

full employment. Only 6% of New York City welfare recipients are either unemployed or underemployed due to lack of skills. An additional 15% are aged, sick or disabled. The great majority of welfare recipients—almost 400,000 people—are mothers and children. This is not only the largest but the fastest growing segment of the welfare population. It is among the 98,000 mothers in this group that we believe we can achieve the most telling results with our strategy—if we can get the necessary resources for expanded day care and training programs.

The trouble is that the resources available for opportunity programs are disproportionately small when compared to the cost of welfare. And because welfare payments are mandatory, budget cuts in the human resources area invariably and ironically hit the opportunity programs, which are the key to the reduction of the welfare rolls.

We simply must make more funds available for opportunity programs, or forfeit our chances of getting off dead center. The training of a welfare recipient in skills that can make him self-sustaining is an investment in the future, not a cost.

To illustrate the effect of moving an individual from the welfare to the employment rolls, we need only look at one fiscal fact: the tax yield to the city from the service and manufacturing industries for each employee is in excess of \$300. Thus, if only 10,000 of New York's current welfare population of 600,000 were to become gainfully employed, it would mean an increase of \$3 million in the city's tax returns—as well as a significant reduction in the welfare budget.

There is no question that, given the opportunity to enter training, many of these women will be able to land jobs. We recently graduated a class of 108 Welfare women from a training course in basic office skills run by the Port of New York Authority. Within a few days of their graduation, 104 of these women had been offered jobs—more than 80 of them in major companies, among them the Chase Manhattan Bank, the Consolidated Edison Company and the Union Carbide Corporation.

Before graduation these new office workers were receiving a total of \$255,000 in public assistance each year. In some cases, the Welfare Department will have to provide continued assistance in order to budget for their work-incurred expenses. We estimate that this additional aid will cost no more than \$50,000 a year. Thus the government may save \$200,000 a year for a one-time investment of \$970 per person in training. This does not take into account the taxes that will be collected from these new wage earners: an estimated \$30,000 a year directly, and some \$70,000 indirectly as a result of their productive activity.

This success was made possible by meshing the operations of the Welfare Department and the Manpower Agency under the Human Resources Administration. To duplicate and expand on such results we need more resources. Mothers cannot acquire job skills, let alone go into full time employment, until they can be assured that their children are receiving proper attention. We must expand our day care program so that more mothers will be able to take advantage of job training programs. The City presently operates 93 Day Care Centers for about 7,000 children, many of whose mothers are employed, 6,000 children are on the waiting list. It is estimated that triple that number could use day care services if they were available. By increasing the day care program, obtaining federal approval of our proposed incentive programs, developing new techniques, and, most important, securing the necessary resources to invest in training, this success can be multiplied many times over.

The key to the achievement of maximum effectiveness in equipping people with job skills through programs such as those discussed will be our ability to measure the impact of our programs with reasonable accuracy. This year, for the first time, New York City has a budget that will enable us to undertake a proper analysis of the cost effectiveness of various manpower training programs. This is vital, for our resources are sharply limited, and an effective community action program will greatly increase the number of poor that can be brought into the development process, and anxious to take advantage of training programs.

We are working up a program budget for the manpower training system that will enable us to weigh the impact of various program "mixes" and begin to determine guidelines for the most effective and efficient use of resources. For example, we hope to be able to make informed decisions on the relative emphasis we should place in a given training program on such components as recruitment, basic education skills, special job-related skills, job placement, or counseling.