



Committee for Economic Development

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Welfare Recipients Need Responsibilities and Tools

Business group makes recommendations for improving welfare reform

WASHINGTON, D.C. September 17, 2002 – Today, the Committee for Economic Development (CED), a business-led public policy organization, offered proposals for strengthening welfare reform and building upon its achievements. CED strongly recommends giving states greater flexibility and resources to help them meet rising welfare-to-work requirements while providing welfare recipients the tools to enter productive careers.

“Moving individuals from welfare to work must be accomplished in tandem with assisting them in acquiring the tools necessary to obtain productive employment and support their families. The goals of reform are to enhance personal responsibility, improve job prospects for low-skilled and unskilled workers, and to lift poor families out of poverty -- not simply to reduce state welfare caseloads and provide busy-work for recipients,” stated Charles Kolb, president of the nonpartisan CED, which published a new report containing the proposals.

In *Welfare Reform and Beyond: A CED Policy Update*, CED builds upon the recommendations of its previous study, *Welfare Reform and Beyond: Making Work Work*, which presented a comprehensive analysis of the progress of welfare reform and suggested steps to enhance it. The new paper updates CED’s recommendations in the context of the current debate over reauthorization of the *Personal Responsibility and Work Opportunities Reconciliation Act of 1996* (PRWORA), the landmark legislation that changed the face of welfare.

CED’s new report addresses the major issues in the current debate, such as funding levels, work requirements, strengthening families, and bolstering work supports such as child care. CED views proposals to increase individual work requirements and to limit the ability of states to design customized programs to aid recipients (such as included in the bill passed by the U.S. House of Representatives) as misguided. Instead, CED’s proposals would require “universal engagement” of welfare beneficiaries in work and activities that prepare them for work, while providing states with the flexibility and resources to devise programs that are tailored to the particular needs and circumstances of recipients.

Key CED Proposals

- Increase or index for inflation the Temporary Assistance to Needy Families (TANF) block grant.
- Gradually raise the work participation standard for states from 50% of recipient families to 70%.
- Allow states wide discretion in deciding which activities qualify as work participation, as long as they maintain a strong work orientation.
- Do not raise the individual minimum weekly work-activity requirement, as proposed by the President and included in the House-passed bill.
- Devote additional funding for child care to meet the demands of more mothers working and to improve quality of child care services.
- Permit states to extend TANF and other benefits to legal immigrants and their children.
- Support limited state experiments to strengthen marriage and two-parent families.

The business community has a large stake in ensuring the success of welfare reform because there are significant economic implications involved. Welfare reform's goals of promoting work and individual responsibility are more pertinent than ever: as the baby-boom generation ages and retires, welfare recipients and all unskilled workers will be needed to fill the void and become productive employees. Successful welfare reform, therefore, will play a vital role in sustaining America's economic growth.

CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Celebrating its 60th year, CED has a long tradition of addressing the nation's most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance reform, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.

For a full copy of CED's report, please call 202/296-5860 or visit www.ced.org.

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