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THE WORK INCENTIVE PROGRAM FOR PUBLIC ASSISTANCE RECIPIENTS

What it is:

A program to provide training and work experience so that a maximum number of families receiving public assistance can become independent and self-sustaining through participation as regular members of the Nation's labor force.

How it works:

State and local welfare agencies set up a comprehensive plan for each family receiving Aid to Families with Dependent Children to lead them, where possible, to financial independence through employment. All appropriate individuals are referred to the U.S. Employment Service; day care and other needed services are provided by the welfare agency.

Who is "appropriate":

The welfare agencies determine who is appropriate for enrollment and training, based on an evaluation of each individual family. The law states that the following persons may not be considered appropriate: (1) children under age 18 or attending school; (2) any person whose illness, incapacity, advanced age or remoteness from a project precludes effective participation in work or training; or (3) persons required in a home to provide continuing care to an ill or incapacitated member of the household.

Work placement and training:

Individuals referred by the welfare agency are classified by the U.S. Employment Service in three groups, in this order of priority:

GROUP	INCENTIVE	COMMENTS
1. Immediate placement in employment.	Earnings exemption under which recipient may retain \$30 monthly plus one-third of additional earnings with no loss in welfare payment.	Assistance recipient is placed in regular labor market.
2. Placed in employment training.	Up to \$30 monthly training allowance in addition to welfare payment.	Placed in regular employment after training; then eligible for same earnings exemption as group 1.
3. Placed in special work projects under public or certain nonprofit private agencies.	Employee is paid wages just as other employees; employee's wages must be at least as high as the sum of (1) the amount formerly received in welfare plus (2) 20% of the wages.	Employer bears part of cost of wages, welfare agency pays employer an amount equal either to the former welfare payment or 80% of the wages, whichever is smaller; each employee must be reevaluated at least every 6 months for placement in training or regular employment.

Magnitude and cost of training:

By 1972, the Labor Department estimates that an annual level of 280,000 trainees will be reached. The Federal cost of the work incentive program will be \$818 million in 1972, including \$308 million for employment training, \$350 million related to day care for children of mothers in employment or training, and \$160 million for earnings exemptions and social services. In 1972 also, an estimated \$257 million in welfare costs will be saved because of recipients ending their dependency through employment; the savings will rise thereafter.

Welfare of children:

The law prohibits the designation of a mother as appropriate for referral to the U.S. Employment Service unless and until suitable day care is provided for her children. The law provides that the day care must meet high standards required by the Secretary of Health, Education, and Welfare.