in our prayers.

- Since we met your President at the Heads of State Summit in Entebbe, my Government has continued its efforts to fashion a new partnership with Africa.

- We must now deepen this partnership and join together to fight terrorism in all its forms.

- We will use all the means at our disposal to bring those responsible to justice. Our Governments need to work very closely on this.

- It is especially tragic, given the long-standing friendship between our two countries, that this bombing occurred in Tanzania, one of the most peaceful countries on the continent.

- Your Government's response to this tragedy is of great comfort and assistance to us, and I would like to personally thank your police and rescue teams for their ongoing efforts and dedication.

- As you know, we are dispatching emergency response teams to the region, and we appreciate your Government's support of their efforts.

- Our Charge des Affaires, John Lange, will remain in close contact with your Government as we care for the wounded and bring the perpetrators of this abhorrent act to justice.

D

POINTS TO BE MADE FOR TELEPHONE CONVERSATION
WITH PRESIDENT DANIEL ARAP MOI OF KENYA

- I, like you, am saddened and shocked by the tragic event that took place in Nairobi this morning.

- On behalf of my family and the American people, I have called to offer our sincere condolences for the many Kenyan lives lost in the bombing. Our hearts go out to their families. They are in our prayers.

- Since we met at the Heads of State Summit in Entebbe, my Government has continued its efforts to fashion a new partnership with Africa.

- We must now deepen this partnership and join together to fight terrorism in all its forms.

- We will use all the means at our disposal to bring those responsible to justice. Our Governments need to work very closely on this.

- It is especially tragic, given the long-standing friendship between our two countries, that this bombing occurred in Kenya.

- Your Government's response to this tragedy is of great comfort and assistance to us, and I would like to personally thank your police and rescue teams for their ongoing efforts and dedication.

- As you know, we are dispatching emergency response teams to Nairobi, and we appreciate your Government's support of their efforts.

- My Ambassador, Prudence Bushnell, will remain in close contact with your Government as we care for the wounded and bring the perpetrators of this abhorrent act to justice.

THE PRESIDENT HAS SEEN
8-7-98

John | Rahm
just a have
idea
BC

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

JAMES A. BARCIA
FIFTH DISTRICT
MICHIGAN

August 7, 1998

Copied
Podesta
Emanuel
COS

The Honorable William J. Clinton
President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing to encourage you to consider awarding the Presidential Medal of Freedom to John Walsh. As you know, John's highly rated and successful series "America's Most Wanted, America Fights Back" has had an incredible impact on the safety of our citizens. He has made a significant difference by getting criminals off the street, and for this has already won similar endorsements from our nation's governors, state attorneys general, the National Law Enforcement Council, and the National Victim Center.

This man exemplifies the best in our nation. He faced the personal tragedy of the abduction and murder of his son, Adam, by deciding to fight back and create greater awareness of criminal activity across our land. He has worked with law enforcement officials and with victims of crimes to encourage ordinary Americans to assist in capturing 518 felons. He has also been a force for constructive change through his support of efforts ranging from local fund raisers to his position as a member of the Board of Directors of Boys and Girls Clubs of America.

Mr. President, Vicki and I had the pleasure of sitting next to your mother at Ford's Theater during a performance by Mark Russell several years ago. She was so proud of you and all of your accomplishments. Such victories often mean more when we can share them with those closest to us. John's mother has been diagnosed with cancer, and it is not certain how much time she may have remaining. If John were to ever receive the Presidential Medal of Freedom, it would be even more special for him to receive it while he can still share this honor with his mother.

John Walsh, I believe, is most deserving of the Presidential Medal of Freedom. I would respectfully appreciate your serious consideration of John's selection for this outstanding honor.

I greatly appreciate all of your sacrifices on behalf of the American people. Yours is a legacy that will be kindly looked upon in history.

With Warmest Regards,

Jim Barcia
Member of Congress

JB:rs

THE WHITE HOUSE

WASHINGTON

Date 8/7

To: Bruce Reed
Chris Jennings

From: The Staff Secretary

Can you do a cover memo for this for POTUS?

Phil

DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington D.C. 20201

COPY FOR
STAFF SEC.

August 6, 1998

MEMORANDUM FOR ERSKINE BOWLES

The President requested an evaluation of recent media reports which suggested that commercial health plans are withdrawing from participation in Medicaid managed care.

A review and evaluation of these reports have been completed as the President requested. Attached is Secretary Shalala's memorandum to the President advising him of our findings.

Elizabeth Sumney For
Mary Beth Donahue

cc:ed:
✓PODESTA
✓ECHAVESTE
✓RAHM
✓BRUCE/ELENA
✓JENNINGS
✓GOODY

8/7/98
Put in system?
Yes ______
no ______

Put in info pack
Yes ______
no ______

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

'98 AUG 7 11:09

AUG 6 1998

MEMORANDUM FOR THE PRESIDENT

Recent media reports have suggested that commercial health plans (primarily for-profit HMOs) are withdrawing from participation in Medicaid managed care. At your request, we have evaluated these reports over the past several weeks by speaking to a wide variety of researchers, plan officials, and state and federal regulators and by reviewing research on this issue. Our review generally supports the conclusion that some commercial plans have withdrawn from Medicaid, but that their withdrawal has had little or no effect on access to managed-care coverage in most areas. The number of local and Medicaid-only health plans participating in Medicaid continues to grow, and for now these health plans are assuring adequate capacity for the continued expansion of Medicaid managed care. The growing dominance of Medicaid-only health plans, however, raises important policy issues about Medicaid beneficiary access to mainstream health care.

Below we discuss the participation of commercial health plans in Medicaid, the reasons for its decline, and some of the policy implications for beneficiary access and quality of care.

Commercial Plan Participation in Medicaid

Recent media reports of plans leaving the Medicaid market (including articles in the *Wall Street Journal* 4/7/98 and the *New York Times* 7/6/98) have focused on commercial health plans, plans whose primary business is non-Medicaid. Although we cannot yet confirm this trend with program data, anecdotal reports and our review of the issue generally support the conclusion that some commercial plans are pulling out of the Medicaid market. Some plans have left the market entirely while others have left states that they view as unreliable business partners.

The Medicaid managed care market is still evolving. Overall, enrollment in full-risk managed care plans was about 25 percent of all Medicaid beneficiaries in 1996, up from about 5 percent in 1991. Between 1993 and 1996, the number of managed care plans serving Medicaid beneficiaries more than doubled, with the largest increase occurring in Medicaid-only plans (plans in which Medicaid beneficiaries comprise 90-100 percent of total enrollment). Medicaid-only plans include those established by public hospitals and other Federally Qualified Health Centers, as well as those that are subsidiaries of commercial plans, provider-sponsored plans, and new plans that have been specifically created to capture the Medicaid managed care market. According to a 1997 survey by the National Association of Public Hospitals, approximately three-fourths of the urban safety-net hospitals surveyed have formed their own health plans, primarily to serve the Medicaid population.

The number of commercial plans serving Medicaid also grew rapidly during this period, increasing from 102 plans in 1993 to 199 plans in 1996. Commercial health plans initially viewed the Medicaid market as a complementary line of business to their other commercial operations. Many chose to expand into this market at a time when plans were vigorously competing for overall market share.

More recently, however, some commercial plans have begun to question the financial advisability of continued participation in Medicaid. Commercial plans that have left Medicaid (entirely or in selected states) have cited concerns over low payment rates, high administrative burdens, and high volatility in enrollment as reasons for their declining interest in Medicaid. Perhaps more importantly, the market analysts that follow these publicly traded HMOs have begun to raise questions about the potential risk to plan profits posed by Medicaid participation. The understanding appears to be growing among plans that the Medicaid market is very different from the commercial market and that participation in Medicaid requires significant investments in developing new systems and new provider relationships that may not be rewarded by the low payment rates available in many states.

The pattern of withdrawals varies across the country. In some states, commercial participation appears to be stable. In other states, large commercial plans (predominantly those that are publicly traded) are beginning to question whether their future participation in Medicaid is viable. Specific examples of withdrawals of commercial plans over the last two years have been identified in at least 11 states (California, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, Missouri, New Jersey, New York, and Ohio). Precise numbers are difficult to obtain because of mergers and consolidation in the managed care industry.

These withdrawals do not appear to be causing problems for access to managed-care coverage in most areas, although no systematic quantitative data have been collected to date. (In one state, Georgia, some managed-care enrollees will have to shift to fee-for-service Medicaid, at least temporarily.) Even as some large commercial plans leave the Medicaid managed care market, local health plans and plans serving primarily Medicaid beneficiaries are replacing them in most areas, and the overall number of these plans has been growing. Many of these plans have developed outreach programs, networks, and management systems that may be more appropriate for the Medicaid population and have shown a willingness to meet the special Medicaid requirements imposed in some states. The potential implications of the growing dominance of these Medicaid-only plans is discussed later in this memo.

Reasons for Decline in Commercial Plan Participation

Although the Medicaid population has health and behavioral characteristics distinct from the general population, many commercial HMOs believed they could provide coverage by expanding their existing business and building on their infrastructure and organizational systems. Rates would typically be set by the government rather than the market, but health plans believed that Medicaid was plagued by inefficient utilization patterns that, if corrected, would allow them to make a return on investment.

Large managed health plans withdrawing from the Medicaid market over the past year or two cite several reasons for their decisions:

- better understanding of the business;
- low capitation rates; and
- burdensome contract requirements.

Commercial health plans have learned that covering the Medicaid population is not simply an expansion of current business, but rather a new and different line of business. The health and behavioral needs of the population and the nature of the program (e.g., monthly eligibility) require distinct systems to be successful. Participation in Medicaid often also requires health plans to form relationships with new groups of providers (including safety-net providers) that have traditionally served Medicaid patients. As a result, the cost of covering the Medicaid population can be much higher than many health plans had initially projected.

Many health plans contend that when states set capitation rates, they do not reflect costs or demand, (although they sometimes involve competitive bidding). Under federal law, capitation rates in the Medicaid managed care market cannot exceed the amount of money that would have been spent to provide a comprehensive benefit package in Medicaid fee-for-service (FFS). This constraint has two components, each of which may contribute to suppressing capitation rates. The first is the low reimbursement rates the Medicaid program has historically paid in FFS. A 1991 study by the Physician Payment Review Commission showed that average Medicaid physician fees were about 62 percent of Medicare's (which in turn were lower than those in the private sector). The second is any under-utilization of services in FFS, resulting from both low physician participation in Medicaid and the less organized system of care delivery characteristic of FFS medicine.

Over time, plans have perceived Medicaid capitation rate increases as inadequate. In fact, in about half the states where we have information, rates have been cut, in some instances up to 10 percent to 15 percent over several years. A number of health plans argue that capitation rates (or least the annual adjustments after rates are first calculated) are often arbitrary; they do not reflect an actuarial analysis of an organization's true costs of serving this population. A number of HMO officials and financial analysts view states' rate-setting procedures as primarily "political." Plans are doubtful of their ability to raise capital or to make an adequate return on their investment over the long run.

Health plans also perceive Medicaid contracting requirements as more onerous than those imposed by private employers and Medicare. As purchasers, Medicaid agencies are looking both to ensure access to the range of Medicaid benefits and to monitor quality. As states learn how to design comprehensive contracts, their contracts with health plans increasingly include provisions for services particularly relevant for the Medicaid population – such as screening for elevated lead levels, medical and mental health care for children in the child welfare and juvenile justice systems, and asthma management programs and assessment. In addition, Medicaid agencies purchasing a managed care benefit package seek to ensure that adequate, quality health care is delivered to beneficiaries through various reporting requirements such as: utilization/encounter data, including hospital inpatient days; quarterly quality assurance reports; and patient satisfaction surveys. While there is significant overlap in requirements between Medicaid and either Medicare or large employer health plan contracts, there are a number of provisions unique to Medicaid. Although these differences appear largely to be the result of Medicaid managed care contracts conforming to the Medicaid benefit package, health plans believe that some of the requirements are arbitrary or poorly thought out.

Most states' experience with Medicaid managed care is only a few years old. As a result, they are still learning, for example, what contract requirements are an effective means of ensuring quality or access. A recent foundation-funded study of contract requirements, along with growing experience nationwide, has the potential to bring some stability. But in the meantime, the uncertainty plans often face in negotiations adds to the perception that states are inflexible business partners.

We should note that HCFA will soon be promulgating a proposed rule to implement additional consumer protections, quality assurance standards, and other regulatory requirements stemming from the Balanced Budget Act. Whether commercial plans view these provisions as an added burden or as an impetus toward greater uniformity among states remains to be seen.

Medicaid's structure also creates challenges for health plans. The most frequently cited example is the "churning" in Medicaid enrollment, that is, beneficiaries cycling on and off Medicaid. Churning hinders health plans' ability to provide comprehensive care, particularly cost-effective preventive services such as prenatal care, as Medicaid beneficiaries may not be enrolled in a health plan for a sufficient period of time for outreach and managed care education to take place. For example, one plan recounted the experience of Medicaid beneficiaries enrolling in the seventh month of their pregnancy. This problem is partially addressed in the Balanced Budget Act through requirements for guaranteed eligibility. Another complexity is created in states where Medicaid contracts are written at the county level, generating additional management and reporting obligations for health plans. These structural challenges may contribute to the perception that Medicaid managed care is an arduous undertaking for commercial plans, particularly those with no previous Medicaid experience.

For all plans, there is a substantial investment associated with succeeding in Medicaid managed care (particularly if there is broad choice). Plans will not make that investment without reason to believe they will be able to form a long-term business relationship with a state. State practices that plans perceive to be arbitrary or political discourage that investment, particularly for commercial plans for which this population is not critical to their market share. Other practices that appear on their face to be reasonable also may discourage commercial plans, because they do not assure adequate return on investment. Examples of such state practices include permitting a large number of plans to compete in each area (which may lead to inadequate enrollment in any one plan), or establishing auto-assignment methods, used when beneficiaries fail to choose a plan, that favor certain plans (usually public plans operated by safety-net providers).

Policy Implications

States have two central and sometimes competing goals for Medicaid managed care. First, they are looking to control their costs, expecting that plans will use resources more wisely. Second, states may view managed care in Medicaid as a means of improving access, which may mean either more utilization or better providers. The second goal might be addressed in two different ways – by seeking to mainstream Medicaid beneficiaries and by requiring contracting plans to address the special needs of the Medicaid population and the unique benefits and other requirements of the program itself.

Recent experience in Medicaid, however, suggests that these goals are difficult to achieve simultaneously. For example, ensuring that payments to safety-net providers are sufficient to maintain their financial status sometimes conflicts with efforts to reduce costs. The withdrawal of some commercial plans, if it continues, raises questions about whether Medicaid managed care can provide access to mainstream providers.

Mainstreaming as a Policy Goal

For years, a key debate in fee-for-service Medicaid has been whether beneficiaries have access to an adequate range of providers and, specifically, to the same providers that serve other Americans. Research suggests that so-called "Medicaid mills" have arguably contributed to poorer health outcomes.

This same issue now arises in Medicaid managed care. Some argue that having the same health plan card as anyone else can be empowering to the beneficiary and avoid the stigma of welfare status. The concern raised by reports of commercial plans leaving this market is that mainstream plans (particularly national plans) will not participate in Medicaid managed care unless conditions are favorable – thus jeopardizing the goal of mainstreaming.

At the same time, there is an issue of whether commercial plans, for which the Medicaid population is only one line of business, in fact make the same effort to serve the special needs of this population as plans created specifically to serve this population. In addition, there is evidence that some commercial plans essentially operate a separate, smaller provider network within their plans for Medicaid beneficiaries – achieving the goal of mainstreaming in name only.

The Role of Medicaid-Only Plans

Given the apparent trend toward more reliance on Medicaid-only plans, it is important to understand the ability of these plans to serve the Medicaid population. Even if withdrawals by commercial plans do not persist, changes made by the Balanced Budget Act (i.e., elimination of the need to get a waiver if less than 25 percent of a plan's enrollment is non-Medicaid) may accelerate the growth of Medicaid-only plans. Little research has been done to date on these plans, although some work has been funded by private foundations.

Medicaid-only plans may have particular strengths. They can be designed to meet the specific needs of Medicaid enrollees and, because of their focus on Medicaid, can develop particular expertise in diagnosing and treating conditions that disproportionately affect the Medicaid population. They also may be more likely to invest in enabling services, such as transportation and translation services, that assist Medicaid beneficiaries in obtaining needed services.

Furthermore, Medicaid-only plans are likely to be operated by or contract with the same providers that have traditionally served beneficiaries under fee-for-service Medicaid. In particular, they often collaborate actively with – or are owned or sponsored by – safety-net providers. In short, these providers are located in the communities where beneficiaries live and have the cultural competencies appropriate for this population.

There are questions, however, about the long-range viability of Medicaid-only plans, specifically about their ability to cope with the same low payment rates and regulatory requirements faced by other plans. These plans lack the ability to cross-subsidize from other lines of business, creating a potentially greater risk of insolvency. Some of these organizations may survive only as a result of special protections – for example, special tax status, lower financial requirements, or government subsidies – that can avert insolvencies or their consequences.

Medicaid-only plans also face other challenges. Because they tend to be smaller than other plans, they have a harder time spreading fixed costs, such as the investment in information systems that are important for internal management, Medicaid reporting requirements, and performance measurement. Their smaller size may also make them more vulnerable to fluctuations in the Medicaid rolls. Because they are often newer entrants to the market, some may lack administrative or other needed expertise.

Conclusion

Although we cannot yet quantify the magnitude of the drop-off in commercial health plan participation in Medicaid, there are certainly growing numbers of plans choosing not to participate in selected geographical areas. This trend may not affect significant numbers of Medicaid managed care enrollees, either because these plans have low enrollment or because other managed care options are available to affected beneficiaries. However, as the interest of commercial plans in Medicaid wanes, the prospects of using managed care to mainstream Medicaid beneficiaries clearly become more limited. Whether or not the Medicaid population can be better served by Medicaid-only plans is a question that remains to be answered.

Regardless of the type of plan, payment rates based on historically low fee-for-service payment may not provide adequate flexibility to improve access in ways that proponents of Medicaid managed care have envisioned. Ideally, additional services can be financed by savings due to greater efficiency and avoidance of unnecessary services, such as costly emergency room care. Whether this can be accomplished in practice is uncertain given the historical access deficiencies of Medicaid. These issues will become even more difficult as greater numbers of more costly populations (i.e., the disabled and the elderly) join Medicaid managed care. Further study of capitation rates (both methodologies and levels) will be important.

Viewed against the backdrop of all the concerns outlined here, the significant adjustments to managed care models that health plans are compelled to make to meet Medicaid program requirements and beneficiary needs must be recognized. HCFA will soon be promulgating a proposed rule to implement additional consumer protections, quality assurance standards, and other regulatory requirements stemming from the Balanced Budget Act, which may add to the administrative burden for health plans. This rule will amplify the difficult tradeoffs between the goals of assuring quality and protecting rights of beneficiaries on the one hand, and the objective of ensuring broad plan participation and choice on the other.

The Department will continue to analyze these issues further to ensure that decisions made by commercial health plans do not have an adverse impact on access to health care for Medicaid beneficiaries. One component of this effort will be increased surveillance, including factors such as what types of plans are participating, how much choice is available, and how these patterns vary by state and market area. A second component will be research on some of the underlying issues discussed in this memo (e.g., plan capitation payments and the characteristics of Medicaid-only plans). Finally, additional consideration will be given to the overall goals of the Medicaid program and Medicaid managed care initiatives in particular, with attention to the tradeoffs between improving access, assuring quality, and saving money.

Donna E. Shalala

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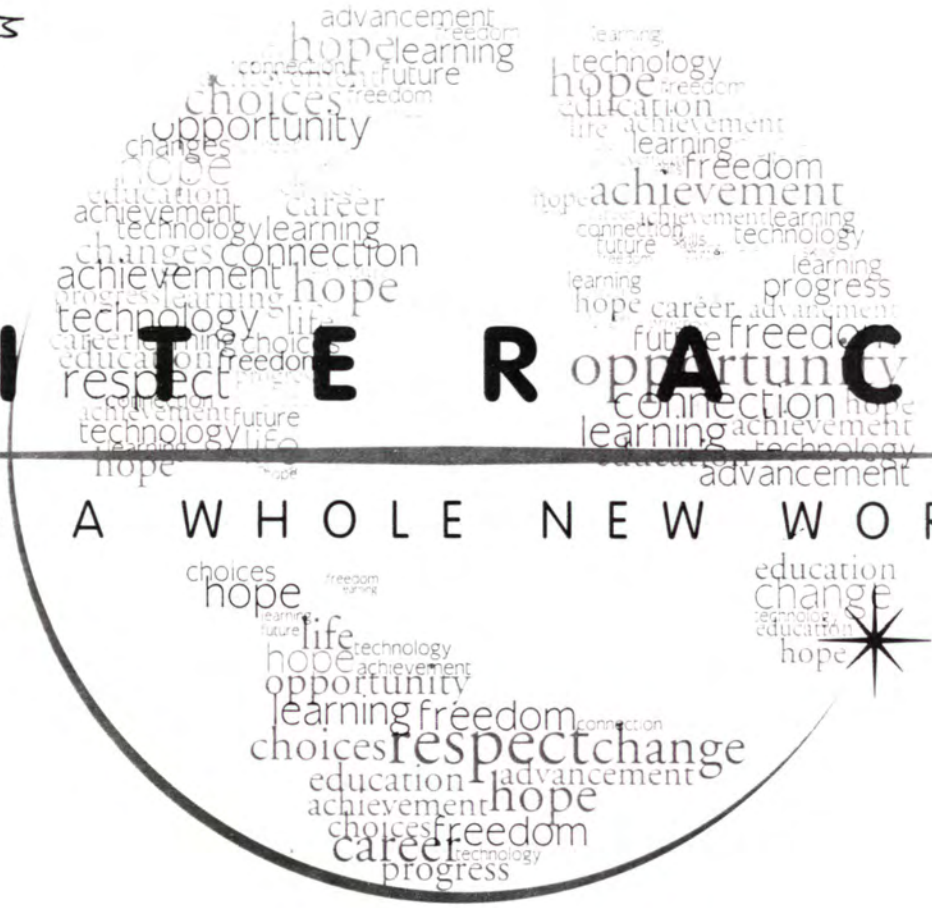

LITERACY

IT'S A WHOLE NEW WORLD

NATIONAL INSTITUTE FOR LITERACY

August 6, 1998

The Honorable Bill Clinton
The White House
Washington, DC 20500

Dear Mr. President:

Thank you for the invitation to provide you and your Race Initiative staff with recommendations for how literacy can be part of the solution to racial inequity and the social problems that result. Our suggestions follow.

PROBLEM: **Black and Hispanic welfare recipients have more difficulty leaving the rolls than recipients who are white.**

SOLUTION: The literacy level of whites averages 54 points higher than that of blacks and 71 points higher than Hispanics (using a 500 point scale). Hispanics generally receive a year and a half less schooling than blacks, and nearly three years less than whites. Policy solutions include:

- **Higher Education Act.** Provide greater opportunity for welfare recipients with literacy needs to improve their skills before (or in conjunction with) entering the workplace. Contact House and Senate conferees for the Higher Education Act in support of the Wellstone amendment to the Senate bill, which increases the amount of time recipients can participate in education and training activities while still meeting state work requirements.
- **Your Budget Proposal to Congress.** Increase adult education state grant funding to at least $500 million, and target funds to urban areas with a high concentration of low literate minorities.

FOR MORE INFORMATION: See attached *New York Times* article, *Fact Sheet: Literacy & Welfare*, and *Adult Literacy Rates of Major U.S. Cities.*

PROBLEM: **The literacy skills of black high school graduates are significantly lower than those of white high school graduates. Blacks generally need a college degree to reach the same literacy level as white high school graduates. Colleges are increasingly eliminating remedial education courses. This leaves fewer options for low literate Americans, a disproportionate number of whom are African America, Native American, and Hispanic.**

SOLUTION: Appoint a Special Advisor to the Secretary of Education for Race Issues to work with the K-12, adult education and postsecondary systems to close the achievement gap. The Special Advisor could achieve more equitable outcomes by leading an effort for more equitable inputs. One example is the current school

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financing system, which will remain unequal as long as local property tax bases set local school funding levels.

FOR MORE INFORMATION: See attached *National Adult Literacy Survey* (pages 32-42).

PROBLEM: **Blacks who earn a General Educational Development (GED) high school equivalency degree see only marginal economic benefits, while whites who earn the same degree see a substantial increase in their earnings.**

SOLUTION: Ask the Departments of Commerce and Labor to develop a joint initiative to increase awareness among employers about the value of the GED. Make sure the private sector recognizes that the GED credential represents *more advanced academic achievement* than a high school diploma. Advocate that employers focus on achievement and credentials rather than race or ethnic heritage.

FOR MORE INFORMATION: See attached *Focus on Basics* article.

Thank you for your consideration. If you have questions or would like additional information, please contact either of us at 202-632-1500.

Again, thank you for all of your leadership in improving both educational opportunity and race relations.

Sincerely,

Andy Hartman

Andrew Hartman
Director

Carolyn

Carolyn Staley
Deputy Director

Shrinking Welfare Rolls Leave Record High Share of Minorities

Fast Exodus of Whites Alters the Racial Balance

By JASON DePARLE

WASHINGTON, July 24 — As the welfare rolls continue to plunge, white recipients are leaving the system much faster than black and Hispanic recipients, pushing the minority share of the caseload to the highest level on record.

White, black and Hispanic recipients are all leaving welfare at unprecedented rates. But the disproportionately large exodus of whites has altered the racial balance in a program long rife with racial conflict and stereotypes, according to figures that were compiled in an analysis of recent state data by The New York Times.

The legacy of those stereotypes makes the discussion of race and welfare an unusually sensitive one. In the past, advocates and scholars have taken pains to note there were more white families on welfare than black. But that is no longer the case.

Blacks now outnumber whites. The Hispanic share of the rolls is growing fastest. And black and Hispanic recipients combined outnumber whites by about 2 to 1. In addition, the remaining caseload is increasingly concentrated in large cities.

Some analysts warn that the growing racial and urban imbalance could erode political support for welfare, especially when times turn tight. More immediately, the changing demographics suggest that states may need new strategies as they serve those left behind, like recipients who do not speak English.

Consider the changing nature of the New York City caseload, which is larger than that of every state but California. Since the city's rolls peaked in March 1995, the number of whites on welfare has fallen 57 percent. That is nearly twice the 30 percent rate of decline for blacks. And it is nearly eight times the decline for Hispanic recipients, which is just 7 percent, lagging the declines for blacks and whites as it has nationwide. The city's welfare rolls are now 5 percent white, 33 percent black and 59 percent Hispanic.

Illinois, Ohio, Pennsylvania, Florida, Michigan — most of the states with large welfare populations like these have seen the number of whites on welfare declining faster than those of minorities. So have other states with significant caseload declines, like Wisconsin, Massachusetts and New Jersey.

The growing minority domination of the rolls is new, little-noticed and as yet largely unexplained. Most officials reacted with surprise when presented with the figures.

"Good grief!" said Representative E. Clay Shaw Jr., the Florida Repub-

Continued on Page A12

Welfare Rolls Leave Record High Minority Share

Continued From Page A1

lican who was the primary author of the 1996 Federal law that imposed time limits and work requirements. "That's definitely something we should look at. We don't want to leave one or two ethnic groups behind."

"I'm stunned," said Representative Robert T. Matsui, a California Democrat who is among the legislators most knowledgeable about the program. Mr. Matsui counts himself among those who have fought "a perception that welfare was a minority program. We tried to show that wasn't the case."

A Greater Distance To Cover for Minorities

There are a number of potential explanations for the changing racial demographics. They include possible discrimination by employers or by landlords in neighborhoods near jobs. In addition, unpublished data from the Census Bureau, prepared for The New York Times, suggest that minority recipients were significantly more disadvantaged than their white counterparts when the rolls peaked in 1994.

On average, they had less education, lower incomes and more children. They were less likely to have ever been married, a statistic that predicts lower rates of child support and lessened chances of leaving the rolls through a subsequent marriage. Perhaps most important, minority recipients were much more likely to live in poor, central city neighborhoods, far from the job growth that rings many cities.

Race is intertwined with place. Only 31 percent of white welfare families lived in city centers, the census data showed. But 63 percent of Hispanic welfare families lived in those job-scarce areas, as did 71 percent of blacks. This may also mean that minorities have faced less pressure from caseworkers to leave the rolls. Most states instituted their tough new rules outside the big cities, in regions with stronger economies and more responsive bureaucracies.

While the minority domination of the rolls could revive negative stereotypes, it comes at a time of unusual good will toward recipients of all races. With caseloads falling at a startling pace — for minorities as well as whites — taxpayers seem well-satisfied with the new ethos of time limits and work demands.

Flush with Federal money, states are investing in a variety of new employment services. And facing labor shortages, many communiti...

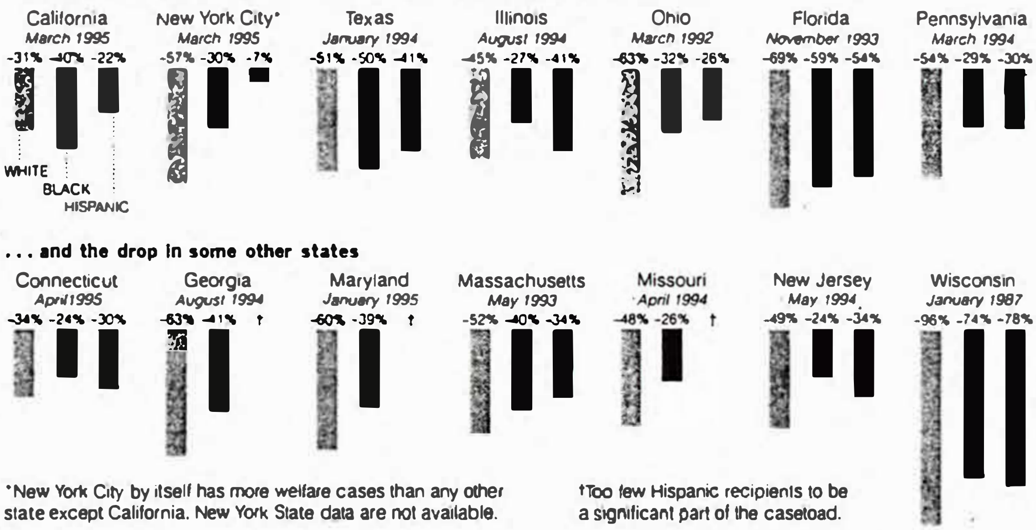
BY THE NUMBERS

Off the Rolls, but Unevenly

As the welfare rolls decline, white recipients are leaving the system faster than black and Hispanic recipients. Here is the percentage drop by race in the number of welfare cases in each state.* The decline is measured from the time the state caseload peaked (date shown in *italic*), to the most recent month for which data are available.

The drop in caseloads in the seven states with the largest welfare rolls . . .

. . . and the drop in some other states



*New York City by itself has more welfare cases than any other state except California. New York State data are not available.

†Too few Hispanic recipients to be a significant part of the caseload.

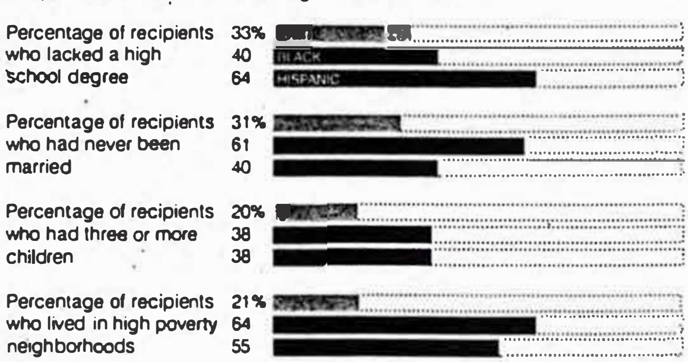
Source: State and city welfare departments

The New York Times

DEMOGRAPHICS

The Unlevel Playing Field

When the nation's welfare rolls peaked in March 1994, black and Hispanic recipients were more disadvantaged than whites.



Source: Census Bureau analysis of a 1994 sample of 5,400 families

The New York Times

of the general population. Hispanic families accounted for 22 percent of the welfare rolls, though they are 11

ence they reveal is in education. Among Hispanic recipients, 64 percent lacked a high school degree, as

raise the employment and marriage rates of welfare fathers.

A third difference is that minority women have larger families. Just 20 percent of white welfare recipients had more than two children, the census data show. But the figure for black and Hispanic recipients was nearly twice as high, 38 percent. Large families make it harder to find child care. They also reduce the economic rewards of working, since baby-sitting bills are higher.

A fourth explanation for the racial differences is on geography. The census data show 64 percent of black recipients lived in census tracts where at least a fifth of the population was poor. The figure for Hispanic recipients was also very high, 55 percent. But for whites it was just 21 percent. That not only suggests that black and Hispanic people live farther from jobs. It may also mean they have less work experience. "A lot of the people who have been on the rolls for the longest period of time have no one to vouch for them," said Bruce Katz, of the Brookings Institution, a research organization in Washington.

employment services. And facing labor shortages, many corporations are courting a welfare population they once took care to avoid.

Citing that optimistic climate, some minority leaders say they do not expect welfare programs to attract new racial hostility. "If we had had this conversation six or seven years ago, it would have been a real concern," said Mayor Dennis Archer of Detroit, who is black. But as jobs increase and poverty declines, even in the inner cities, Mr. Archer said, a racial backlash is unlikely. "Even those insensitive to minorities aren't willing to just turn their back and withdraw services just because of race," he said.

Others were less sanguine. Representative Donald M. Payne, a Newark Democrat, warned that the growing minority share of the rolls could erode support for welfare spending and reinforce racial bias in general.

"Wedge-issue politicians always use welfare as an issue," said Mr. Payne, a former chairman of the Congressional Black Caucus. "There's no question that stereotyping will expand. Before, it was misinformation. It might even now go to codify the stereotyping."

A Growing Imbalance As Rolls Get Shorter

The most recent national figures on welfare and race are 17 months old. They show that the number of white families receiving Federal cash assistance declined 25 percent after the rolls peaked in 1994. By contrast, the number of black families fell 17 percent and that of Hispanic families 9 percent. But those differences appear to have widened in recent months, as the caseload declines have accelerated.

The New York Times surveyed 15 programs — 14 states and New York City — which account for nearly 70 percent of the nation's welfare population. Among them, only California had a sharper decline among blacks than whites: 40 percent for blacks versus 31 percent for whites. The Hispanic decline in California was slower, 22 percent.

In all other programs, the number of whites on welfare declined faster than those of black or Hispanic recipients. And in more than two-thirds of the programs studied, the white rate of decline outpaced both the black and Hispanic rates by at least 10 percentage points. In Wisconsin, where the caseload declines have been most dramatic, an astonishing 96 percent of white recipients have left the rolls. (Black recipients declined 74 percent and Hispanic recipients, 78 percent.)

A result is an added imbalance in a program that already had a disproportionate share of minorities. By early 1997, blacks accounted for 37 percent of the nation's welfare caseload, though they are just 13 percent families accounted for 22 percent of the welfare rolls, though they are 11 percent of the general population.

Whites, by contrast, accounted for just 35 percent of the rolls, though they are 73 percent of the population. That is the smallest white percentage since the Government began compiling figures in 1973. The vast majority receiving Federal aid are single mothers and their children.

As the rolls grow more dominated by minorities, they are also more concentrated in large cities. Detroit, Miami, St. Louis, Cleveland, Baltimore, Milwaukee and Philadelphia all saw their caseloads fall. But in each of those cities, the declines lagged the state average.

As a result, 48 percent of Pennsylvania's recipients now live in Philadelphia, up from 38 percent four years ago. In Wisconsin, virtually all the state's welfare recipients — 85 percent — now live in Milwaukee, up from 39 percent a decade ago.

But the urban lag is not universal. Atlanta, Boston, Los Angeles and Bridgeport, Conn., have all cut their rolls at a pace that matches that of their states as a whole. And the declines in New York City, Chicago and Newark have lagged the state average by only a small percentage.

Hispanic Share Is Growing the Fastest

Among the most striking trends is the growing Hispanic share of the caseload. As recently as 1983, Hispanic recipients accounted for just 12 percent of the nation's caseload, about half their current share. Some of that increase is owing to the growing Hispanic share of the general population, but Hispanic recipients have also been leaving the welfare rolls more slowly.

There are several possible explanations. Hispanic recipients lag blacks and whites in education levels and language skills. In addition, they tend to have larger families than white recipients. And some analysts suggest that Hispanic women face greater cultural pressures to stay at home with their children.

Citing the prevalence of language barriers, some advocates contend that Hispanic recipients need more training, especially in basic language skills. "I would view this as a wake-up call, that the system is not working as it is supposed to," said Charles Kamasaki, vice president of the National Council of La Raza, a Hispanic civil rights group.

But most states emphasize immediate job placements. "Non-English-speaking people have been coming to this country and finding work for years," said Dick Powers, a spokesman for the Massachusetts Department of Transitional Assistance.

The census data cast new light on the obstacles that minority recipients face. The data come from interviews with 5,400 welfare recipients in March 1994. One of the racial differ- [illegible] Among Hispanic recipients, 64 percent lacked a high school degree, as did 40 percent of the blacks. By contrast, only 33 percent of the white recipients lacked a high school degree. And those differences may understate the actual disparities in skills, because whites on average attend better schools than minority students.

A second difference is that minority women are less likely to marry. About 61 percent of the black women on welfare had never been married. About 40 percent of the Hispanic women had never been married and 31 percent of the whites.

Researchers are uncertain why black women marry at lower rates, but economics may play a role. William Julius Wilson, a Harvard sociologist, has argued that high rates of unemployment among black men makes them less attractive as potential spouses. Mr. Shaw, the Florida Republican, has proposed spending $2 billion over the next five years to [illegible] tion, a research organization in Washington.

A fifth disadvantage can be seen in the census data. Minority recipients started out poorer. About 74 percent of black and 72 percent of Hispanic recipients spent the entire year in poverty, compared with 63 percent of whites. Given broader income trends, it follows that white recipients may also find it easier to turn to more prosperous relatives for help.

Among the unknowns is whether the racial imbalance will grow or diminish. "The big question is whether this is who leaves first, or who leaves ever," said Christopher Jencks, a Harvard sociologist. Like some others, Mr. Jencks warns that "the more black and Hispanic the program becomes, the more political pressure there is to cut back." Then again, he notes, "most people already thought that it was all black and Hispanic."

"So," he said, "it may not make as much difference as you might at first think."

FACT SHEET: literacy & welfare

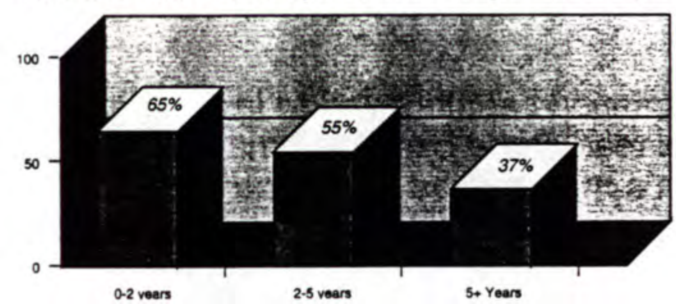
Improving basic education and literacy skills can be the key to long-term self-sufficiency for welfare recipients because:

Welfare recipients generally have low education skills.

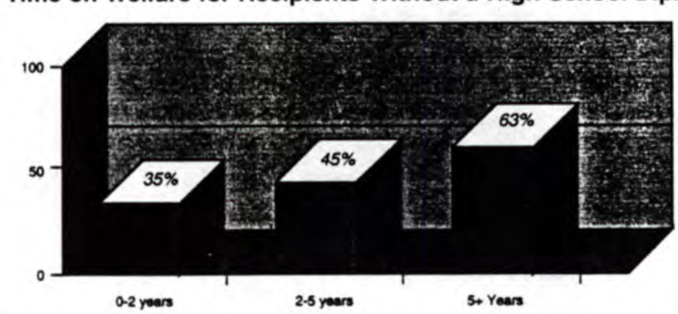
- Welfare recipients ages 17-21 read, on average, at the sixth grade level. When teens drop out of school, they are likely to drop in to the welfare system.
- Almost 50 percent of adults on welfare do not have a high school diploma or GED.

Welfare recipients with low education skills stay on welfare the longest; those with stronger education skills become self-sufficient more quickly.

Time on Welfare for Recipients With a High School Diploma



Time on Welfare for Recipients Without a High School Diploma



- Over 60 percent of those who spend more than five years on welfare enter AFDC with less than a high school education.
- Over 65 percent of people on welfare who have a high school diploma or GED leave welfare and become self-sufficient within two years.

NATIONAL INSTITUTE FOR LITERACY

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The education level of welfare recipients is closely linked to their income level.

- Adults with low literacy skills earn the least. As literacy skills improve, average weekly wages of welfare recipients increase.
- Workers who lack a high school diploma earn a mean monthly income of $452, as compared to $1,829 for those with a bachelor's degree.
- Among adults with low literacy skills, 43 percent live in poverty and 17 percent receive food stamps. In contrast, among adults with strong literacy skills, fewer than five percent live in poverty and fewer than one percent receive food stamps.
- Welfare recipients with low literacy skills work 11 weeks per year, on average, compared to 29 weeks for those with stronger literacy skills.

Helping welfare recipients improve their basic education and literacy skills improves our economic competitiveness.

- Ninety percent of Fortune 1000 executives expressed concern in a recent survey that low literacy is hurting their productivity and profitability.
- Forty million American adults need to improve their literacy skills. While they can read some basic information, they cannot locate an intersection on a map or read a newspaper article. Until they improve their basic education and literacy skills, these adults cannot effectively compete for today's jobs.

RECOMMENDED READING

1. "Literacy and Dependency: the Literacy Skills of Welfare Recipients Living in the United States," available from the Educational Testing Service (609/734-5694).
2. "A Brief Summary of Key Provisions of the Temporary Assistance for Needy Families Block Grant of H.R. 3734: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," available from the Center for Law and Social Policy (202/328-5140).
3. "How to Prepare for Welfare Changes," available from the National Institute for Literacy (202/632-1500, option 6, or http://www.NIFL.gov).

NATIONAL INSTITUTE FOR LITERACY

ADULT LITERACY RATES IN MAJOR U.S. CITIES

City	Adults at Level 1* *(by percent)*
Atlanta	38
Baltimore	38
Boston	28
Chicago	37
Cleveland	38
Hartford	41
Houston	31
Indianapolis	20
Los Angeles	37
Memphis	33
Miami Beach	41
New York	36
Philadelphia	34
Seattle	18

* *Refers to literacy levels established by the U.S. Department of Education in the National Adult Literacy Survey.*

Source: *The State of Literacy in America*, National Institute for Literacy

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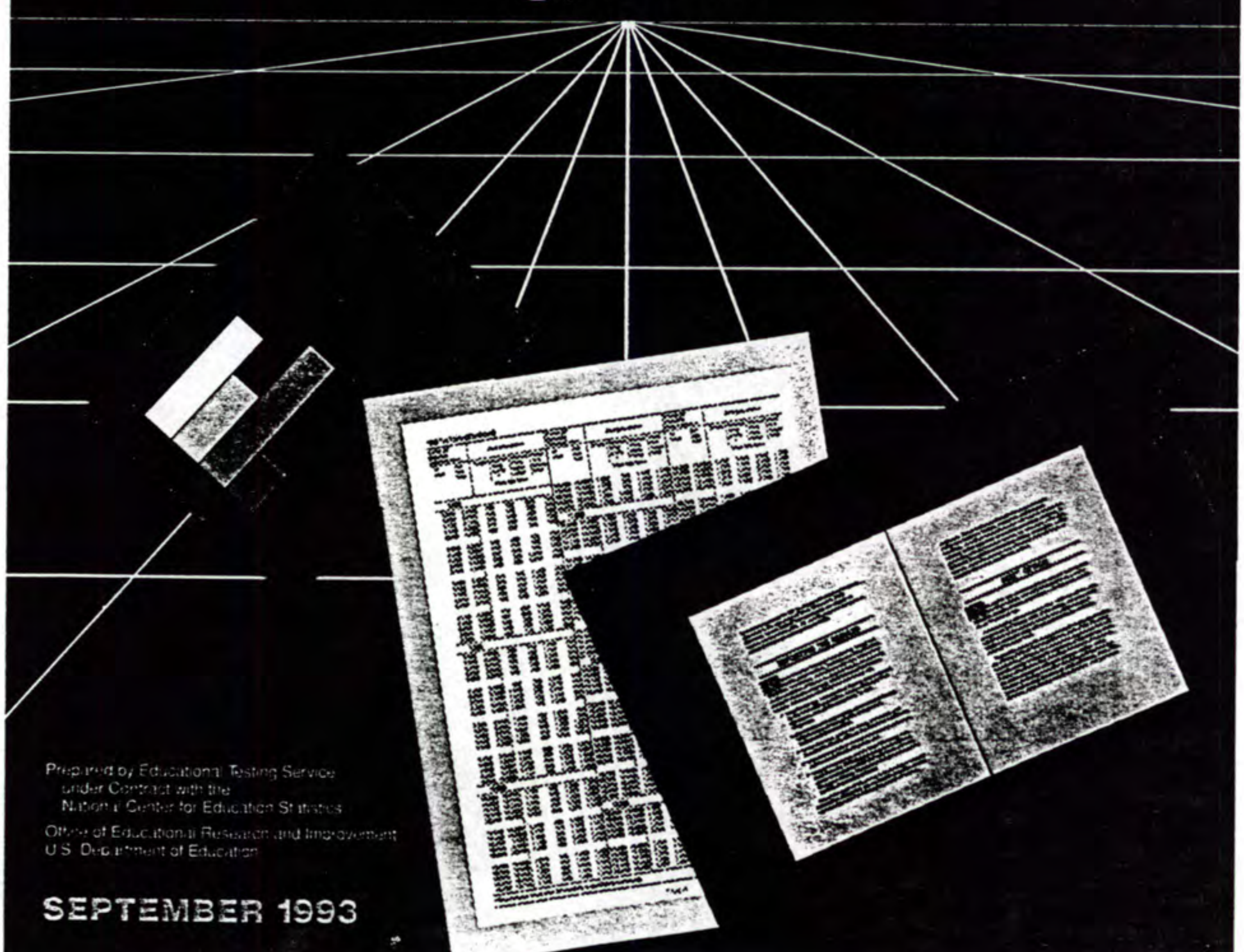
NATIONAL CENTER FOR EDUCATION STATISTICS

ADULT LITERACY in America

A First Look at the Results of the National Adult Literacy Survey

Irwin S. Kirsch, Ann Jungeblut, Lynn Jenkins, and Andrew Kolstad

Educational Testing Service



Prepared by Educational Testing Service
under Contract with the
National Center for Education Statistics

Office of Educational Research and Improvement
U.S. Department of Education

SEPTEMBER 1993

Average Years of Schooling, by Age

Age	Average Years of Schooling*
16 to 18 years**	10.8
19 to 24 years**	12.5
25 to 39 years	12.9
40 to 54 years	13.1
55 to 64 years	11.8
65 years and older	10.7

*in this country.
**Many adults in these age groups are still in school.

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

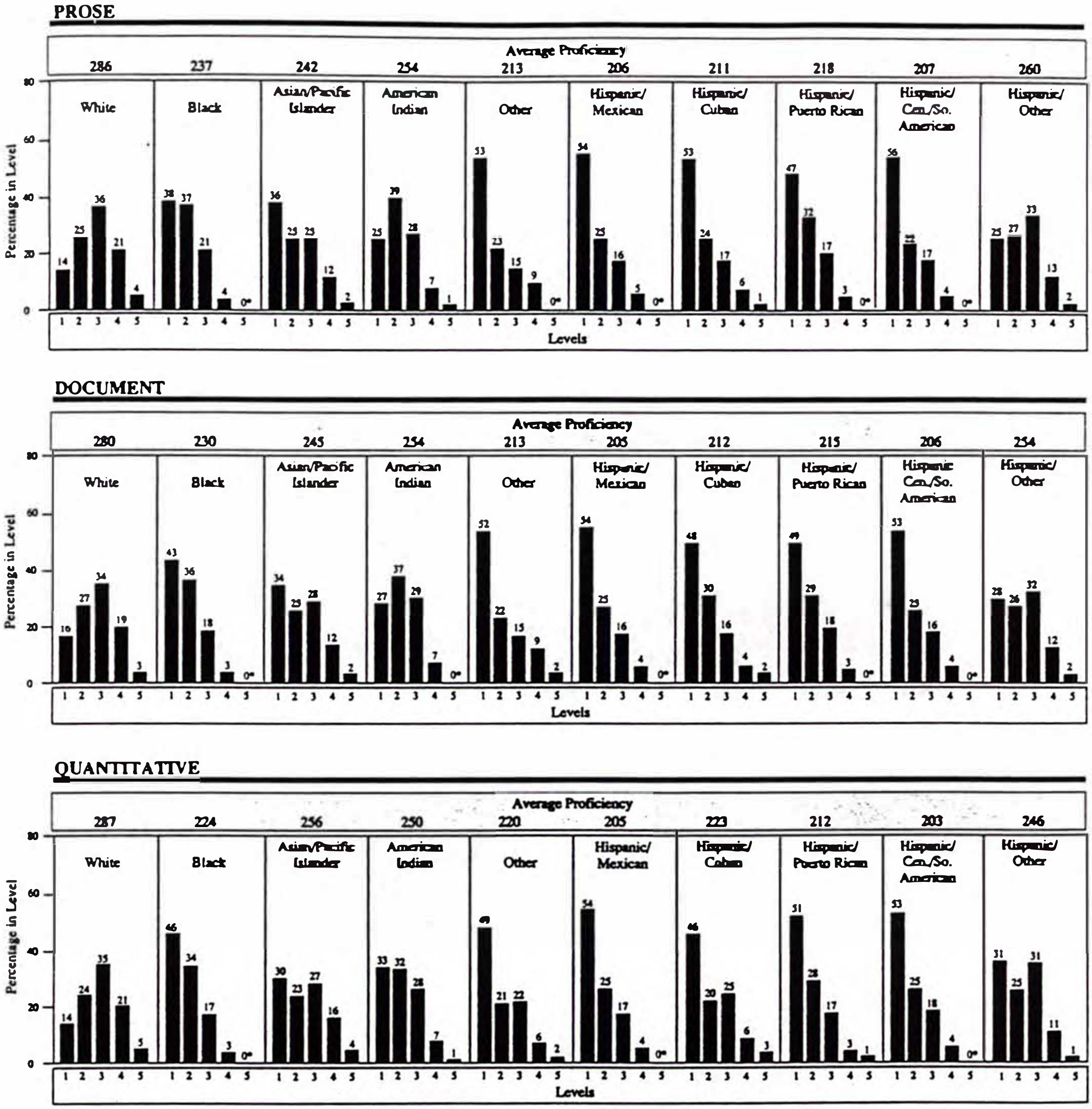
Results by Race/Ethnicity

Because such a large number of adults participated in this survey, it is possible to report performance results for many more racial/ethnic groups than has been possible in the past.

The average prose literacy of White adults is 26 to 80 points higher than that of any of the other nine racial/ethnic groups reported here (FIGURE 1.6). Similar patterns are evident on the document and quantitative scales. On the document scale, the average scores of White adults are between 26 and 75 points higher than those of other groups, while on quantitative scale they are from 31 to 84 points higher.

With the exception of Hispanic/Other adults, the average proficiencies of the Hispanic subpopulations are not significantly different from one another. On average, Mexican and Central/South American adults were outperformed by Black adults. In contrast, Hispanic/Other adults outperformed Black adults on the prose and document scales by more than 20 points. (On the quantitative scale, the difference is not significant.) Their performance was, on average, similar to that of Asian/Pacific Islander adults and American Indian/Alaskan Native adults.

Literacy Levels and Average Literacy Proficiencies, by Race/Ethnicity



*Percentages below .5 are rounded to 0.

Level 1 (0 to 225) **Level 2** (226 to 275) **Level 3** (276 to 325) **Level 4** (326 to 375) **Level 5** (376 to 500)

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

When one compares the average proficiency results for White and Black adults and for White and Asian/Pacific Islander adults, one sees very different patterns across the three literacy scales. While the proficiency gap between White and Black adults *increases* across the prose, document, and quantitative scales (from 49 to 63 points), the gap between White and Asian/Pacific Islander adults *decreases* (from 44 to 31 points). On the prose scale, the average proficiencies of White and Black adults differ by 49 points, compared with a difference of 44 points between White and Asian/Pacific Islander adults. On the document scale, the proficiency gap between White and Black adults is 50 points, whereas between White and Asian/Pacific Islander adults it is 35 points. On the quantitative scale, the average proficiency of White adults is 63 points higher than that of Black adults, but only 31 points higher than that of Asian/Pacific Islander adults.

The differences in average performance between Black and Asian/Pacific Islander respondents are even more striking. The two groups performed similarly on the prose and document scales, but Asian/Pacific Islander adults outperformed Black adults by 32 points on the quantitative scale. Such differences in the patterns of performance reflect the different backgrounds and experiences of these adults. If performance were reported on a single literacy scale, such important variations across the scales would be masked.

The racial/ethnic differences in performance reflect the influence of many variables. Data on some of these variables were collected as part of the National Adult Literacy Survey, including information on educational attainment, age, and country of birth.

Educational Attainment and Racial/Ethnic Differences

Given the strength of the relationship between adults' level of education and their literacy performance, it was hypothesized that proficiency differences among the various racial/ethnic groups might be related to varying educational attainments. The average years of schooling in this country reported by respondents in different racial/ethnic groups are presented in Table 1.5. Because the numbers of adults in each of the Hispanic subpopulations are relatively small, analyses of the nine levels of educational attainment within each group result in unreliable estimates. Therefore, the five Hispanic subpopulations are combined for these analyses.

Hispanic adults reported having had the fewest years of schooling of all the groups — just over 10 years, on average. The average years of education attained by Black adults and respondents of American Indian/Alaskan Native origin are similar: 11.6 and 11.7 years, respectively. Thus, these groups had

Average Years of Schooling, by Race/Ethnicity

Race/Ethnicity	Average Years of Schooling*
White	12.8
Black	11.6
Asian or Pacific Islander	13.0
American Indian or Alaskan Native	11.7
Hispanic groups	10.2

*in this country.

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

completed more years of school than Hispanic adults, on average, but at least a year less than either White or Asian/Pacific Islander adults.

While these differences in years of education may help explain some of the gaps in performance among the various racial/ethnic groups, they do not explain all of the disparities that are found. Another way to examine the relationship between years of schooling and racial/ethnic differences is to compare proficiencies across levels of educational attainment (FIGURE 1.7).

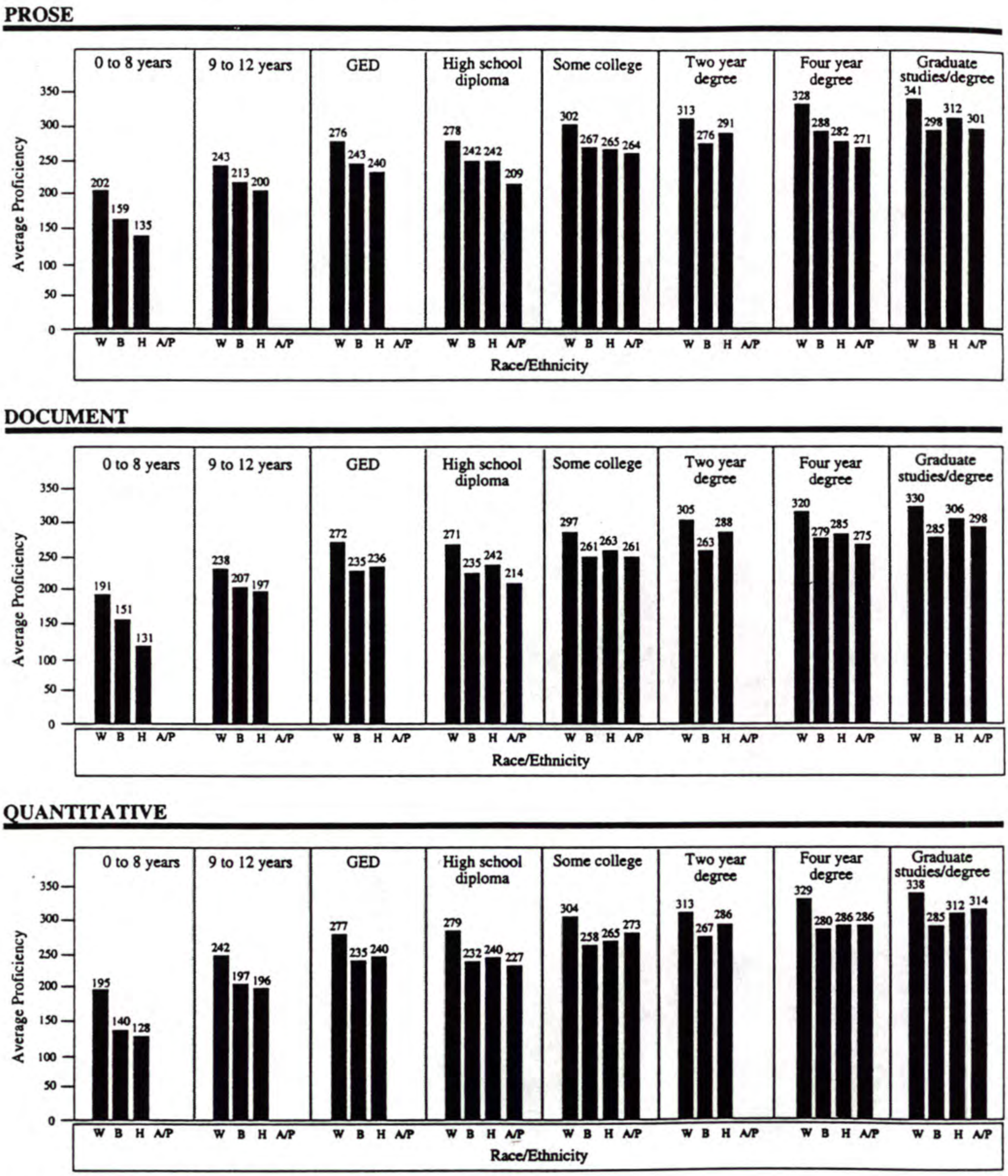
For the most part, differences in average proficiencies among minority subgroups are reduced when comparisons are made only among individuals with the same levels of education. Even when one controls for level of education, however, large differences in average performance continue to be observed (TABLE 1.6).

The average differences in prose, document, and quantitative proficiencies between White and Black adults are 49, 50, and 63 points, respectively. When level of education is taken into account, the average proficiency differences across the nine levels of education decrease to 36, 37, and 48 points, respectively. The remaining disparities in performance between White and Black adults may be the result of numerous factors. One plausible explanation is the variation in the quality of education available to these two populations. Differences in socioeconomic status are also likely to be a factor.

When comparing the differences between White and Hispanic adults, the effects of controlling for education are even greater than for White and Black adults. This reflects the larger difference between these two groups in years of

Figure 1.7

Average Literacy Proficiencies, by Highest Level of Education Completed and Race/Ethnicity



Note: The numbers of Asian/Pacific Islander adults who had completed 0 to 8 years or 9 to 12 years of education, a GED, or a two year degree are too small to provide reliable proficiency estimates.

W: White B: Black H: Hispanic groups A/P: Asian/Pacific Islander

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

Differences in Average Literacy Proficiencies Between Various Racial/Ethnic Groups, Overall and by Level of Education

Differences Between:	Overall Difference	Average Difference by Level of Education*
White and Black Adults		
Prose	49	36
Document	50	37
Quantitative	63	48
	3/162 54	
White and Hispanic Adults		
Prose	71	40
Document	67	35
Quantitative	75	41
	3/213 71	
White and Asian/Pacific Islander Adults		
Prose	44	54
Document	35	45
Quantitative	31	40

*The "average difference" column reflects the weighted average of the proficiency differences between each pair of groups across the levels of education. For the White-Black and White-Hispanic comparisons, the average is based on all nine levels of education. For the White-Asian/Pacific Islander comparisons, the average is based on the four levels of education for which there are reliable estimates.

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

schooling, as reported in Table 1.5. The average difference across the three scales is reduced by almost 50 percent when level of education is taken into consideration. Overall, the average differences in prose, document, and quantitative proficiencies between White and Hispanic adults are 71, 67, and 75 points, respectively. When one takes levels of education into account, however, these differences decline to 40, 35, and 41 points across the three literacy scales.

In contrast, given the similarity in the number of years of schooling completed by White and Asian/Pacific Islander adults, the differences in average performance do not change significantly when level of education is taken into account. That is, whereas the average differences in prose, document, and quantitative performance between White adults and respondents of Asian/Pacific Islander origin are 44, 35, and 31 points, respectively, the average differences are 54, 45, and 40 points on the three scales when one compares performance while controlling for level of education.

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Age and Racial/Ethnic Differences

While there continue to be disparities in educational attainment among individuals with different racial/ethnic characteristics, levels of education have risen for all individuals throughout the last century. Therefore, it seems important to explore racial/ethnic group differences in various age cohorts. One might expect that the differences in average years of education among the racial/ethnic groups would be smaller for younger adults, and that the differences in average proficiencies would therefore be higher for older adults.

Figure 1.8 shows the differences in average literacy proficiencies and in average years of schooling between White adults and those in the other minority groups by age. The differences in average years of schooling between White and Black adults and between White and Hispanic adults increase across the age groups, and so it is not surprising to see that these are mirrored by rising disparities in literacy performance. For example, across the scales, the average proficiency difference between Black and White adults in the 16 to 18 age group is 36 to 47 points. The accompanying difference in years of schooling is .2 years. In contrast, in the 40 to 54 age group, the average performance gap between White and Black adults is much larger, ranging from 65 to 75 points. The corresponding difference in average years of education is 1.6 years.

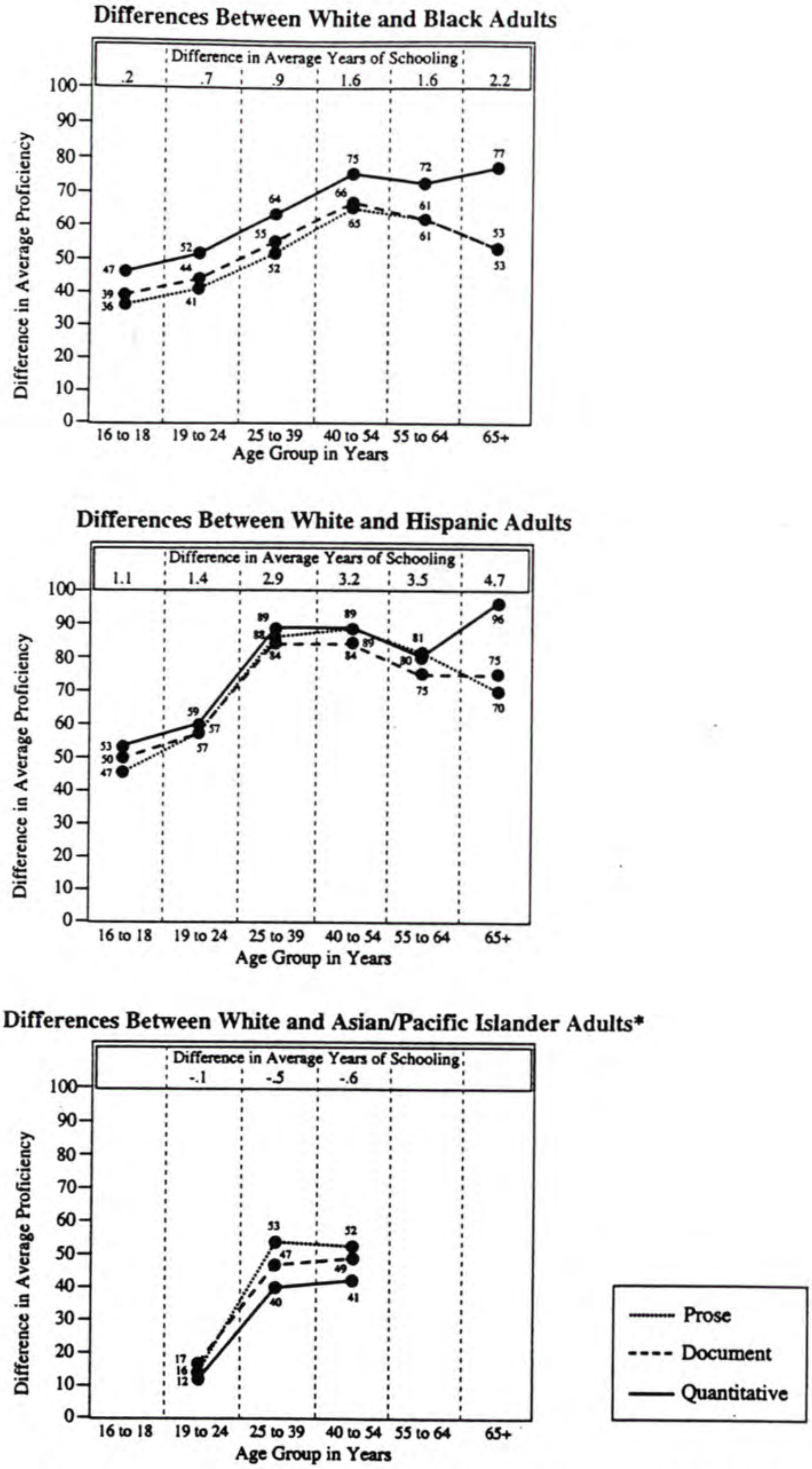
Across the age groups, there are even larger differences in average literacy proficiencies and years of schooling between White adults and respondents of Hispanic origin. Among 16- to 18-year-olds, the difference in average years of schooling between these two groups is 1.1 years, and the proficiency differences range from 47 to 53 points across the scales. Among 40- to 54-year-olds, on the other hand, the difference in average years of schooling is 3.2 years, and the proficiency gap is between 84 and 89 points on each scale.

For White adults and those of Asian/Pacific Islander origin, a different pattern is evident. The numbers of Asian/Pacific Islander adults in the 16 to 18, 55 to 64, and 65 and older age groups are too small to provide reliable proficiency estimates. In the age categories for which data are available, however, White adults outperformed Asian/Pacific Islander adults, but there are no significant differences between the two groups in average years of schooling. It is noteworthy that the performance gap between White and Asian/Pacific Islander adults is relatively small in the 19 to 24 age group.

In making the comparisons between White adults and those of either Hispanic or Asian/Pacific Islander origin, it is important to remember that first language spoken and country of birth may contribute substantially to the proficiency differences that are observed.

Figure 1.8

Differences Between Adults in Various Racial/Ethnic Groups in Average Literacy Proficiencies and Average Years of Schooling, by Age



*The number of adults of Asian/Pacific Islander origin who were in the 16 to 18, 55 to 64, and 65 and older age groups were too small to provide reliable proficiency estimates.

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

Country of Birth and Racial/Ethnic Differences

Many adults immigrate to the United States from places where English is not the national language. Not surprisingly, individuals born in this country tend to be more proficient in English than those born outside of this country, who are likely to have learned English as a second language. To better understand the differences in performance among various racial/ethnic groups, then, it is helpful to examine the proportion of each group that was born inside and outside the United States.

Nearly all White (96 percent) and Black (95 percent) adults and most respondents of Puerto Rican origin (80 percent) said they were born in the United States (TABLE 1.7). On the other hand, relatively small proportions of Asian/Pacific Islander (22 percent), Central/South American (21 percent), and Cuban (11 percent) adults were born in this country. About half of the Mexican adults and approximately 68 percent of the Hispanic/Other adults reported being born in the United States.

With one exception, individuals born in the United States tended to outperform their peers who were born abroad (FIGURE 1.9). The exception

NALS **Table 1.7**

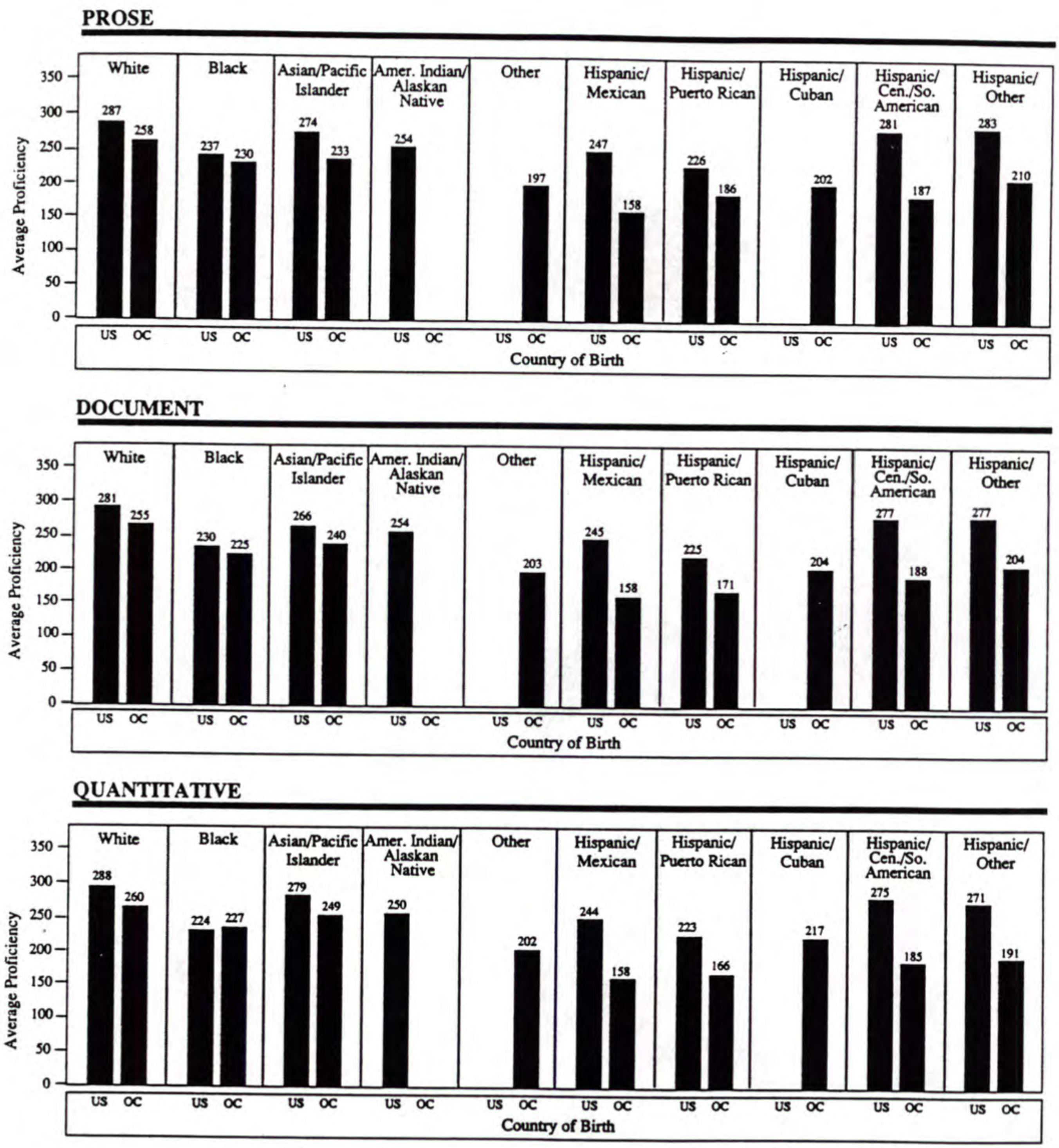
Percentages of Adults Born in the United States and in Other Countries or Territories, by Race/Ethnicity

Race/Ethnicity	Born in the United States	Born in Other Countries or Territories
White	96	4
Black	95	6
Asian or Pacific Islander	22	78
American Indian or Alaskan Native	100	0*
Other	24	76
Hispanic/Mexican	54	46
Hispanic/Puerto Rican	80	20
Hispanic/Cuban	11	89
Hispanic/Central or South American	21	79
Hispanic/Other	68	32

*Percentages below .5 are rounded to 0.

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

Average Literacy Proficiencies, by Country of Birth and Race/Ethnicity



Note: The numbers of "Other" and Hispanic/Cuban adults who were born in the United States, and of American Indian/Alaskan Native adults who were born in other countries, are too small to provide reliable proficiency estimates.

US: United States OC: Other Country or Territory

Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

appears among Black adults, where the differences in average performance range only from 3 to 7 points across the scales and are not significant. Across the three literacy scales, the average proficiencies of native-born Mexican, Puerto Rican, Central/South American, and Hispanic/Other adults are 40 to 94 points higher than those of their foreign-born peers. For White and Asian/ Pacific Islander adults, the differences range from 26 to 41 points across the scales.

Indeed, when the differences in literacy proficiencies among various racial/ethnic groups are viewed through the lens of country of birth, the pattern of results that appears in Figure 1.6 changes substantially. When one takes country of birth into consideration, there are no significant differences between the prose and document proficiencies of native-born Central/South American or Hispanic/Other adults and the proficiencies of native-born White adults. Further, on all three scales, native-born Black and Puerto Rican individuals demonstrated about the same average proficiencies. The average scores of native-born Asian/Pacific Islander adults were similar to those of White adults, and to those of respondents who reported Central/South American and Hispanic/Other origins. Though some of the differences among these groups appear to be large, they did not reach statistical significance.

Results by Type of Illness, Disability, or Impairment

The National Adult Literacy Survey included a series of questions about illnesses and disabilities, making it possible to examine the literacy skills of adults with various types of conditions. One question asked respondents whether they had a physical, mental, or other health condition that kept them from participating fully in work, school, housework, or other activities. Two other questions asked whether they had visual or hearing difficulties. Finally, respondents were asked whether they had a learning disability, any mental or emotional condition, mental retardation, a speech disability, a physical disability, a long-term illness (for six months or more), or any other health impairment. Respondents were permitted to report each type of disability or condition they had.

Overall, 12 percent of the total population said they had a physical, mental, or other health condition that kept them from participating fully in work, housework, school, or other activities (TABLE 1.8). Between 6 and 9 percent reported vision or hearing difficulties, physical disabilities, long-term illnesses, or other health impairments, and about 3 percent reported having a learning disability. Very few individuals — 2 percent or less of the population — reported having some form of mental retardation, a mental or emotional condition, or a speech disability.

Focus on

Basics

World Education/NCSALL · Connecting Research and Practice · Volume 2, Issue B · June 1998

THE GED

The GED: Whom Does It Help?

Results from a new approach to studying the economic benefits of the GED

by John H. Tyler

Does acquiring the GED increase the earnings of drop outs? At least 13 different studies in the last decade have examined aspects of this question. Not one of these studies, however, was really able to separate the impact of the credential from the contributions that unobservable factors inherent in GED holders, such as motivation, might make. A quirk of policy enabled me and my colleagues at the Harvard Graduate School of Education, Richard J. Murnane and John B. Willett, to develop a unique approach to looking at this question. Our results differ considerably from those of our colleagues. We found that, unlike almost all previous studies, at least for young white drop outs, acquisition of a credential of General Educational Development (GED) can have a substantial impact on earnings.

Continued on page 3

Focus on Basics is the quarterly publication of the National Center for the Study of Adult Learning and Literacy. It presents best practices, current research on adult learning and literacy, and how research is used by adult basic education teachers, counselors, program administrators, and policy-makers. *Focus on Basics* is dedicated to connecting research with practice, to connecting teachers with research and researchers with the reality of the classroom, and by doing so, making adult basic education research more relevant to the field.

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NCSALL
National Center for the Study of Adult Learning and Literacy

WORLD EDUCATION

Welcome to *Focus on Basics*

Dear Readers,

Since September, 1997, researchers affiliated with the National Center for the Study of Adult Learning and Literacy (NCSALL) have been conducting studies on a variety of topics of concern to the field of adult literacy. I have described some of them in the column *Focus on Research*, which appears in each issue. The first results are now ready for the public.

In our cover article, John Tyler presents his research on the economic impact of the General Educational Development (GED) credential. Using a methodology new to GED-impact research, Tyler and his colleagues find that the GED has a substantial economic impact for young white GED holders whose scores hover near the passing line on the tests. That impact is not found for nonwhites. These findings are both encouraging and troubling.

Tyler has also been examining the process of passing the GED. Who passes the first time? How do pass rates change because of the retest option? Which tests are the biggest barriers to passing, and does that vary by gender or race? Tyler's preliminary findings are on page 22.

Thanks to this research, we know more about the patterns of who passes the GED and what impact it has on income. How do people prepare students for the tests? Anson Green, Jamie Barron Jones, and Cynthia Zengler share with us processes they went through to develop intake and instructional strategies that work.

The GED is a widely recognized credential, but many people outside of the field of adult literacy do not know that it is offered in French and Spanish as well as English. Anastasia Cotton and Bertha Cantú-Luján provide us with a look at the Spanish GED program in Doña Ana County, New Mexico.

As you teach the GED, or pre-GED, or English for speakers of other languages, do you use materials drawn from the lives of your students, or do you have a favorite text that works for you? Do the learners in your program help set program policy and determine curriculum and materials? NCSALL researchers Victoria Purcell-Gates, Sophie Degener, and Erik Jacobson have developed a 'map' of practices along these two dimensions: the degree of relevance to the lives of learners of materials, and the degree of participation in class and program decision making held by learners. A report on their work begins on page 11.

We urge you to consider the research findings and their application to practice that we have presented in this issue. Contact us with your thoughts on the instructional and policy implications they raise.

On a different note, we were greatly saddened to learn that Michael Pritza, an ABE/GED instructor in the Gilmer Country Reading Program, Ellijay, Georgia, passed away on April 26th. Michael wrote about his experiences shifting from individualized instruction to classes and group discussion in the last issue of *Focus on Basics*. His contributions to the field and to his program are valued; he will be missed.

Sincerely,

Barbara Garner

Barbara Garner
Editor

The GED... *continued from page 1*

Previous research into the economic benefits of the GED points to relatively inconsequential increases in hourly wages, annual earnings, or employment for GED holders relative to drop outs without a GED. In contrast, our study shows that young white GED holders receive a large boost in annual earnings if they acquire a GED. Our treatment group was drop outs age 16 to 21 who passed the GED with scores that were at or just above passing: what could be described as on the margin of passing. Our comparison group was drop outs age 16 to 21 who had the same marginal scores on the GED but, because of different passing requirements in their states, did not receive the credential. When we compare our treatment and comparison groups, we find that the annual earnings of the white treatment group of GED holders, five years after they received the credential, are ten to 20 percent higher than the annual earnings of the comparison group of drop outs who do not possess a GED. This is a very large percentage increase, but it represents an increase in annual earnings of only about $1,500, leaving the clear message that the GED cannot be counted upon as a sole ticket out of poverty.

We were able to conduct separate analyses for white and nonwhite drop outs, and we find no statistically significant differences between the annual earnings of the treatment and comparison groups of nonwhite drop outs. I will discuss this rather surprising and distressing finding later and offer possible explanations.

NCSALL Research FINDINGS

Different Methodology

As I stated above, these findings come from a study that uses a different methodology than has previously been employed in GED-related research. GED holders are a self-selected, rather than random, group. Given this, failure to account for factors that may cause some drop outs to pursue a GED while other, seemingly similar, drop outs do not results in estimates biased away from the truth. For example, if it is the most motivated drop outs who tend to pursue the GED, then failure to account for this will overstate the effect of the GED on drop outs. Our methodology accounts for this self-selection bias by starting with a data set of drop outs who have all chosen to attempt a GED. We then use the fact that different states have different GED passing standards to compare drop outs who have the same GED exam scores, but who do or do not have a GED depending on the state in which they attempted the exams.

With this methodology, our treatment group — individuals with a GED — is composed of drop outs who are on the margin of passing, but have a GED because they are in a state with a lower passing standard. Meanwhile, our comparison group — individuals without a GED — is composed of drop outs who are on the margin of passing, but who do not have a GED because they are in a state with a higher passing standard. We are able to account for the fact that our treatment and comparison individuals come from different states and these states may have different labor markets, cost of living, etc.

Data

The data we used to conduct this study are also unique to GED-related research. Past research relied on data sets such as High School and Beyond or the National Longitudinal Study of Youth, which do not have details on GED scores or attempts at passing. Our data were supplied by the GED Testing Service and the state Education Departments in Connecticut, New York, and Florida. These data contain basic demographic information and — critical to our methodology — GED test scores for drop outs who were age 16 to 21 in 1990, the year they last attempted the GED exams. We have data from most, but not all, states on these 1990 GED candidates. Notice that everyone in our data, passers as well as non-passers, has 'selected' themselves into the pool of drop outs who would like to have a GED, as indicated by the fact that they attempted the battery of GED exams. To obtain an outcome measure, we worked with programmers at the Social Security Administration (SSA) to merge these GED data with SSA annual earnings data, yielding a data set containing basic demographic information (including states where the GED was attempted), GED test scores, and annual Social Security-taxable earnings. To allow the GED time to take effect in the labor market, we measure annual earnings in 1995, five years after our sample last attempted the GED.

Interpretation

Understanding the mechanisms through which a GED might have an impact on the earnings of drop outs is necessary to interpret our results properly. There are three.

- If preparation for the GED tests tends to increase cognitive skills, and if we assume that higher levels of cognitive skills lead to increased earnings, then there is a 'human capital component' to the GED.
- Many post-secondary education and training programs are denied to uncredentialed drop outs, but open to GED holders. To the extent that post-secondary education and training lead to increased earnings, then the GED's function as a 'gateway' to these programs would result in higher earnings for GED holders.
- Gaining information about the future productivity potential of job applicants can be a difficult and expensive enterprise. Employers may value the GED as a signal of unobservable or costly to observe productive attributes. If so, then drop outs who use the GED to 'signal' higher levels of motivation, maturity, commitment to work, or other productive attributes would tend to have higher earnings than drop outs who lacked the signal.

As a result of our research design, our estimates measure only the value of the GED as a labor market signal. Two factors lead us to this conclusion. First, since our treatment and comparison groups have the same GED test scores, the two groups are balanced on the human capital dimension: on average, the treatment and comparison groups have the same skill levels as measured by the GED exams. Thus, any observed differences in earnings cannot be the result of differences in underlying skills of the two groups; hence, there is no human capital component in our estimates of the effect of the GED on earnings.

Second, since other research we have conducted indicates that the lowest scoring GED holders — those who make up our GED treatment group — acquire very little post-secondary education or training, our estimates have essentially no gateway component. This leaves only labor market signaling as an explanation for the earnings differences we find between GED holders and uncredentialed drop outs. Thus, our results are correctly interpreted as the labor market signaling effect of the GED on the earnings of young drop outs who choose to acquire a GED and whose skills place them on the margins of passing.

Limitations

This study has certain limitations that result from SSA confidentiality requirements and the methodology we employ. As a result of federal guidelines designed to protect the confidentiality of individuals, the data released to us by the SSA impose three constraints on our study. First, we have to group all individuals who are not white into a single category, thus destroying the ability to examine whether the GED affects the earnings of African-Americans, Hispanics, Asians, and other minority groups differently. We can only speak to the overall average effect of the GED on this nonwhite group. Second, we cannot explore potential gender differences in the effects of the GED on earnings. And third, we cannot examine the impact of the GED for older GED holders. In future work, using different data, we will be able to retain our methodology and explore these important racial-ethnic and gender issues.

Our methodology, which allows us to address heretofore intractable selectivity-bias issues, also imposes some limitations on what we can say. As a direct result of our methodology, we can do no more than speculate about the following questions that are important to a better understanding of how the GED works in the labor market:

- How large are the average human capital or gateway components of the GED?
- What is the effect of the GED on the earnings of the random drop out, a sample that includes drop outs who would never voluntarily select into the GED pool?
- What is the effect of the GED on higher scoring GED holders?

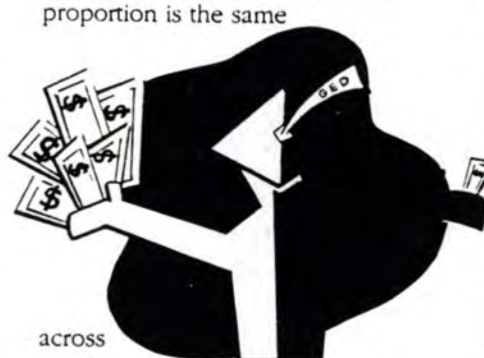
While it is important to point out the limitations to this study, a discussion of what we cannot say should not overshadow what we can say with this research. Namely, that we have very credible findings indicating that, at least for young white drop outs, there is a substantial payoff for individuals who chose to pursue acquiring a GED in 1990 and whose skills place them on the margin of passing.

Exploring Results

Given the interpretation of our results, we have to ask why employers would appear to value the GED as a signal of productive attributes for young, relatively low-skilled white drop outs, but not value it as a signal of the potential productivity of similar nonwhite drop outs? One possible answer to this question is that for young nonwhite drop outs, employers may place a higher value on other signals, such as language or residential address, than on the GED signal. To be explicit, consider this hypothetical situation. Two young, nonwhite drop outs apply for the same entry level job. One has a GED, the other does not. All things observable to the employer being equal, we might expect the GED-holder to have an edge. In this example, however, I assume that all things are not equal. The GED-holder in this hypothetical situation speaks English as a second language (this is observable to the employer), and as a result the employer gives the job to the uncredentialed native speaker. This type of behavior on the part of employers could lead to the results we find. A parallel example would adhere for residential address.

Another (and not mutually exclusive) explanation for our different white / nonwhite results contrasts the signaling effect of the credential for two different 'types' of GED holders. According to this hypothesis, some individuals actively seek to obtain a GED to convey a level of maturity or commitment to work, and some GED holders tend to acquire the credential primarily as a 'quasicompulsory' part of some larger program such as Job Training Partnership Act (JTPA) training programs, or Job Corps activities. It may be that the GED conveys very different information when garnered in these two different ways, with employers discounting the 'GED signal' when it is coupled with public assistance programs. If this hypothesis were true, and if substantially more nonwhite than white GED holders obtained their credential in a quasi-compulsory manner, then this could explain our results. Our best estimates for the percentage of 1990-minted GED holders who may have acquired their credential in conjunction with a public assistance program are 44 percent for nonwhites and only 11 percent for whites. While these numbers do not prove the hypothesis, they at least work in a direction that lends credence to this explanation.

Finally, other work we have done suggests a third explanation (see page 22). Using data on GED candidates from Connecticut and Florida, we find that a substantially larger proportion of young white GED candidates pass on the first attempt than do African-American or Hispanic candidates. In these data, about 75 percent of white drop outs pass on the first attempt, while only about 60 percent of the Hispanic and 45 percent of the African-American candidates passed on the first attempt. We also find that regardless of race-ethnicity, about the same percentage of first-time failers attempt a second or third time. If we believe that some unknown proportion of these multiple-attempters would pass as the result of chance high scores, and that this proportion is the same



across racial-ethnic groups, then the result would be a higher proportion of nonwhite candidates who have a GED as a result of chance, relative to white drop outs. Furthermore, it is logical that most of these 'false positive' GED holders (drop outs who have a GED as a result of chance high scores) have scores that place them in the 'margin-of-passing' zone that we use to construct our treatment and comparison groups. Under this scenario, it is plausible that over time employers might tend to discount the signaling value of the GED for nonwhites whose skills are relatively low, which could explain the white-nonwhite differences we find in the data.

'My' Reality

A logical question is: How do these results fit my experience? The important point to keep in mind is that any one person's particular experiences would only represent a tiny fraction of our data. That is, our estimates represent the average impact of the GED over the nation. This average could represent a world where the impact of the GED is about the same for everyone in the sample; it could represent a world where half of the individuals in the sample get a big boost out of the GED, while the other half get virtually no benefit; or, it could represent a world where there is a complete range of impacts associated with GED attainment. We can only present the average effect for young white drop outs and the average effect for young nonwhite drop outs. As a result, any one piece of anecdotal evidence as to how the GED works in someone's community may or may not fit the story that our estimates present. This is the limitation of quantitative research: we cannot say what will happen to any one individual. This compares to the limitation of qualitative research, which is the inability to generalize findings to the population of interest. Thus, each type of research has its own strengths and weaknesses. Ideally, both types of research are used to inform policy and practice, keeping in mind what each can and cannot say.

Policy Implications

Our research finds that employers value and use the GED as a signal of skills and attitudes they consider to be important in jobs. The message for policy here is that, at least for young white drop outs, the GED is serving an important function for both employers and drop outs. It is a relatively easily accessible and inexpensive way for drop outs with certain attributes to signal to employers that they are a good employment risk. Put another way, in the absence of more complete information, using the GED as a signal is a cost-effective way for employers to chose among drop out job applicants. The puzzling lack of a signaling effect we find for young nonwhite GED holders is a critical question. We cannot provide further answers to this question with our current data, but we are already working to secure more appropriate data that will be used to address this line of inquiry.

Even for white drop outs, however, the elements of good news contained in our findings must be leavened with the fact that the large percentage effects we find translate into relatively small real earnings gains of only $1,500 per year. Young GED holders have very low average annual earnings to start with, and so a $1,500 per year increase appears as a large percentage gain. Thus, we should remember that while the GED can lead to important earnings gains, by itself the credential is not a route out of poverty.

About the Author

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Full Report Available

The research report upon which this article is based is available from NCSALL for $10. To order, write to NCSALL *Reports*, World Education, 44 Farnsworth Street, Boston, MA 02210-1211; or e-mail NCSALL@WorldEd.org. ❖

Project-Based Learning and the GED

by Anson M. Green

A few years ago, I was hired to teach a General Educational Development (GED) class for public assistance recipients in San Antonio, Texas. I had been teaching Western humanities classes to freshmen and sophomores at Florida State University and had no training in teaching under-prepared adults. Though I could tell that the multilevel nature of the class would make the lecture approach I used in the university unworkable. I was most comfortable with a teacher-centered classroom. I adopted an approach where students silently studied individual subjects of the GED test using commercial GED textbooks, and I provided individual instruction.

This was somewhat successful in moving high-level students through the GED, yet I felt stymied in my efforts to motivate and educate those who required more remediation. Months of diligent work writing essays from GED textbook prompts or studying a science book often left them frustrated. In addition, I felt that most students who left class, with or without their GEDs, still lacked the self-esteem, motivation, and teamwork skills needed to get off public assistance and enter the workforce.

My frustration was relieved when I was introduced to the Project FORWARD life skills curriculum from El Paso Community College. [1] The curriculum stresses reading and writing activities that foster confidence and motivation by encouraging students to work together toward their academic and life goals. My quiet classroom began to give way to an excited, open community of learners. By connecting class activities to my students' world — a world where poverty, domestic violence, abuse, and brushes with the law are a commonality — I was able to increase their motivation to learn. Though their ages, educational backgrounds, and race varied, their shared experiences became the basis for instruction.

In September, 1996, Project FORWARD invited me to join a cadre of adult education teachers to explore innovative teaching techniques. A major objective was to implement a student project in our class. Though class projects seemed like an exciting idea, I never thought that they could be a viable means of producing the more defined skills needed to pass GED tests. Our initial meeting with Project FORWARD Director Barbara J. Baird and education consultant Heide Spruck Wrigley was spent defining the theory and discussing methods of implementation. [2] While the approach seemed exciting, I had reservations about how a project could be tied to the GED competencies and how my students, who are often very 'test driven,' would react to the idea.

Our First Project

Students in my open-entry class must attend class 25 hours a week to receive their welfare benefits; thus

CONGRESSIONAL BLACK CAUCUS FOUNDATION
TWENTY-THIRD ANNUAL LEGISLATIVE WEEKEND

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Summary of Panel Presentation by Stephen Reder 9/16/93

The National Adult Literacy Survey

The recently released National Adult Literacy Survey (NALS), reporting data collected in 1992 by the National Center for Education Statistics, represents the most comprehensive assessment in decades of adults' literacy capabilities and needs. The survey involved a random sample of about 26,000 of the nation's adult population (age 16 and over).

The NALS survey, conducted in homes, included an interview to obtain information about individuals social, economic and educational histories and status as well as their literacy activities. It also included an assessment of their functional literacy capabilities. The assessment consisted of simulated functional or real-world tasks, like filling in a form, extracting information from a chart, and looking through a newspaper article for needed information. These items, which ranged in format, complexity and difficulty, were designed to assess individuals' abilities to process information in *prose*, *document* and *quantitative* tasks. Numerical proficiency scores were estimated for each individual's prose, document and quantitative literacy abilities based on the tasks they were able to perform correctly. These scores range from 0-500 on each scale, and performance is categorized at one of five general levels of proficiency. According to the NALS report, individuals at the two lowest proficiency levels are able to perform a limited range of relatively simple tasks; but individuals functioning at these levels have substantial difficulties performing more challenging literacy tasks, particularly those requiring higher level reading and problem-solving skills.

Results of the NALS

The results of the NALS are striking. Nearly half of the nation's adults, 16 years and older, perform at the two lowest levels of proficiency. The NALS Report demonstrates that the literacy proficiencies measured by this assessment are closely related to indicators of the social and economic well-being of individuals and families, such as labor force participation, income level, poverty status, involvement with the criminal justice system, and voting activity.

As important as these findings are regarding the nation as a whole, the data regarding Blacks need to be highlighted. The NALS reports that 75-80% of Black adults in the United States are functioning at the two lowest proficiency levels, compared to 38-43%

of White adults. Correspondingly higher concentrations of non-employment, low income, poverty, welfare utilization and incarceration are found among Black adults in these data as well.

Education and Literacy

Education has long been the primary means by which literacy skills have been taught and learned in our society. Analysis of the NALS data indicates that educational attainment is the strongest determinant of proficiency, for both Whites and Blacks. The more schooling individuals have, the higher their performance on these assessments. But there is nonetheless a striking gap between Blacks' and Whites' functional literacy capabilities at each level of educational attainment, from less than high school up through post-baccalaureate degrees. On all three literacy scales, for example, the average score for Blacks who have completed a four year college degree is about the same as that for Whites who have completed only a high school degree.

Education, Literacy and Economic Outcomes

Being fully cognizant of the many important issues and questions involved in interpreting such performance differences on standardized tests like this one, there are nevertheless important reasons not to dismiss these data. When we look at the economic outcomes in the NALS data, such as wages, earnings and poverty status, we find strong positive correlations between educational attainment and economic outcomes. But even after we take educational attainment into account, there are major gaps between the earnings (for example) of Blacks and Whites. At constant levels of education, Whites earn significantly more than Blacks. These relationships are well established in other studies and data sources as well.

But our analysis of the NALS data (utilizing not only the recent national data but also previously conducted statewide NALS surveys in Oregon and Mississippi as well as a survey of national clientele of U.S. Department of Labor programs) adds a vital piece of information: Wages and earnings are positively related to functional literacy (as measured by NALS) even when educational attainment is held constant. The labor market is rewarding the skills and knowledge tapped by the NALS test, even after educational attainment (and other background variables) are taken into account. Indeed, the wage gap between Blacks and Whites disappears when the effects of *both* education and literacy are held constant.

It is important that this point is very clear. When predicting average wage or personal income, there is no difference between Blacks and Whites when both education and literacy are equated. Therein lies both the good and bad news. The good news is that, possibly, if the gap were closed between Blacks' and Whites' functional literacy capabilities (as measured by this test), economic gaps might close as well. The bad news, of course, is that there are major literacy differences between Blacks and Whites at each level of educational attainment. Furthermore, there is little indication in these data that the disparity between Blacks' and Whites' literacy skills at given levels of education is diminishing over time, even as the gaps in educational attainment are closing between Whites and Blacks.

A New Strategy for Equity

These results suggests that we may need to rethink and broaden our approach to educational equity. In recent decades, the equity emphasis has been on expanding and equalizing access to education. We have worked hard at increasing *access to schooling*. This valiant effort has paid off well for our children. Gaps in educational attainment have significantly narrowed. The assumption behind this work has been that educational attainment leads to functional competence which in turn leads to economic and social rewards. But our analysis of the NALS data indicates that this equity of access to schooling, although clearly necessary, may not be sufficient. We must attend to equity in the outcomes of schooling, especially functional literacy with its attendant social and economic byproducts. An expanded and equitable *access to literacy learning* is required.

What To Do

How can we promote equity of access to literacy learning, to insure that our children not only attain the schooling and degrees they desire, but also the functional literacy capabilities valued in society's labor market and essential for our collective social and economic well-being? Three general directions are suggested for policy and program development. All may require new ways of doing business in schools.

First, we must support **equity in functional literacy outcomes** -- not just equity in the amount of seat-time or degrees obtained. Equity of literacy outcomes must become a policy and programmatic goal in itself, and a criterion for excellence in education.

Second, we must promote **access to literacy learning in all of its contexts**, including but not limited to schools. There is growing evidence that literacy is learned in both schools and many non-school settings, including the home, the community and the workplace. Opportunities for learning must be accessible and rewarding across the lifespan. Programmatic efforts must engage and serve not only schoolchildren but also the many millions of adults needing better functional capabilities.

Third, we must assure that the **new standards movement** incorporates the above concerns. The issue here is not so much whether there should be reform and new standards, but making sure that such sweeping changes are designed to promote equity in access to learning and in outcomes. Our analyses suggest that minority children and families may face new inequities if traditional educational standards such as a high school diploma are replaced by performance thresholds on functional literacy tests like the NALS.

These are three directions in which policy and programs should evolve as we reform our schools and restructure opportunities for literacy learning that lead to equitable social and economic rewards. Filling in the many necessary details of design and implementation will take years of hard work. But such reform is possible if we proceed from a clear vision of not only what we want our children to know, but also of what kind of world we want them to live in. Excellence and equity in adult literacy must grow hand in hand.

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NAACP Caught Between Calls to Focus on Advocacy, Broaden Services

By MICHAEL A. FLETCHER
Washington Post Staff Writer

In a recent report to his board, NAACP President Kweisi Mfume catalogued a long list of programs being pursued by the nation's oldest and largest civil rights organization.

There were plans for a literacy program, a welfare-to-work effort and a conflict-resolution project. The NAACP also wants to expand the health screenings in barber and beauty parlors. And the group has received a grant to launch a youth entrepreneurship training institute.

But few of the initiatives Mfume listed fit traditional notions of civil rights work.

As the NAACP struggles to chart a modern course that builds on its civil rights advocacy, it increasingly finds itself pushed to address a broad array of social and economic ills. The initiatives are being demanded by the group's hard-pressed constituents, but they worry some NAACP leaders who fear the organization is moving far beyond its original mission and stretching its resources beyond reason.

"We have to draw the line between social service and social justice," said recently elected NAACP board Chairman Julian Bond, who said he would address the issue tonight during a speech at the group's 89th annual convention in Atlanta. "I just want to see us focus on advocacy, advocacy, advocacy. We cannot be all things to all people."

The NAACP still engages in plenty of old-fashioned civil rights work. It grades legislators, hotel chains and telecommunications firms on their civil rights records. And it protests and lobbies at school boards, state legislatures and before Congress. Still, there is growing concern within the organization that those efforts could be more effective if the organization narrowed its focus.

The NAACP earned its place as the nation's premier civil rights group by leading the movement that won the rights of full citizenship for African Americans. But the group is now grappling for the best way to confront problems ranging from high cancer and homicide rates to low SAT scores that hobble African American communities.

The NAACP offers SAT prep classes, educates African Americans about cancer and organizes rallies, marches and workshops to stop youth violence. The civil rights group also is planning to draw more attention to AIDS, which is the leading killer of African Americans between ages 25 and 44.

Most of those efforts have come in response to the demands of African Americans, who have told NAACP officials that the organization must address their daily lives, even if the new work comes at the cost of traditional advocacy. A national poll commissioned by the Detroit News in 1992 found that many African Americans felt the NAACP and other major civil rights groups were failing to meet their most pressing needs and had an obligation to move beyond traditional civil rights work.

"We had people saying we should be on the corner stopping the drug dealers," said Benjamin L. Hooks, who headed the NAACP for 16 years, until 1993. "[But] that thin line between what we ought to do and what we can do with the resources that we have is a very difficult line to draw."

Critics also have blamed the NAACP for failing to do more to organize opposition to the 1996 ballot initiative that outlawed many government-run affirmative action programs in California. Moreover, the NAACP and other major civil rights groups have not been included as visible partners in the president's race initiative, which would have been unthinkable during the organization's heyday.

In addition, the NAACP and other civil rights groups have come under harsh criticism for failing to do more to combat AIDS. While the groups are quick to acknowledge AIDS as an epidemic of dire proportions, they leave it to others to do the community work needed to actually battle the disease.

Mfume opened the convention yesterday promising "an outright street protest" to highlight the skyrocketing rate of AIDS among blacks.

"It is a national emergency, in many respects," Mfume said at a news conference. "If we don't say something, no one else will."

Hugh Price, president of the National Urban League, which focuses on education and job training, said many people fail to appreciate the limited reach of many civil rights groups.

"The question for organizations is what do you have the capacity to do well," Price said. "Do you just skim across the surface or do you dig in on a few issues? To have a real impact, you have to build capacity, expertise and a multilevel strategy. You just can't do that on every issue."

That problem is particularly acute for a mostly volunteer group such as the NAACP, which claims 500,000 members and 2,200 branches but has only 85 paid staff members and a national budget of $14.6 million. "The typical NAACP office is a telephone in a church basement," Bond said, in underlining the group's limited resources.

Also, the NAACP is still recovering from a mid-1990s leadership crisis that left the organization deep in debt, its programs crippled and much of its advocacy silenced.

"When you look at the NAACP's programming structure, you can make the case that it is overextended," said Ron Walters, director of the African-American Leadership Program at the University of Maryland. "It has been accumulating these programs one after another.... And as it does so, it takes away from other things."

And while the NAACP was once the unquestioned leader of African American organizations, its dominance has been challenged by a wide range of other groups. Not only are there scores of black professional groups, serving every occupation from accounting to journalism, hundreds of other grass-roots groups are drawing unprecedented popular support.

It was the Nation of Islam, a group that for decades was consigned to the fringes of the African American community, that called for the Million Man March, the 1995 gathering that became one of the largest protests ever in Washington.

And two little-known Philadelphia activists organized the Million Woman March, which drew a huge crowd in Philadelphia last fall despite the organizers' refusal to allow mainstream civil rights groups into the planning.

"The African American community has been blessed with a diversification of resources that have come in and helped share the load," Mfume said. "There are black elected officials, fraternities, sororities, scholarship programs, mentoring programs. ... [The NAACP's] efforts to provide direct service have to take into account our own limitations and the diversification of our community."

CORRECTION

An article about convicted spy Jonathan Pollard in last Sunday's Magazine incorrectly stated that the Anti-Defamation League advocated his release. The ADL has never taken a position on the issue.