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**HHS REPORTS ALL STATES MEET OVERALL WELFARE TO WORK
PARTICIPATION RATES
New Record of Parents Working**

HHS Secretary Donna E. Shalala joined President Clinton today in announcing that all 50 states and the District of Columbia met the overall 1999 welfare to work participation rates required by the new welfare reform law. It is the third year in a row that all states subject to the welfare reform law's work requirements met them. They also reported that five times higher a percentage of remaining welfare recipients were working, including employment, work experience and community service, as in 1992.

This new information, contained in the Third Annual Report to Congress, builds on previous reports and studies demonstrating that states are doing even better in helping families reach employment. Today, the department announced that all 50 states and the District of Columbia met the overall welfare to work participation rates for all families in 1999, while 28 of the 36 states subject to a separate two-parent family rate met it. Nationally, states achieved a work participation rate of over 38 percent of all adults on welfare, an increase of 9 percent from last year. For two-parent families, states improved the work rate from 42 percent to nearly 55 percent, an increase of 29 percent.

The data also show that, nationwide, the percentage of welfare recipients employed has increased four-fold since the President took office, rising from 7 percent in 1992 to 28 percent in 1999. Similarly, the proportion of recipients who were working, including employment, work experience and community service, reached 33 percent, a nearly five-fold increase over the 7 percent recorded in 1992.

"After four years, we have strong evidence that welfare reform is working, but we have more to do to achieve its full promise for America's families and children," said Secretary Shalala. "The challenge for the states is to use the resources and flexibility they have to invest in the critical supports to extend the opportunity of work to all families and ensure that when parents get jobs, they stay employed and increase their income."

Welfare caseload numbers continued to decline, with 6.3 million recipients in December 1999, a decrease of nearly 8 million or 56 percent since 1993. The number of recipients as a proportion of the total U.S. population is now at 2.3 percent, the lowest since 1965. The number of people who have left welfare since the President took office now exceeds the number remaining on the rolls. Three-quarters of this decline occurred since President Clinton signed the landmark welfare reform law four years ago, and there are half as many recipients on welfare since the new welfare reform was signed four years ago.

For 1999, the welfare reform law required states to have adults in 35 percent of all families working at least 25 hours a week. At least 90 percent of two-parent families were required to work at least 35 hours a week. The required rates for all families started at 25 percent

in 1997 and increase 5 percent each year to 50 percent in 2002. For two-parent families, the rates started at 75 percent and increased in 1999 to 90 percent. States can receive a credit for reductions in their welfare caseloads for parents moving off welfare compared to 1995. The credit adjusts the target in both rates for each state. Before applying the credit, 27 states exceeded the 35 percent participation rate.

"Today's news builds on the promising results of studies that states are helping more families than get and keep a job or gain the skills to get better jobs," said Olivia A. Golden, HHS assistant secretary for children and families. "Now, as there are more working families, states need the federal government to provide more child care funding so parents can rely on safe places for their children when they are at their jobs."

The states that failed to meet the two-parent rate are Alaska, Arkansas, Colorado, District of Columbia, Minnesota, Nebraska, New Mexico, North Carolina, and West Virginia. Guam and the Virgin Islands did not meet either the overall or two-parent participation rates. States not meeting the participation rates are subject to financial penalties. However, they can take corrective action or appeal the penalty for a reasonable cause exception. In the case of the states not meeting the two-parent families rate, the penalty amount will be based on the percentage of two-parent families in the state's caseload.

The report contains other statistics on the characteristics of families on welfare. The average monthly earnings for families employed while on welfare increased to \$598 in fiscal year 1999 from \$533 in 1998 and \$466 in fiscal year 1996, increases of 19 and 28 percent respectively. Reflecting national demographic trends over several years as well as changes in welfare and other factors, the welfare caseload has a greater proportion of minority families, somewhat older parents with older children, and a higher proportion of cases where no adult receives assistance. The average size of families remained the same at 3 persons, 1 adult and 2 children.

The report will be available at <http://www.acf.dhhs.gov/news>.

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