

paucity of sound research affecting vital parts of the poverty picture and welfare problems. In fact, evidence indicates that less than one-tenth of one per cent of the welfare dollar was spent for research. Such parsimony is short-sighted considering the magnitude of the problem and the many areas relating to it about which too little is known.

The number, complexity and interrelatedness of social welfare problems calls for a substantial research and analytical effort with three aims:

1. To identify problems precisely
2. To develop and evaluate alternative approaches to these problems consistent with objectives
3. To monitor existing programs to insure that both successes and failures in accomplishing program goals are reflected directly in changes in the level or design of these programs

Systems analysis is a method for dealing with large scale problems and has been applied for some time in the Department of Defense, other Government agencies and private industry.

The Steering Committee is indebted to one of its members, Arjay Miller, vice-chairman of the Board, Ford Motor Company, who has taken the initiative to work out, with his staff, a rough schematic which indicates that a systems approach to the problem of poverty and public welfare might yield some data, or show some relationships which have not heretofore been easily available.

The "first stage" schematic, incomplete and unrefined as it is, is enclosed in this report as an appendix because it suggests a possible approach to the problem.

It was not within the purview of this Committee to pursue this approach, but it strongly recommends to Government and philanthropy that the idea bears great merit and deserves careful consideration and investigation.

6. REFORM OF PRESENT WELFARE LAWS

While the Steering Committee recommends that the present system of public assistance be replaced with an income maintenance system, it recognizes that until such legislation is enacted, the present system is in need of major reform.

Insofar as "reform" of the present program is concerned, a review of the record indicates that many sound proposals from competent and knowledgeable groups have largely gone unheeded. The most recent official group proposing major reform was the Advisory Council on Public Welfare, appointed at the direction of the Congress by the U.S. Secretary of Health, Education and Welfare. On the basis of sound business and management judgment, as well as sound public policy, it would appear that taxpayer funds are being wasted by the lack of legislative action on various thoughtful and well-designed proposals for obvious reform. We believe attention should be paid to certain costly fundamental deficiencies. Among them are: