

and determined efforts. This important agreement advances our interests and opens new opportunities for growth, prosperity, and progress. I also want to thank FCC Chairman Reed

Hundt and Deputy U.S. Trade Representative Jeff Lang who helped bring these negotiations to their successful conclusion.

Remarks in a Roundtable Discussion on Welfare Reform in New York City February 18, 1997

The President. I now know that I came here because after a long holiday weekend, I needed a little good preaching to wake up for the rest of the week. [Laughter]

Let me thank you, Dr. Forbes, for welcoming me here, and Dr. Washington, for giving me the chance, just before we began, to walk through the beautiful sanctuary upstairs which I have heard about and known about for many years. The legendary story of Harry Emerson Fosdick and John D. Rockefeller even made its way to me many years ago.

I want to thank Senator Moynihan and Congressman Rangel for being here, as well as Congresswoman Nydia Velázquez and Congresswoman Carol Maloney; thank you for being here. The members of the panel, thank you all. I want to especially say a word of thanks to Secretary of Health and Human Services Donna Shalala, who literally just got off an airplane this morning from South Africa, where she went with the Vice President, and got off one airplane and got on mine and came here. So if she nods out during the ceremony—[laughter]—we will forgive her.

Let me get right to business. I came here because I wanted to know a little about what this church is doing and because I wanted to say to the people of New York City and New York what is required of us to do together under this welfare reform law.

By way of background, in the last 4 years and before the law was passed—before the law was changed, the welfare rolls in America were reduced by almost 2.3 million. I received just yesterday an analysis by the Council of Economic Advisers—and that's a record, by the way; the welfare rolls had never gone down by that much in a 4-year period before—the Council of Economic Advisers saying to me that they thought about half of the welfare rolls reduction had come because the economy had improved.

We, after all, had 11½ million new jobs in the last 4 years, and no 4-year period had produced that many before. But about 30 percent of these jobs had materialized—or this movement had materialized because of the welfare reform efforts already going on in 43 States, people in the States making an extra effort to move people from welfare to work. And about 20 percent happened for reasons that cannot be identified. But among other things, we had a 50 percent increase in child support collections over the last 4 years, and anything of that magnitude always enables some people to move out of the welfare rolls and out of the ranks of poverty.

Now, that's what happened in the last 4 years. In the next 4 years—I won't go through all the details of it, but Secretary Shalala and my staff have provided me with an analysis which says that, in essence, the welfare roll law now says that after a certain amount of time, everybody who's able to work should be in the work force, and therefore welfare can't be for a lifetime. And then there are all kinds of rules and regulations and requirements. But the bottom line is we have to move about a million people from the welfare rolls to the work rolls in the next 4 years. That's about the same number of people we moved in the last 4 years, because the average welfare family actually has about 2½, 2.7 people in it.

Now, the problem is, in the last 4 years we had 11½ million jobs. If we can produce 11½ million jobs in the next 4 years, we'll be doing fine. But we have to do it without knowing that for sure. And how are we going to do this? That's what I want to talk about today. And more importantly, how can we not just move people for 1 month or 2 or 3 or 4 or 5 or 6 months into a job but how can we help people who have been trapped in a culture of dependence and poverty to move to a culture of independence, family, and work?

I think it is fair to assume that whenever you reduce the welfare rolls, the people who are most employable move off first. Therefore, the people who are left may be more difficult to employ than the ones who have already moved.

I want to talk about just three or four things that we intend to continue to do. Number one, we believe that child support collections will continue to increase because we've made significant changes in the law to help us do that.

Number two, we have asked the Congress to pass a bill which would give employers who hire people from welfare to work or who hire single men off food stamps, who have no income and get food stamps, into the work force would get a 50 percent tax credit for a salary of up to \$10,000. So a maximum tax credit—actual reduction of the tax bill of \$5,000, which is quite a significant incentive.

Thirdly, we recommend funds to States and to cities sufficient to create about 380,000 jobs in the public sector over the next 4 years.

Fourthly, I would remind you that the existing law provides for now more funds for child care than before, \$4 billion, and continuing support for health care for people who have public assistance and who move into the work force.

Now, in addition to that, if you look at this pattern, I also want to point out that the State has some flexibility right now. The State of New York, for example, right now, can offer all or part of a monthly welfare check to an employer as a wage and training subsidy if the employer will hire someone off welfare. For a single man on food stamps but with no welfare check, the State of New York can cash out the food stamps and give it to the employer as a wage and training subsidy under the new law.

Secretary Shalala and I will work together to give some States the flexibility under the old law, and the results, the preliminary results are quite encouraging. The State of Florida has just announced a program to try this.

How are we going to get all these people jobs? Let me give you some numbers. This country has 826,000 private sector business employers with 20 or more employees. A lot of them have a lot more than 20 employees. We have 1.1 million nonprofit organizations; many of them are large enough to hire someone else. We have 135,000 religious—churches, synagogues, mosques, and others—with 200 or more members. Obviously, if half that many—50 per-

cent of them—hired one person, we could get there. And a lot of the big companies can hire more than one.

The point I want to make is that this is a manageable problem—if you look at the tax credits, if you look at the cash incentives that the States can offer, it's a manageable problem. But it will not work unless out of this we create what Dr. Forbes talked about at the beginning, in this partnership of hope here.

We have got to create a community-based system, supporting work and family, to make welfare a transitional program that is a program of support and movement to independence. The way the law is written, we have several years to phase in what has to be done, but we've worked out the numbers. We think we have to move another million people from the welfare rolls into the job market, which would reduce the overall rolls by about almost 3 million if we did that, with the children. So that's the background. Those are the incentives we can bring to the table. But we have to have your help to set up this network.

Let me just say one other thing that has particular impact in New York and five or six other States. I think it is imperative that in this budget we are about to pass, that Congress include the provisions that I have recommended to restore benefits to legal immigrants who have been damaged and have health and other problems through no fault of their own. And I assure you I intend to fight hard for that, and I know that your delegation will, but we need your support. The Congress needs to understand that there are an awful lot of people who came here legally who are not on welfare, who are out working, who are paying taxes, and who wound up getting hurt and needing disability or health benefits through no fault of their own. And I think it's a mistake to cut them off. And so we're working on that, and I'd ask for your help on that.

I'd like to turn the program back over to Dr. Forbes, but let me just say again, we've moved about a million people into the work force in the last 4 years and reduced the welfare rolls by 2.3 million. To meet the requirements of the law, it is a calculation of the Department of Health and Human Services, we have to meet another million in the next 4 years. We may or may not create 11½ million new jobs in the next 4 years. If we did it twice in a row, it would be something for sure. Whether or

not we do, we're going to have to do that. We can only do it if churches, nonprofits, and private employers make maximum use of tax credits, if the cities and States get the funds that I recommended to hire people in the public sector, and if the States provide the kind of flexibility to private employers everywhere in America that some have done in some places.

You should know that Indiana and Wisconsin reduced their welfare rolls by 40 percent in the last 4 years—40 percent—by aggressive efforts and without particularly ungenerous programs either, just aggressive efforts. This can be done, and I need your help to do it. And I do think it's part of all of our mission in life, Doctor, to do this, anyway.

Thank you.

[At this point, the discussion began.]

The President. Let me say, with all respect, I don't think it's that simple. I don't think it's accurate to say that this bill destroys the safety net for poor people. It maintains a Federal guarantee for poor women and children for nutrition, a Federal guarantee for health care, spends \$4 billion more on child care, and says, simply, that if you are able bodied, you cannot stay on welfare forever without going into the work force. And the way the work participation requirements were put on States, by the year 2000 about 40 percent of all the able-bodied people in the welfare—able-bodied adults have to be in—have had some work experience within a given 2-year period. That's what it says.

Now, I hardly—and when you consider the fact that the welfare population, Earl, is different than it used to be and that there are some people who are on it perpetually, I think it is a good thing, not a bad thing, that we did that.

Number two, I do not think it is so simple to say that at any given moment in time there are a fixed number of people who have to be hired by all the employers in America, and if they hire a few more, they're all going down the tubes and lose money. This bill that I have proposed will give a 50 percent tax credit, up to \$5,000 a year, for people who hire people. That means you can hire somebody for \$10,000 a year and, in effect, the out-of-pocket cost to you is less than the minimum wage.

I met a man with only 25 employees in Kansas City, and 5 of his employees were former welfare recipients. And they were happy at

work, and he was happy with them. And he only hired them because he figured that the marginal cost of hiring them, since he got the welfare check as a wage subsidy for a couple of years, lowered his risk of adding to the work force. And sure enough, when he added to the work force, he generated some more work and it turned out to be a profitable decision for him.

I talked to a former Governor last week who's back in private business, who's got a small business, who told me once I explained the proposal to him that he would now go hire three or four people from the welfare rolls because it lowered the marginal cost of adding employees to him. And there is no reason to believe, if we all work on this, that we can't create another million jobs over 4 years without bankrupting businesses and that it wouldn't be better for people who otherwise are going to be permanently dependent on welfare.

And it is not true that we have withdrawn all supports. We are spending more on child care. I want to also spend \$3 billion on public service related jobs to create over a third of a million there. And the health care and the nutrition guarantees are still there. So I think it will be a good thing if we make this work, but there is no automatic system for doing it, and that's why we need your help.

[The discussion continued.]

The President. Let me say this, first of all, I agree with what you said about people being in college—people who are going to college who are full-time students. We are looking at whether—if there's some way to get—to deal with that because I don't think people should be pulled out of college. I agree with that.

Secondly, for one thing, you just—from the point of view of the State of New York, this is a—we're trying to work this out because the States basically have control of this. The State of New York would be much better with you as a college graduate, which is the point you tried to make. So I believe that.

Now, the other problem is these training programs essentially are all run by the States and the cities. But I will do some—you've given me some things that we need to obviously do some work on. We need to make sure that there is an adequate training and preparation. That's one of the things I know that you've talked about—what you can do here because an awful

lot of people who move from welfare, who are just thrown into these jobs, don't last because they were never prepared for them in the first place, and they're traumatized as a result of it. And oftentimes, just basic preparation of a few months can make a—a few weeks even—can make all the difference in the world. So we'll go back and do—we will pay some more attention to that.

But on the college education thing, I think you're right, and I think we ought to find some way to accommodate that, and we're working on that.

[*The discussion continued.*]

The President. If I could just make one point on that. Next to education and child care, the thing we hear most all around the country from people who seek to move from welfare to work or very often even to go to college is whether they have adequate transportation. And this ISTEA act that Lew just mentioned, which is—it took me a long time to remember what all those little letters were for. But the bottom line is, I asked the new Secretary of Transportation, Rodney Slater, to look at that to see that we were allocating enough money in here not only for mass transit but also for the appropriate subsidies to make sure that poor people could have access to this. Otherwise they won't be able to get to work.

And this is an interesting opportunity for New York to make an alliance with smaller cities. For example, there was just a study on Atlanta, which said that in—something like 80 percent of the entry-level jobs in the city of Atlanta were filled by people who lived in low-income neighborhoods in Atlanta. In the suburban towns outside, just that touch Atlanta, only 55 percent were. And it was clearly the result of the inadequate ability of low-income people to access transportation to get there.

So this is a huge issue, Lou. It's a huge issue for welfare reform and basically for the integrity of poor families to be able to sort of aspire and move and do things.

Senator, were you going to say something about this?

Senator Daniel Patrick Moynihan. Yes. We very much appreciate your endorsing the existing formula, Mr. President. [*Laughter*]

The President. Is that what I did?

Senator Moynihan. Wyoming, Montana—

The President. I thought we could do a little better on mass transit.

Senator Moynihan. The newspapers out there, did you hear that? [*Laughter*]

The President. Never misses a lick. [*Laughter*]

[*The discussion continued.*]

The President. Let me say, as I'm sure you know, all the Members of Congress who are present here supported the efforts we made last year to raise the minimum wage. And that, plus doubling the earned-income tax credit, the refundable earned-income tax credit for lower income working people, led in 1995, before the minimum wage even went into—we had the biggest drop in poverty, in the poverty rate among single women with children in 20 years. And so I couldn't agree with you more.

We have still 20 percent of our kids living in poverty. And it's not very complicated. I mean, it's the reverse of why we have lowered the poverty rate among our seniors to 11 percent, and it's the lowest it's ever been in history because we met a national, common commitment to investing in retirement and health care for seniors. And one of the things that I earnestly hope we can do is to—in the next 2 years is to do something really significant to deal with the fact there's still 10 million children in our country without health care. And they're not primarily people who are presently on public assistance because they're eligible for Medicaid.

But education, health care, and safety are the three big priorities that we have for our children. And I think they're all very important, and we're nowhere near where we ought to be there.

[*The discussion continued.*]

The President. Let me just say very briefly, I think you're right on both counts. We have five American corporations, including UPS and Sprint, Monsanto, Burger King, and somebody I've left out—United Airlines—who have agreed to head a national effort to get major corporations to hire and train people in good jobs.

The second point you made, though, is absolutely right, we have to have—this will not work unless we also have a floor plan for publicly financed jobs for people in training programs in the beginning and also just continuing support for higher education. I'll give you an example. We've been working very hard for months now to try to get a new agreement among the

world's nations on telecommunications services, giving American companies the right to compete in other countries for telecommunications services. We finally got an agreement that was far better than I ever dreamed we could get. It is estimated it will bring a million new jobs to America—this one agreement—a million new jobs over the next 10 years, but not one of those new jobs will be a low-skilled job. Every one of those jobs will require a level of skills and education that the folks that want to go to work but don't have those skills desperately need.

[*The discussion continued.*]

The President. One of the best things we did in the last session of Congress, in the last days, was to add 200,000 more work-study slots. There was another 100,000 in my new budget. If they pass, we will go to a million people on work-study in this country in the next 2 years.

If we can do that, surely—if you think about the numbers you're talking about, you're talking

about maybe 100,000 nationwide of the million people that must be in the work force—surely we can get some consideration for permitting a certain number of hours worked on the campus in connection with the legislation. I want to say that I think the one thing that I know that is not working, the way this thing is being applied now, is rules that in effect force people out of college. You know, we're cutting off our nose to spite our face. These are not people who do not want to work. So I will work on that for you.

[*A participant presented the President with a gift.*]

The President. Thank you.

NOTE: The President spoke at 11:07 a.m. at Riverside Church. In his remarks, he referred to Rev. Dr. James Forbes, senior minister, Riverside Church; Rev. James Washington, chair, Riverside Church Council; Earl G. Graves, chief executive officer, Black Enterprise magazine; and Lewis Rudin, chairman, Association for a Better New York.

Remarks at the Business Enterprise Awards Luncheon in New York City February 18, 1997

Thank you very much, Jim and Norman, and to all of you who are involved in the Business Enterprise Trust; our host, the New York Public Library, thank you for this magnificent room; and to—especially to our awardees.

I'm glad Bill Moyers told that story about Calvin Coolidge and Alice Roosevelt Longworth because I was looking at these—I had a great time today. I sort of hate it that I have to speak; I was having such a good time looking at the films and looking at the people. But I was thinking to myself, why am I here, because this is such an interesting program; what do they need me here for? And then I thought, well, Norman Lear has been trying to get me to come here for 4 years. [*Laughter*] He's hard to say no to. Every person's friendship carries a certain burden; you know that. That's it. [*Laughter*] And as Calvin Coolidge said, "A man's got to eat." [*Laughter*] So, Norman, I want to thank you for that stick of bread and the cookie at lunch. It was great. [*Laughter*]

Ladies and gentlemen, Norman Lear told that old story about his grandfather; in 1981, I had the distinction of entering my name for the first time in Ripley's when I became the youngest former Governor in the history of the American Republic. [*Laughter*] With dim career prospects—and in my entire State only one person offered me a job—Norman Lear called me and asked me if I would consider coming to work in another one of his endeavors. And I never forgot it, mostly because no one else wanted me to come to work at anything. [*Laughter*] And we've been friends ever since. He doesn't have to do this. He does it because he believes in it and he loves it and he believes that all of us have a higher purpose in our endeavors.

I have known Jim Burke for a long time. In his former life, he headed a great company with two plants in my State that were the embodiment of a lot of what you recognize here every year. And since then, he has headed the Partnership for a Drug-Free America. I don't