

Mar. 9 / Administration of William J. Clinton, 1994

In our own departments and agencies, we must begin to spread the word about the EITC and help eligible workers meet the day-to-day expenses of raising a family by claiming the advanced EITC. There are hundreds of thousands of workers within the executive branch alone who are potentially eligible for the EITC. Many personnel and payroll offices within your bureaus and agencies are not aware of the credit, and have not informed Federal employees about the possibility of obtaining the credit in their paychecks under the advance payment option.

You are directed to instruct all bureau heads, personnel, and payroll office managers in your purview to take measures, in cooperation with the Department of the Treasury, the Internal Revenue Service, and the Office of Personnel Management, to ensure that all potentially eligible employees are informed about the EITC and can claim it on an advance basis through their paychecks.

I also strongly encourage you and your bureau heads to join me over the next several weeks in incorporating these important EITC messages into speeches and presentations that you may be making before the public. Your efforts in your organization will complement an Administration campaign to promote the EITC with business leaders, members of Congress, State and local government leaders, and EITC eligibles. Through these actions, we hope to markedly improve the effectiveness of an already successful EITC program, rewarding work, and laying a foundation to end welfare as we know it.

WILLIAM J. CLINTON

NOTE: This memorandum was made available by the Office of the Press Secretary but was not issued as a White House press release.

Remarks on Proposed Reemployment System Legislation

March 9, 1994

Thank you very much, John, for that introduction. Mr. Vice President, Secretary Reich, thank you for your wonderful work on this project. Lane Kirkland and Larry Perlman, thank you for being up here with us and for representing the American business and labor communities in the partnership we hope to build.

And I want to thank John Hahn from Niagara County, New York. I met him last month. As he said, he was laid off after 28 years at Bell Aerospace, and he learned new skills after 28 years as a biomedical technician. He and Deb Woodbury and Donald Hutchinson were all on our panel. It was a good one, and I learned a lot listening to them.

This morning when we were going over the day, early morning in the White House, Mack McLarty mentioned to me, he said, "We're going to talk about two things today that you ran for President to do something about because it helps all the people we grew up with." When I started out on the long quest which led all of us to this particular moment, and I talked to a lot of my fellow Governors and friends who are mayors, and others, it seemed to me

that this country was really at some risk of being thrown into the 21st century not being able to preserve the American dream and keep going and that there were at least three huge problems for ordinary Americans.

One was that more and more Americans were working harder and harder for stagnant wages and falling closer and closer to the poverty line. That's why we announced today the initiative on the earned-income tax credit and how it was going to impact working families with children to lift them out of poverty.

Another was that no matter how low unemployment gets in some areas, so many Americans are left behind by education and location, normally. But it means that when we have a 6.5 percent unemployment rate, as we do today, it's in fact quite a misnomer; that the unemployment rate today among people with a college degree is 3.5 percent; and among people with some education after high school, at least 2 years of further training, is a little over 5 percent; and among high school graduates a little over 7 percent; and among high school dropouts about 12 percent; and in many inner cities it's

20 percent; and among minority youths in many inner cities it's over 50 percent. So the number doesn't mean anything if there are huge pockets where no investment is made in people. And the Vice President and Henry Cisneros and the Secretary of Education, who is here, the Secretary of Labor, and others are working on this whole community empowerment initiative to try to focus on that.

The third big problem is the one we come here to address today, the problem represented by these three fine people. And that is that the average American will change jobs seven or eight times in a lifetime whether he/she likes it or not. And what we have to do is to make sure that they can like it, that these changes will add to people's security, not to their insecurity. And we know that unless we do that, that all of our bigger policies will not have a big impact on the ordinary lives of the people that sent us all here in the first place.

I'm proud of the fact that the efforts that we've made to bring the deficit down and get interest rates down have led to big increases in investment and over 2 million new jobs in the last year. But there are lots of people who can't access those jobs. And as the Secretary of Labor said, there's still a huge amount of turnover in this economy. That's why this "Re-employment Act of 1994" is so important.

I think every one of you who has ever dealt with it knows that the existing system for unemployment and training is simply broken in the sense that it was designed for an economy that no longer exists. It was designed basically just to hold people tight with a wage that was below their earning but enough to live on until their old jobs came back, because most jobs were lost in ordinary cyclical recessions. But now we know that the great majority of workers who are laid off aren't going to get their old jobs back, that they're either caused by structural changes in the economy or changes in the nature of those particular job requirements themselves.

Last year, three out of four laid-off workers expected to lose their jobs permanently, the highest figure since the Labor Department began keeping these statistics. The existing training system, as the Members of Congress know, is a crazy quilt of separate programs that too often puts bureaucracy first and leaves the customers, the unemployed workers, bewildered.

This act is designed to fix the system that's broken, outmoded, bureaucratic, and too often delays people getting back to work instead of accelerating their return to the work force. It will build a new system to help workers get the training and counseling they need to fill higher wage jobs more quickly.

The plan has four points: first, to replace all these fragmented programs with one-stop shopping; second, to offer more choices for reemployment services that will put people back to work. We do have, to be fair to America and to give our country and our private sector a pat on the back, the most mobile and flexible labor markets of any of the advanced countries. But oftentimes these retraining and unemployment programs actually put barriers in that mobility instead of speeding it up. Third, we want to put the private sector, business, and labor in charge of making sure that this training actually prepares people for real jobs—that if we are going to spend money on training programs, that the money will be well spent and relevantly spent. And fourth, we want real accountability in the system so that we invest in job training programs that actually lead to jobs.

Right now there are six separate programs for dislocated workers. And workers get bounced around from office to office, program to program. We have examples of workers in the same work force facing the same dislocation, one eligible for one program, another eligible for another, with the benefits and the coverages different. So the first element of the plan is to create one-stop shopping so workers can go to one office and get the counseling and assistance they need and learn about new job opportunities, the skills those jobs require, and the best training programs to teach those particular skills at one place. No American unemployed person should have to navigate the maze of laws that the Congress passes for different reasons. The average American doesn't care what law he or she fits under. They just want to know: Here I am; I need a job; I need training; how am I going to get it?

The second part of the plan is to make sure that along with this one-stop shopping, workers will have the widest possible range of choices for training and employment, letting the marketplace bring to bear the kinds of things that we know are there today. We want to first reach out to workers as soon as possible after they lose their jobs, or whenever possible, as we

found in Sunnyvale, California, which the Vice President mentioned, get advanced notice of that. And then we want to offer them an array of choices that will help them to find the opportunities and the training they need from a computer-based network with information on job openings throughout the country to counseling on job searches, on-the-job training, long-term training for new skills, and training for people who want to start their own businesses.

For workers who start those new businesses, our plan will allow them to make a start while still drawing unemployment insurance. And for every worker, we offer the opportunity to make his or her own choices about employment and training, not to have someone else make those choices for them.

We want to also train people for real jobs. That's why the third part of the plan is to make sure that the efforts are guided by people who have real experience in those jobs, American business and labor folks. Local work force investment boards, appointed by local elected officials, will oversee these one-stop centers. Business representatives from CEO's to plant managers will form the majority. There will be representatives from labor and from the schools. And because business and labor are already doing so much to train workers, we want to encourage companies and unions to establish their own one-stop centers for their own workers hit by layoffs and plant closings.

Finally, this approach will demand accountability. We cannot afford to waste the taxpayers' time or money or, more importantly, the workers' time and the benefits that run by all too quickly, on fly-by-night proprietary schools or Government programs long on redtape and short on results. We have to empower laid-off workers to choose their training from among private and public providers who will compete

for their business, require that the providers offer them consumer reports so they'll be able to make informed choices: how many people got what kind of jobs at what kind of pay? That, after all, is the ultimate test.

And the Secretary of Labor, under this approach, must define measurable performance standards for training programs, and those that fall short of the standards should lose their right to the money. In 5 days, the leaders of the world's industrial nations will meet in Detroit to discuss how to create high-wage jobs for all our people. Our country's great strength is our resilience and adaptability. That's what helps our businesses and our workers to be as dynamic as this economy.

We know that other countries marvel still at the amount of flexibility in our work force and in our economy. And the amount of increased productivity we saw in the last quarter—just today, the report that we had the highest increase in productivity in the last 3 months of last year that we had in 8 years. But we know that that still is not benefiting too many Americans who are lost in the gaps of change.

The "Reemployment Act of 1994" builds on our greatest strengths, invests in our most important resource—our people—so that we can turn the 20th century safety net into a 21st century springboard to succeed and win in the global economy.

Thank you very much.

NOTE: The President spoke at 2:26 p.m. in the East Room at the White House. In his remarks, he referred to Lane Kirkland, president, AFL-CIO; Larry Perlman, chief executive officer, Ceridan Corp.; and John Hahn, Deb Woodbury, and Donald Hutchinson, participants in the Department of Labor conference on reemployment held on February 2.

Message on the Observance of Id al-Fitr

March 9, 1994

My family and I wish to extend our personal greetings to all in the Muslim Community celebrating the Id al-Fitr.

This week marks the end of the holy month of Ramadan for Muslims in the United States

and around the world. A time for rejoicing and celebrating, this Id in particular also reminds us of our shared responsibility to work for a better future for all the world's people—especially in the wake of the Hebron massacre. Let