PRESIDENT CLINTON AND VICE PRESIDENT GORE: SAVING SOCIAL SECURITY AND STRENGTHENING MEDICARE FOR ALL GENERATIONS

February 25, 1999

"The aging of America means that, more than ever, we must think about and plan for and save for the future...And we must do so in a way consistent with our national values--a way that renews our shared responsibility to one another, across generational lines. Because the decisions we make today about what to do with the budget surplus, and about how to save Social Security and Medicare, are every bit as important to younger Americans as they are to older Americans."

President Bill Clinton
February 25, 1999

Today, President Clinton travels to Tucson, Arizona, where he discusses his plan to save Social Security, strengthen Medicare, and ensure that we meet our obligations to all generations. The President also announces that the publicly held debt will fall to its lowest level since 1917.

Using The Budget Surplus To Help Save Social Security. President Clinton proposes to transfer 62 percent of the projected budget surpluses over the next 15 years--$2.8 trillion--to save the Social Security system. By devoting the bulk of the budget surpluses to paying down the debt, the President's plan cuts our interest payments and puts the government in a better position to meet its obligations to Social Security.

Saving Social Security For Future Generations. The Clinton-Gore Administration's plan to transfer over 60 percent of the budget surpluses to Social Security and invest a portion in the market will keep Social Security solvent until 2055, as the independent Social Security actuaries have certified. The President wants to work with both parties in Congress to make the tough but sensible choices that are necessary to save Social Security, and he is committed to working with Congress to save this system until at least 2075. As part of this effort, President Clinton believes that we must:

- **Reduce poverty among single women**. Elderly women, particularly widows, have a poverty rate nearly twice the overall poverty rate for older Americans;

- **Eliminate the earnings test**. The earnings test is confusing and out-dated. Consequently, it discourages older Americans from working and earning their own income.

Strengthening Medicare For The 21st Century. The President's framework also reserves 15 percent of the projected surpluses for Medicare, securing Medicare until 2020. The President believes that the new resources should be utilized to achieve broader, bipartisan reforms that modernize Medicare, make it more efficient, provide for a long overdue prescription drug benefit, and keep Medicare safe until 2020.

Extending Tax Relief To Americans, While Preparing For The Challenges Of The Future. After Social Security and Medicare are secure, President Clinton and Vice President Gore propose to:

- **Provide $536 billion in tax credits to create new Universal Savings Accounts**. The President's framework will reserve 12 percent of the projected budget surpluses to create new Universal Savings Accounts (USAs) so working Americans can build wealth to meet their retirement needs. To help Americans save, the federal government would provide Americans a flat tax credit to make contributions into their USA account. Additionally, the federal government would provide additional tax credits to match a portion of an individual's savings--with more help for lower-income workers.

- **Prepare America for the challenges of the future**. The President's framework will reserve 11 percent of the projected surpluses for military readiness and other pressing domestic priorities.

A Fiscally Responsible Proposal--Publicly Held Debt To Fall To Lowest Level In Over 80 Years. As a share of the economy, the publicly held debt increased from 26% in 1981 to 50% in 1993. Since President Clinton took office, the publicly held debt as a share of the GDP has dropped to 44 percent. Under the President's framework, the publicly held debt will be cut by more than two-thirds, and, as a share of the GDP, will fall from 44% today to 7.1% in
2014--its lowest level since 1917.

FIRST LADY HILLARY RODHAM CLINTON

SOCIAL SECURITY EVENT

THE WHITE HOUSE

FEBRUARY 17, 1999

Good afternoon. It's a pleasure to join the President in welcoming all of you to the White House. I'm glad that Secretary Rubin; Social Security Commissioner Apfel; and Secretary Shalala are here -- along with Janet Yellen, Jack Lew, and Gene Sperling. I'm pleased we have Senator Robb; Congresswoman Baldwin, and other elected officials, as well as national leaders -- like Jesse Jackson. We've all come together today to talk about one of the most critical challenges of our time: preserving and strengthening Social Security for future generations. And I'm especially pleased that so many young people have joined us -- and that we will be hearing from one of them -- Sharon Bridgner -- later on in the program.

This may not be the usual audience for a White House event. But I believe there is no more important group to be engaged in this discussion about the future than America's young people. That's why we invited students from a youth leadership academy at the University of Maryland — to walk in with us today, and be part of this event. We've also invited young leaders from across the country to join us here at the White House -- or via satellite. There are downlinks to over 40 campuses nationwide — from Oregon to Ohio to Florida. I'm so pleased to welcome all of you.

Like many of you, I remember the day I received my Social Security card as a teenager, when I got my first job. Back then, I only vaguely understood that Social Security was a program my grandparents and many others depended upon as they retired and grew old. Today, we know that more and more citizens -- particularly young people -- are questioning whether this once rock-solid guarantee of lifetime benefits will be there for them when they retire.

That's why the President has proposed a bold new framework to preserve Social Security for generations to come. And why we must all take part in this national debate. The majority of Social Security recipients are the elderly, but they are by no means the only ones who rely on it. Nearly one third of the beneficiaries are either disabled or survivors — or their dependents. And almost four million are young people. Social Security in a very real sense is America's family protection program. Young or old, we all have a stake in its future.

Unfortunately, anyone's life can change overnight. But Social Security gives people the support they need to pick up the pieces, and move on.

I've heard about Tyra Brown, a young girl from Oklahoma, who lost her mother when she was only 15 years old. Social Security enabled her to survive that difficult time -- and she's now thriving in college. Paul Marshall, a young husband and father from here in DC, was struck by a stray bullet -- leaving him a quadriplegic. But thanks to what Paul calls "a family program for all ages" -- Social Security is helping to take care of his children and support his mother -- who he lives with.

Many of our citizens are especially reliant on Social Security -- particularly women and minorities. We know that without Social Security, nearly two thirds of elderly Hispanic Americans and African Americans would be living in poverty.

Young women have a strong stake in preserving Social Security as well. Without it -- every other elderly woman we see on the street, or in the market, or at church or synagogue -- would be living in poverty. Women make up the majority of Social Security recipients -- and for a quarter of America's elderly women -- that monthly check is their sole income.

We also rely on Social Security because of the unique patterns in our lives. Women live longer than men. And while we're making progress -- women still have lower lifetime earnings, and reach retirement with smaller pensions and fewer assets. Social Security provides special benefits that help elderly women -- but the President is concerned that older women are still twice as likely to be poor than older men. My husband is committed to changing that cruel reality.

So we all have a stake. As Jesse Jackson has said -- "Americans have made it clear that they want Social Security saved -- not savaged."

If we want to preserve and strengthen Social Security well into the 21st century; if we want to further reduce elderly poverty; if we want to take advantage of this robust economy to strengthen our society for years to come; and if we don't want to burden our children and grandchildren -- then we must make bold decisions now to preserve Social Security. But we must also preserve Medicare. Making sure Medicare is always there for future generations must be at the top of our nation's agenda as well. Health security and retirement security must go hand in hand.

These are tough issues. And in order to address them -- we need to hear from everyone -- particularly the voices of the young people here in this room and around the country. It's often easier to be cynical -- and to stay disengaged. But I've been on many college campuses, and time and time again, I've seen how America's young people can defy conventional wisdom by getting involved and finding solutions to problems that face us all.

We need your voices now. So I urge all of you to continue to educate yourselves about Social Security. Debate the issues. Share your concerns with each other. Get organized. These decisions are far too important for any of us -- particularly our young people -- to stay on the sidelines.

It's my great pleasure to introduce to you now a man who has worked tirelessly to ensure that all of us -- and generations to come -- have a brighter future: our Commissioner of Social Security, Ken Apfel.

Noa A. Meyer 02/17/99 08:41:24 AM

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TALKING IT OVER

BY HILLARY RODHAM CLINTON

RELEASE: WEDNESDAY, FEBRUARY 17, 1999, AND THEREAFTER

Like many Americans, I got my Social Security card when I was a teenager and applied for my first job. Then, of course, I didn't think much about what Social Security meant for me or for generations before me. I didn't understand that my wallet-sized card represented a commitment that every American could grow old with dignity.

I also didn't understand that Social Security is not just for the elderly -- and not just for retirement. I didn't know that nearly one-third of its beneficiaries are either disabled, widows, widowers or surviving dependents. Almost 4 million are young people. In a very real sense, Social Security is a family protection system.

When I was a teenager, like many others, I didn't spend much time thinking about my future, much less about my retirement. Today, sadly, when young people do take the time to ponder the future, they have little faith that Social Security will even be there for them when they retire. That's all the more reason for them to get involved in the debate right away.

This week, the President and I held an event here at the White House designed to get everyone thinking about Social Security now.

Social Security has affected the lives of people young and old. One young man from Miami had an incapacitating stroke in his early 30s. Social Security was there to provide disability benefits for his four children, enabling them to grow up healthy and cared for. After the death of her husband, a retired cafeteria worker from Tennessee started receiving his benefits, allowing her to live more comfortably. A 15-year-old girl from Oklahoma lost her mother, and Social Security allowed this young woman to continue on to college, where she's now a sophomore majoring in psychology.

These stories remind us that anyone's life can change overnight and why it is so important to include young people in the discussion. I hope that young women in particular will pay attention. Young women today are making such strides in the workplace, many of them don't think they'll ever need Social Security. But because we never know when something catastrophic will happen, it is especially critical for women to understand that they have a unique stake in the future of the Social Security system.

Women live longer than men, and although many are moving toward pay equity, lifetime earnings for women remain lower, causing them to reach retirement with smaller pensions and other financial assets. For a quarter of all older women, Social Security is the only income they receive -- all that stands between them and destitution. The next time you're in the supermarket or just walking down the street, take a look around. Without Social Security, every other woman you see over the age of 65 would be living below the poverty line.

Clearly, it's in all our interests to preserve and strengthen Social Security into the next century. And if we don't want to burden our children and grandchildren -- if we want to make sure Social Security remains solvent well into the 21st century -- we must make bold decisions now.

The President believes that the best way to keep the promise of Social Security rock-solid is to avoid drastic cuts in benefits, not to raise payroll tax rates and not to drain resources from the system in the name of saving it. Instead, he has proposed committing 62 percent of the budget surplus for the next 15 years to saving Social Security.

I am pleased that some Republican leaders have embraced the President's framework, for this issue is far too important to be sidetracked by partisan politics. If we want to preserve Social Security as a family protection system that we can count on into the next millennium, all our voices must be heard. Republicans and Democrats, men and women, young and old -- all Americans must be an integral part of the public debate.

I hope every American will get involved. I hope you will take the time to educate yourself about how Social Security works and what it can mean to you. I hope you will encourage discussions at home, at work, at church and anywhere you gather.

Don't forget: Your voice matters. As we embark on this critical national debate, make yours heard.

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If you're interested in learning more about Social Security, you can visit the Social Security Administration's web site at www.ssa.gov or the Americans Discuss Social Security web site at www.adss.org.

To find out more about Hillary Rodham Clinton and read her past columns, visit the Creators Syndicate web page at www.creators.com.

Message Sent To: ____

Jason H. Schechter
01/22/99 06:36:39 PM

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cc:
Subject: 1999-1-23 Embargoed Radio Address of the President

THE WHITE HOUSE

Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M. EST
Saturday, January 23, 1999

RADIO ADDRESS BY THE PRESIDENT TO THE NATION

The Roosevelt Room

THE PRESIDENT: Good morning. Last Tuesday night, in my State of the Union address, I was honored to report to the American people that our families, our communities and our country are stronger, healthier and more prosperous than ever. But I warned that we cannot let the hum of our prosperity lull us into complacency. Instead, we must use this moment of promise to meet the long-term challenges we face as a nation -- to meet our historic responsibility to the 21st century.

Over the last six years, our hard-won fiscal discipline has given us the chance to meet those long-term challenges. Six years ago, our budget deficit was $290 billion. Last year, we had a budget surplus of $70 billion. We expect another one a little larger than that this year, and we're on course for budget surpluses for the next 25 years.

So now we face a new choice -- what to do with the surplus. I believe we should use it to plan and save for retirement, to strengthen the readiness of our military, to get our children ready for the 21st century. Very simply, I believe we should use the first surplus in three decades and the projected ones in the future to meet America's great challenges. Above all, that means saving Social Security and Medicare.

We all know that the baby boom will soon become a senior boom -- the number of seniors will double by 2030; average life expectancy is rising rapidly, and that means rising costs for Social Security and Medicare.

I propose to keep Social Security strong for 55 *years* by committing 60 percent of the surplus for the next 15 years, and investing a small portion in the private sector just as any private or state pension would do. We should make further tough choices to put Social Security on a sound footing for the next 75 years, to lift the limits on what seniors on Social Security can earn, and to provide support to reduce the poverty rate among elderly women -- which is twice the poverty rate among seniors as a whole. We can do that with a good bipartisan effort.

Once we've accomplished this, I propose we use one of every six dollars of the surplus over the next 15 years to double the life of the Medicare trust fund.

Then I believe we should dedicate $500 billion of the surplus to give working families tax relief for retirement savings, by creating new Universal Savings Accounts -- USA accounts -- to help all Americans build a nest egg for their retirement.

Under my plan, families will receive a tax credit to contribute to their USA account, and an additional tax credit to match a portion of their savings, with a choice in how they invest the funds -- and more help for those who will have the hardest time saving.

Let me give you an example of how USA accounts could work. With the help of USA account tax credits, working people who save and invest wisely from the time they enter the work force until the time they retire could have more than $100,000 in their USA account, and a more secure retirement. That's the kind of tax relief America needs.

By providing this new tax credit for retirement savings, we can make it possible for all Americans to have a stake in the remarkable economic growth they have worked so hard to create.

Social Security first; then saving Medicare and giving tax relief to help all Americans save in the new USA accounts; investing in defense and education -- that's the right way to use America's surplus. If we squander the surplus, we'll waste a once-in-a-lifetime opportunity to build a stronger nation for our children and our grandchildren. Instead, let's work together to prepare our nation for the great challenges and opportunities of the 21st century.

Thanks for listening.

END

FIRST LADY HILLARY RODHAM CLINTON
AMERICANS DISCUSS SOCIAL SECURITY TELECONFERENCE
WASHINGTON, D.C.
JANUARY 23, 1999

THANK YOU, REBECCA, FOR THOSE WORDS. I WANT TO ALSO THANK CAROLYN LUKENSMEYER, "AMERICANS DISCUSS SOCIAL SECURITY," AND THE PEW CHARITABLE TRUST, FOR ENGAGING SO MANY CITIZENS FROM AROUND THE COUNTRY IN THIS NATIONAL CONVERSATION -- "WHAT EVERY WOMAN SHOULD KNOW ABOUT SOCIAL SECURITY."

I'M GLAD WE OPENED THIS EVENT WITH THE VIDEO OF WOMEN FROM ALL WALKS OF LIFE TALKING ABOUT

THEIR CONCERNS, FEARS, AND HOPES ABOUT THE FUTURE OF SOCIAL SECURITY. BECAUSE THAT'S EXACTLY WHY WE'RE HERE TODAY. TO TALK, AND LISTEN, AND LEARN.

THE FUTURE OF SOCIAL SECURITY IS ONE OF THE MOST IMPORTANT ISSUES FACING WOMEN IN AMERICA TODAY. YET MANY OF US ARE JUST BEGINNING TO GET INVOLVED IN THIS DEBATE -- AND JUST STARTING TO LEARN ABOUT HOW SOCIAL SECURITY AFFECTS US AS WOMEN.

WE ALL HAVE A LOT OF QUESTIONS AND CONCERNS. AND THAT'S WHY FORUMS LIKE THIS ONE ARE SO VALUABLE.

LIKE MOST PEOPLE, I HAVE HEARD ABOUT SOCIAL SECURITY ALL OF MY LIFE, AND I'VE SEEN HOW IT SERVES AS A LIFELINE FOR OUR PARENTS AND GRANDPARENTS, AS THEY RETIRE AND GROW OLDER. FOR GENERATIONS, SOCIAL SECURITY HAS BEEN A ROCK SOLID GUARANTEE OF LIFETIME BENEFITS. IT'S BEEN OUR NATION'S HISTORIC COMMITMENT TO ENSURING THAT AMERICANS CAN GROW OLD WITH DIGNITY.

BUT THE MORE I'VE LEARNED ABOUT SOCIAL SECURITY, THE MORE I UNDERSTAND WHAT A CRITICAL ROLE IT PLAYS IN ALL OF OUR LIVES -- WHETHER WE'RE YOUNG OR OLD, WORKING OR DISABLED. THE MAJORITY OF THOSE RECEIVING SOCIAL SECURITY BENEFITS ARE THE ELDERLY. BUT SOCIAL SECURITY IS MORE THAN A RETIREMENT SYSTEM. NEARLY A THIRD OF ITS BENEFICIARIES ARE EITHER DISABLED OR SURVIVORS -- OR THEIR DEPENDENTS. AND ALMOST 4 MILLION ARE YOUNG PEOPLE. **SOCIAL SECURITY -- IN A VERY REAL SENSE -- IS**

AMERICA'S FAMILY PROTECTION SYSTEM.

ONE OF THE REASONS WHY SOCIAL SECURITY IS CRITICAL FOR EVERYONE IS BECAUSE ANYONE'S LIFE CAN CHANGE OVERNIGHT. LET ME TELL YOU SOME OF THE STORIES I'VE HEARD. A YOUNG MAN FROM MIAMI HAD AN INCAPACITATING STROKE IN HIS EARLY 30S — LEAVING HIS WIFE AND FOUR CHILDREN TO FEND FOR THEMSELVES. BUT SOCIAL SECURITY WAS THERE TO PROVIDE DISABILITY INSURANCE FOR THE CHILDREN — ENABLING THEM TO GROW UP HEALTHY AND CARED FOR. A YOUNG GIRL IN OKLAHOMA LOST HER MOTHER WHEN SHE WAS ONLY 15 YEARS OLD. SOCIAL SECURITY ENABLED HER TO CONTINUE ON TO COLLEGE — WHERE SHE'S NOW A SOPHOMORE MAJORING IN PSYCHOLOGY. A RETIRED CAFETERIA WORKER FROM TENNESSEE LOST HER HUSBAND EIGHT YEARS AGO. HER BENEFITS WERE REPLACED BY HIS — AND SHE NOW LIVES A COMFORTABLE LIFE.

WE NEVER KNOW WHEN SOMETHING CATASTROPHIC WILL HAPPEN TO US. HOW MANY OF US HAVE SEEN TRAGEDIES AND THOUGHT: "THERE BUT FOR THE GRACE

OF GOD GO I?" BUT TODAY -- WE KNOW WE CAN COUNT ON SOCIAL SECURITY TO HELP HOLD OUR FAMILIES TOGETHER, AND PROTECT US AGAINST THE UNEXPECTED.

AT THIS CONFERENCE, WE WILL LEARN MORE ABOUT HOW WOMEN IN PARTICULAR ARE AFFECTED BY SOCIAL SECURITY, AND HOW WE HAVE A PARTICULAR STAKE IN ITS FUTURE. WOMEN REPRESENT THE MAJORITY OF ALL AGED RECIPIENTS. WITHOUT IT -- THE POVERTY RATE AMONG ELDERLY WOMEN WOULD BE MORE THAN HALF. JUST THINK ABOUT WHAT THAT MEANS.

WITHOUT SOCIAL SECURITY -- ONE OF EVERY TWO OLDER WOMEN WOULD LIVE BELOW THE POVERTY LINE. AND FOR A QUARTER OF OUR OLDER WOMEN -- SOCIAL SECURITY IS THE ONLY INCOME THEY RECEIVE. IT'S ALL THAT STANDS BETWEEN THEM AND THE RAVAGES OF POVERTY.

AS WOMEN, WE ALSO RELY ON SOCIAL SECURITY BECAUSE OF OUR UNIQUE LIFE PATTERNS. WE LIVE LONGER THAN MEN. AND, WHILE WE'RE MAKING PROGRESS, WE STILL HAVE LOWER LIFETIME EARNINGS, AND REACH RETIREMENT WITH SMALLER PENSIONS AND OTHER ASSETS.

OUR MISSION TODAY IS NOT ONLY TO EDUCATE OURSELVES ABOUT THE VALUES AND BENEFITS OF SOCIAL SECURITY -- BUT TO TALK ABOUT WAYS OF ENSURING THAT IT WILL BE PRESERVED FOR FUTURE GENERATIONS. AS MY HUSBAND EXPLAINED IN HIS STATE OF THE UNION ADDRESS JUST A FEW DAYS AGO -- BOLD STEPS MUST BE TAKEN NOW TO MAKE SURE SOCIAL SECURITY REMAINS SOLVENT WELL INTO THE 21ST CENTURY.

THE QUESTION IS: HOW SHOULD WE RESPOND TO THIS HISTORIC CHALLENGE? AS MANY OF YOU KNOW, THE PRESIDENT HAS PUT FORWARD A FRAMEWORK TO SAVE SOCIAL SECURITY.

HE BELIEVES THAT THE BEST WAY TO KEEP SOCIAL SECURITY A ROCK SOLID GUARANTEE IS TO AVOID DRASTIC CUTS IN BENEFITS, NOT RAISE PAYROLL TAX RATES, AND NOT DRAIN RESOURCES FROM THE SYSTEM IN THE NAME OF SAVING IT. HE'S PROPOSING INSTEAD TO COMMIT 62% OF THE BUDGET SURPLUS FOR THE NEXT 15 YEARS TO SAVE SOCIAL SECURITY -- AND TO INVEST A

SMALL PORTION IN THE PRIVATE SECTOR TO EARN A HIGHER RETURN.

I'M PLEASED THAT REPUBLICAN LEADERS HAVE EMBRACED THE PRESIDENT'S CALL TO RESERVE 62% OF THE BUDGET SURPLUS FOR SOCIAL SECURITY -- AS WE ALL WORK TOGETHER TO DEVISE A PLAN TO SAVE AND STRENGTHEN THIS CRITICAL PROGRAM.

BUT IT'S CRITICAL THAT DEMOCRATS AND REPUBLICANS ALIKE ANSWER THE PRESIDENT'S CHALLENGE TO PRESERVE ENOUGH OF THE SURPLUS TO PROTECT MEDICARE INTO THE NEXT CENTURY. HEALTH SECURITY AND RETIREMENT SECURITY SHOULD GO HAND IN HAND.

WHILE WE MUST PROTECT THE SPECIAL PROVISIONS IN SOCIAL SECURITY THAT ARE PARTICULARLY BENEFICIAL TO WOMEN, THE PRESIDENT ALSO RECOGNIZES THERE IS EVEN MORE WE CAN DO. THERE ARE INEQUITIES IN THE SYSTEM THAT CAN BE FIXED. I WANT TO UNDERSCORE HIS COMMITMENT TO REDUCING POVERTY AMONG ELDERLY WOMEN -- WHO ARE STILL NEARLY TWICE AS LIKELY TO BE POOR AS OTHER SENIORS.

THE PRESIDENT ALSO BELIEVES THAT ONCE WE'VE SAVED SOCIAL SECURITY AND MEDICARE, WE SHOULD CREATE UNIVERSAL SAVINGS ACCOUNTS -- U.S.A. ACCOUNTS -- TO GIVE WORKING FAMILIES TAX RELIEF FOR THEIR RETIREMENT SAVINGS. HE BELIEVES THAT WE CAN HELP ALL AMERICANS -- ESPECIALLY THOSE WITH LOWER INCOMES -- SAVE AND INVEST THEIR EARNINGS TO BUILD NEST EGGS FOR THEIR RETIREMENT.

THE DIFFERENCE BETWEEN THE PRESIDENT'S PROPOSALS AND OTHERS' IS THAT THE PRESIDENT BELIEVES WE CAN EMPOWER AMERICANS TO SAVE -- WITHOUT CREATING RISKY AND UNTESTED INDIVIDUAL ACCOUNTS WITHIN SOCIAL SECURITY.

CLEARLY THESE ISSUES ARE FAR TOO IMPORTANT FOR ANY OF US TO STAY ON THE SIDELINES. WOMEN'S CONCERNS MUST BE AN INTEGRAL PART OF THE PUBLIC DEBATE ABOUT THE FUTURE OF SOCIAL SECURITY. IF WE WANT TO SAVE SOCIAL SECURITY AS A FAMILY PROTECTION WE CAN COUNT ON INTO THE NEXT MILLENNIUM, OUR VOICES MUST BE HEARD -- IN TOWN HALLS, AND IN THE HALLS OF CONGRESS.

TODAY, I HOPE ALL OF US WILL STAY INVOLVED

AFTER THE CONFERENCE AND KEEP THIS NATIONAL CONVERSATION GOING -- BY ENCOURAGING DISCUSSIONS IN OUR HOMES, WORKPLACES, AND CHURCHES. ABOVE ALL, WE MUST CONTINUE TO EDUCATE OURSELVES -- SO WE CAN ACHIEVE SOCIAL SECURITY REFORMS THAT TRULY BENEFIT WOMEN.

I REGRET I WON'T BE ABLE TO BE WITH YOU FOR THIS ENTIRE CONFERENCE. BUT I'M PLEASED THAT A MEMBER OF THE SOCIAL SECURITY ADMINISTRATION WILL BE HERE TO ANSWER YOUR QUESTIONS. AND I LOOK FORWARD TO HEARING YOUR REPORTS AND IDEAS. YOUR VOICES MATTER. AND WE'RE ALL VERY GRATEFUL FOR THE TIME YOU ARE TAKING TODAY.

THANK YOU VERY MUCH.

Noa A. Meyer 12/03/98 04:50:58 PM

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To: Christine N. Macy/WHO/EOP

cc:

Subject: 1998-10/27 POTUS/VPOTUS panel remarks soc sec roundtable

--------------------- Forwarded by Noa A. Meyer/WHO/EOP on 12/03/98 04:51 PM ---------------------------

OLCOTT_E @ A1
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 27, 1998

REMARKS AT ROUNDTABLE DISCUSSION
ON WOMEN AND RETIREMENT SECURITY

The East Room

2:30 P.M. EST

THE VICE PRESIDENT: Ladies and gentlemen, on behalf of the President I want to welcome all of you. Please be seated.

I want to acknowledge members of the President's Cabinet and team here: the Secretary of Labor, Alexis Herman; the Deputy Secretary of Labor, Kitty Higgins; the Director of Office of Personnel Management, Janice Lachance; the Chair of the Council of Economic Advisors, Janet Yellen; the Director of the National Economic Council, Gene Sperling; and the Deputy Director, Sally Katzen;

also the Deputy Social Security Commissioner, Jane Ross; and the Deputy OMB Director, Sylvia Mathews. And we're pleased to be joined by Congressman Ben Cardin and also Betty Freidan and other distinguished guests who are present with us today. We're very grateful to all of you for being here.

And in particular we are focusing today on what to do to strengthen Social Security for the 21st century and to strengthen it especially for the millions of American women who depend on it and who depend on it more than men.

We would like to say a special word of thanks to those who are joining us from around the country by way of satellite here today. I guess that's the satellite hook-up there. We welcome people from Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City, Denver, Seattle, Birmingham, and Richmond, California. We're honored that you're here. And, incidentally, we had first hoped to hold this important roundtable last week. And as you may have noticed and you may remember, President Clinton had a sleepless night for about 40 hours there with Prime Minister Netanyahu and Chairman Yasser Arafat and their delegations. They were putting the finishing touches on that agreement that takes such an important new step towards peace in the Middle East. And because of that this was rescheduled.

Mr. President, I have a feeling that not only is everybody here understanding of that, but, again, congratulations and thank you for that important agreement. (Applause.)

THE PRESIDENT: Thank you.

THE VICE PRESIDENT: So we're picking up today where we left off back a week ago. And it reminds me of how many important things have taken place right here in this room. Nearly a month ago I was proud to stand here in this room with President Clinton for the announcement that America had posted its first budget surplus since Neil Armstrong walked on the moon. And at that point, and actually, long before that surplus materialized, it seemed like everybody had a different idea about what should be done with the budget surplus.

But President Clinton ended that debate with four memorable words in his State of the Union address at the beginning of this year -- save Social Security first. That expression has forestalled the spending or wasting or use in any way of that budget surplus until we can save Social Security first. It would have been easy to join in with those who had risky budget-busting tax schemes or some other idea for using that money. But for the generation of Americans who saved Private Ryan, President Clinton committed us to saving Social Security first. And that's what we're going to do with the budget surplus.

That leadership couldn't have come at a better time, because over the next decade projections show more than $1.5 trillion in surpluses for Social Security. But consider this: 75 million baby boomers are going to be retiring over the next 15 to 20 years. Today there are more than 3 people working for each Social Security beneficiary, and by the year 2030 there will be only 2 people working for each Social Security beneficiary. That's just the fundamental fact of life that we have to adjust to. And it constitutes a serious challenge. By reserving the surplus until we fix Social Security, we can meet that challenge in a way that preserves the dignity of our seniors in retirement.

We all know that it's a lifeline for millions of Americans and especially women. And older women, on average, get more than half of their income from Social Security. For 25 percent of elderly women, a Social Security check is the only income they receive.

And of course, this is not just a story of numbers and statistics, it is also one of faces and families. And I want to acknowledge and introduce to you the people who will be joining us on this panel today: Bernice Myer, from Seattle. Bernice works with older Americans and disable seniors, helping them with personal care, shopping and cleaning. She expects to receive a small pension from a previous job when she retires in 15 years, but her current job doesn't have a pension plan. She's depending on Social Security to be a major part of her retirement.

We're also joined by Molly Lozoff from Miami Beach. Molly is a retired real estate broker and a 77-year-old widow who receives a Social Security check each month. When she was 35, her husband had an incapacitating stroke which left him unable to speak for the rest of his life. She became his legal guardian and in the process of getting her own life together, she discovered that there were programs that provide assistance for the minor children of disable parents -- government programs. She believes that the assistance that she received back then enabled her children to become the successful adults that they are today.

Also with us today is Wilma Haga from my home state of Tennessee. She's from Bristol, the birthplace of country music -- where the Carter family made their first recording, Mr. President. (Laughter.) And Wilma is a 76-year-old retired cafeteria worker with a small pension. Eight years ago her husband died, and she receives his Social Security check each month. Wilma says that she could not survive without Social Security and would do anything to help people understand how important it is to women like her. And there are lots of them.

We're also joined by Lucy Sanchez from right here in Washington, D.C. And over the course of 8 months her husband had heart surgery twice. To care for her husband, Lucy was able to use our Family and Medical Leave law. Today Mrs. Sanchez says, "If I had to go to work I would have been useless. Family and Medical Leave allowed me to do what I had to do because, no matter what, family comes first." And you're going to see how that ties in to this event here today in just a minute.

Now, finally, we are joined by Tyra Brown, a 20-year-old psychology major at Howard University, originally from Oklahoma City. Tyra is an honor student, a Ronald McNair scholar, and an AmeriCorps member. Her mother passed away when Tyra was only 15 years old. Thanks to Social Security, Tyra was able to receive Social Security survivors' benefits until the age of 18.

The message of these stories is clear: Strengthening Social Security is not just a fiscal responsibility, it is a profoundly moral responsibility. It is about preserving our oldest and most cherished values.

Nobody understands that better than President Bill Clinton. For decades now, few elected officials have been willing to take on this important challenge. Everybody here has heard Social Security referred to as the third rail -- people were afraid to touch it. Well, President Clinton believes that it's so important to America's future we can't afford not to take it on. And actually, if you study these numbers and statistics, you come away immediately with the conclusion the sooner the better, because the sooner we do take it on, the easier it will be to fix it in the right way.

His leadership is making an enormous difference for our seniors and for all generations. Ladies and gentlemen, it is my great pleasure and honor to present our President, Bill Clinton. (Applause.)

THE PRESIDENT: Thank you, ladies and gentlemen. Welcome to the White House. I want to thank the Vice President, the members of the administration, Congressman Cardin, all the panelists who are here, the satellite audience at the 12 other sites across our country. I'd like to say a special word of appreciation and welcome to Betty Freidan, who has written with such insight and appreciation for the challenges women face as they grow older.

We're here to talk about the special impact of the challenge to Social Security on the women of the United States. I would like to put it in, if I might, a larger context. Six years ago, when the Vice President and I came here, we brought a new vision of government against a backdrop of a $290 billion deficit and the kind of problem we're here to talk about today that we knew was looming in the future. We believed that we could give the American people a government that would live within its means, but at the same time invest in and empower our people.

It led to an array of new policies in education and the economy, the budget, the environment, in health care, in crime, welfare reform. Indeed, it led to the very effort to reinvent government, to use the Vice President's phrase, and the great effort that he made in that regard. But over the last six years we have been more active, among other things, in family matters and health matters, and a whole range of domestic areas, while giving the American people the smallest federal establishment since President Kennedy was here.

And the results, I think, have been quite good for our people, in terms of prosperity, opportunity is abundant, communities are stronger, families are more secure. This year, all year long, I have told the American people and done my best to persuade the Congress that it is terribly important to build on this prosperity and its newfound confidence to meet the remaining challenges this country faces on the edge of a new century -- particularly, and perhaps most important, the need to save Social Security and to prepare for the retirement of the baby boomers.

On December 8th and 9th we will hold the first ever White House Conference on Social Security, with a goal of paving the way toward a truly bipartisan national solution early next year. Social Security, as many of you know from your own experience, and as all our panelists will be able to discuss in one way or the other, is more than a monthly check or an ID number. It represents a sacred trust among the generations. It represents a trust not only between grandparents, parents and children, those in retirement and those that work, but also the able-bodied and those who are disabled. It is our obligation to one another and it reflects our deepest values as Americans. And it must maintain a rock-solid guarantee.

We have a great opportunity to save Social Security. As all of you know, just this month we closed the books on our first balanced budget and surplus in 29 years. It is the product of hardworking Americans who drive the most powerful economic engine our country has had in a generation; the product of hard choices by lawmakers who put our nation's long-term economic interest very often above their own short-term political interest. It is an achievement that all Americans can be proud of.

But we have to ask ourselves to what end has this been done. Of course, balancing the budget is essential for our own prosperity in this time of intense global competition. But it also gives us a chance to do something meaningful for future generations by strengthening Social Security. And doing that will help to keep our economy sound and help to keep our budget balanced, as we honor our duty to our parents and our children.

As the Vice President said, soon there will be many more older Americans. I hope that he and I will be among them. (Laughter.) Two of the 75 million baby boomers who will be retiring over the next 30 years. By the year 2013, what Social Security takes in will no longer be enough to fund what it pays out. And then we'll have to dip into the trust fund as provided by law. But by 2032, as this chart on the left makes clear, the trust fund itself will be empty and the money Social Security takes in will soon be only enough to pay 72 percent of benefits.

Now, that's the big reason I wanted to reserve the surplus until we decide what to do about Social Security. Every American must have retirement security in the sunset years. We plan for it, count on it, should be able to rely on it. That holds true for women, as well as men. But in the case of women, Social Security is especially important. On average, women live longer than men; women make up 60 percent of all elderly recipients of Social Security -- 72 recipients over the age of 85, as you can see here.

For elderly women, Social Security makes up more than half their income. And for many ~~it is literally all that~~ stands between them and the ravages of poverty. You can see what the poverty rate is for elderly women -- it's 13.1 percent with Social Security; without it, it would be over 50 percent. Study after study shows us that women face greater economic challenges in retirement than men do, for three reasons.

First, women live longer. A woman 65 years of age has a life expectancy of 85 years. A man 65 years of age has a life expectancy of 81 years. Second, for comparable hours of work, women still have lower lifetime earnings than men, although we're working on that. Third, women reach retirement with smaller pensions and other assets than men do.

Now, Social Security has a number of features to help women meet these challenges. And ~~we have done a lot of work~~ over the last six years to try to help make it easier for people to take out their own pensions and to make it more attractive for small businesses to help to provide pensions for their employees, which could have a disproportionate impact, positive impact for women in the years ahead. But the hard fact remains that too many retired women, after providing for their families, are having trouble providing for themselves.

Now, we have worked these last six years to expand pension coverage, to make the pensions more secure, to simplify the management of pension plans. ~~We've worked for the economic~~ empowerment of women, to end wage discrimination and strengthen enforcement of the Equal Pay Act. But we must do more until women earn $1 for every $1 men earn for the same work; and today we're only three-quarters of the way there. We must work harder to give retired women the security they deserve that they ~~could not get for~~ themselves in the years they were working.

Today, I am announcing two concrete steps we must take. First, I propose that workers who take time off under the Family and Medical Leave Act should be able to count that time toward retirement plan vesting and eligibility requirements. Sometimes the few months spent at home with a child mean the difference between pension benefits and no pension benefits. That is precisely the wrong message to send to people who are trying to balance work and family.

Millions and millions of people have now taken advantage of the Family Leave Act when a family member was desperately ill or a baby was born. None of them should have lost time for retirement vesting and eligibility benefits.

Second, I am proposing that families be given the choice to receive less of their pension when both spouses are living, leaving more for the surviving spouse ~~if the breadwinner dies.~~ That should ~~help~~ keep elderly widows out of poverty in their twilight years. And the poverty rate for single women, for elderly widows is ~~much higher -- almost~~ -- about 40 percent higher than that 13 percent figure there.

These proposals build on the work of Congressman David Price of North Carolina and Senator ~~Barbara Boxer~~ and Senator Carol Moseley-Braun. They will make a difference for our mothers, our wives, our sisters and some day for our daughters. But let me emphasize again the most important thing we can do for future generations is to strengthen Social Security overall.

When I said in my State of the Union address I would reject any attempt to spend any surplus until we save Social Security, I knew the congressional majority wanted to drain brilliance from the surplus even before it appeared on the books, much less having the ink dry. And not just this year, but permanently. Now, I am not opposed to tax cuts, and my balanced budget we have tax cuts for education, for child care, for the environment, and for making it easier for people to get pensions. I'm just opposed to using the surplus to fund tax cuts until we have used all we need of it to save the Social Security system for the 21st century.

The threat of a veto put a stop to that effort in this last Congress. The next Congress will be the Congress I call upon actually to move to save Social Security for the 21st century. It should not be a partisan issue, and we should not have another partisan fight to save the surplus until we reform Social Security.

But recently, Republican leaders are still saying the surplus should go to fund tax cuts first, and the Senate Majority Leader has suggested that he may not even be willing to work with me to save Social Security. Well, I hope that's just election season rhetoric. After all, they were willing to work with the insurance lobbyists to kill the patients' bill of rights. (Laughter.) And then they worked with the tobacco companies to kill our teen smoking bill to protect our children from the dangers of tobacco. And they were happy to work with the special interest who were determined to kill campaign finance reform. I think the Senate Majority Leader will be able to find time to work with me to save Social Security. (Applause.) And I certainly hope so.

I say this partly with a smile on my face, but in dead seriousness. This issue will not have the kind of money behind it that the tobacco interests can marshal or the health insurance companies can marshal against the patients' bill of rights. And everybody here with an opinion is going to have to give up a little of it if we're going to make the right kind of decision to get there.

This is the sort of decision that requires us to open our minds, open our eyes, open our ears, open our hearts, think about what America will be like 30 years from now, not just what it's like today, and imagine what it will be like when those of us who aren't retired will be retired and our children will be raising our grandchildren -- increasingly, when those of us who are retired will be looking after our great-grandchildren as the life expectancy goes up and up.

This requires imagination. And it will be hard enough under the best of circumstances. It would be foolish to take this projected structural surplus that has been built in for six hard years of effort and squander it, until we know what it will cost to have a system that all Americans, without regard to party, can be proud of.

Now, this is an issue that offers us that kind of choice between progress and partisanship; moving forward, turning back; putting people over politics. In 11 days we will elect a Congress that will determine the future of Social Security. We need one that is 100 percent committed to saving Social Security first; to putting the long-term security of the American people -- our parents and our children -- ahead of the short-term politics.

Now let me say I am eager to hear from our panelists. I think it's important to note on this day with this subject that one of America's first great advocates for Social Security was the Secretary of Labor, Frances Perkins. As Secretary Herman would tell you, Frances Perkins' name now graces the Department of Labor building, just down Pennsylvania Avenue. She was the first woman to hold that office, or any other Cabinet office. Years later, on the 25th anniversary of Social Security, Frances Perkins looked ahead and said this, "We will go forward into the future a stronger nation because of the fact that we have this basic rock of security under all our people."

That foundation, that rock, was laid by Frances Perkins and Franklin Roosevelt. It is up to all of together, women and men, to make sure that rock will hold up all our people in the 21st century. Thank you very much. (Applause.)

Molly, why don't you go first? Tell us your story and your family's experience with Social Security.

MS. LOZOFF: Thank you, Mr. President.

Mr. President, Mr. Vice President and my fellow Americans, the month was October and the year was 1955. I was a happy 33-year-old mother of four wonderful children. I was a stay-at-home mother. My husband was a successful realtor until that fateful day, when he suffered a severe stroke that left him paralyzed an unable to express himself for the remaining 14 years of his life.

After the initial shock, I realized that I had to get busy and prepare myself for a career in order to be able to provide for my children and my disabled husband. It took about a year for me to become his legal guardian, handle his finances and earn my real estate license. During that time I learned of this new Social Security program, which started in 1956 -- fortunately for me -- that offered disability insurance for minor children of a disabled provider.

It was such a relief to know that my government was going to help me survive this crisis. I believe to this day that this assistance enabled my children to confront this severe family problem and allowed them to become the fine, successful, caring human beings they are today. Without this assistance I could not have fared as well. It gave me the solid base that I needed to build my family's future.

Many years have passed, and at this time in my life I find that I am once again turning to my government for help through the Social Security program. The amount that I receive every month enables me to provide for my basic living expenses. I know quite a few of my contemporaries in Florida who could not go on without their Social Security benefits. For some it's literally life-sustaining.

I'm so proud we have a President who feels a tug on his heart for our plight, the plight of the elderly. We should strongly support his efforts to use some of the budget surplus to ensure that the Social Security system will survive and continue to help those in need, well into the next millennium.

Thank you, Mr. President, we're so proud of you. (Applause.)

THE PRESIDENT: I'd just like to say -- I think I speak for everyone in this room, I guess some bad things happen to everybody in life and a lot of us were probably feeling nonetheless that we can't imagine how we would have dealt with what you have obviously dealt with so magnificently. And if Social Security helped, then I think we can all be grateful that it did. We thank you very much.

MS. LOZOFF: There are many people in my place, I know, today.

THE VICE PRESIDENT: Mr. President, I refer to Tyra Brown's story earlier. A lot of people commonly think of Social Security as a retirement program. And they don't stop to think that out of the 44 million Americans that receive Social Security, one-third of them are either survivors or disabled Americans. And a lot of them, some 3.8 million beneficiaries, are children; and almost 2 million of them are survivors of deceased parents.

Tyra, could you tell us your story, which represents a story that millions of others -- similar to that of millions of other children.

MS. BROWN: Thank you, Mr. President, thank you, Mr. Vice President, for inviting me here today. It's good to know that you both are working hard and using your leadership to help strengthen Social Security.

My name is Tyra Brown, and I'm from Oklahoma City, Oklahoma. I'm currently a junior here at Howard University, a historically black university, in Washington, D.C. While in school I'm working with AmeriCorps as a jump-start member, and I work in a Head Start center tutoring preschool children who are struggling with literacy skills and social development. I'm working toward the day when every child will enter prepared to succeed. After I earn my Bachelor's Degree at Howard I plan to go on to graduate school and become a child psychologist.

I enjoy working with children who need a helping hand, and I believe that as an American family, we all need to do what we can to help each other out. That is why I think Social Security is so important. It was there for me and I want it to be there in the future.

Most people think of Social Security as a retirement program, and it is. But what a lot of people don't know is that the Social Security system also helps out millions of people like myself who are not retired. When I was 15, I had a terrible experience -- I lost my mother to heart failure. And she worked very hard for me all of her life to provide for me, and after she passed my grandmother became my legal guardian. And we received Social Security survivors' benefits to help us with some of the expenses.

It wasn't easy, but the Social Security really helped, and we could count on that income to be there every month. And I don't think we could have made it otherwise without it. When my mom was alive she paid into the Social Security system, and although she wasn't able to get her retirement benefits, her Social Security contributions did help provide for me when I needed support. And I'm not alone. There are millions of other survivors out there who count on Social Security every month.

Now as I'm beginning to think about my own future, I think about that guarantee. As I pay into Social Security I want to be sure that it will be there for my retirement or in case of any other tragic circumstances, guaranteed. I know that Social Security needs to be strengthened and I know that there has to be a way to do it to preserve that vital guarantee.

That's why, Mr. President, I was very glad to hear your State of the Union address. We need to save Social Security first. It touches millions of lives in America. It has touched mine, and I hope it will be strong for generations to come.

Thank you. (Applause.)

THE PRESIDENT: We have heard from a student and a retiree. Now I'd like to call on someone who is working and planning for retirement. And I'd like to mention something that I mentioned in my opening remarks, to which the Vice President also referred, and that is that 60 percent of women workers, both part- and full-time, work at jobs that do not provide a pension. And as I said, we have worked very hard on this for the last six years and we've tried to come up with all kinds of proposals that would facilitate more employers providing pensions. And we will do more on that.

But meanwhile, we are where we are. Most Americans, even on Social Security, have some other source of income. But as you see from the chart, over half the women in this country who are retired would be in poverty but for Social Security.

So I'd like for Bernice Myer to talk a little bit about the challenges that she's facing and how she's trying to deal with the prospect of retirement in the job that she's in.

Bernice.

MS. MYER: Thank you, Mr. President and Mr. Vice President. I'm Bernice Myer. I'm a home care aide in Seattle, Washington. I'm 49 years old and have been working in service professions all of my life, all low paid. I feel that my work is very valuable to the people I serve and to society as a whole. I enjoy my work and have appreciated the opportunities I've had in each position.

One of my concerns as I grow older is where will -- a little anxiety as to whether or not I will have money available for my living. I have no pension plan currently and live basically paycheck to paycheck. So I'm very dependent upon what will happen. I'm a member of the Office and Professional Employees Union and am working to increase wages for home care aides. And we see some progress, but it's slow and I doubt that the progress I would like to see will happen in my lifetime. I think this important work and I hope that eventually pay received will match the value of the work.

I want to thank the President and the Vice President for this table conference, lifting up Social Security benefits. I'm depending on them being there when I retire. (Applause.)

THE PRESIDENT: One of the questions that we'll be asked to deal with, that most younger people who are interested in this will ask us to deal with, is the question of how much flexibility individual citizens should be given, and should there be alternative investment strategies for the Social Security fund. There will be a lot of these questions asked by young people, particularly.

And I think it is important to keep in mind that there is always a balance between greater flexibility with the prospects of greater return on the trust fund and rock solid certainty. And, ironically, to people in Bernice's position, she'd actually be better off with both, because if you don't have a pension you need a higher income out of Social Security, but if you don't have a pension you have very little room for risk.

And there are -- if you think about it, our society for decades, by and large, made a bargain with our critical service workers -- the people that pick up our trash every day, or the police that patrol our streets, or the teachers that teach our children -- we say, okay, we'll get you the best pay we can, but even though you'll never get rich, at least you'll have a pension as well as Social Security.

Now there's been an explosion, in the last 10 years especially, in America, of trying to provide more direct services to people in-home. And most everybody believes that's a good thing -- it promotes more independence, a greater sense of security of the people receiving the services. But there are huge numbers of Americans, like Bernice, out there who are performing critical services and taking our country in a direction most people who have studied this believe we need to do more of.

And one day eventually they'll all be covered by some kind of an organizational system that will give them a decent retirement plan. But, meanwhile, you've got people like Bernice that are out there doing things that we should have been doing as a society long before, that are making this a better place, that don't yet either have the bargaining power, the political support or whatever necessary to have the pensions that they need -- either that or the economics of reimbursing for the service are not sufficient to support a pension. It is wrong to let people like her do all this work for us and not at least be able to rely on an adequate Social Security system in retirement.

This is not an isolated story. This is a person who represents a growing number of Americans, not a shrinking number of Americans, doing something that most experts believe is making us a better society.

I didn't want to take so much time, but I just think it's very important that you understand we picked these people -- they're very compelling, I think, all of the panelists; but they're also representative, not isolated cases. And I think it's important to think about this when we make these plans for the future. (Applause.)

THE VICE PRESIDENT: And, Mr. President, women are more likely to be in that kind of situation. And I know you've been saying this for a long time, and Ben Cardin has been saying it for a long time, and others -- but I remember not too long back when I had the privilege of going to one of the forums on Social Security, this one at Rhode Island. Carolyn Lukensmeyer (phonetic) and her colleagues were hosting these events all over the country -- I think you went to two or three of them.

And before that event, the women members of the caucus in the House and Senate all wrote a letter the me saying, we see you're going up there to Rhode Island, here's some facts we want you to keep in mind. I knew a lot of them, but I must say, they brought out some facts that really deserve a lot more attention. Of course, all of them are on the table here today. But they have to do with the fact that women do live longer and pay in less for a lot of historical and life reasons.

Anyway, Wilma Haga here is representative of some people that we have with us today who can sort of tell us about what it would be like without it. I believe I mentioned she's from Bristol, Tennessee -- (laughter.)

MS. HAGA: You did.

THE VICE PRESIDENT: Wilma is 76 and her husband died eight years ago. And Social Security has made a great big difference. In our part of the country, Wilma, and all over the country, really, it used to be that older widows were very likely to be extremely poor. Many counties used to have what they called poorhouses -- before my time, but I've surely heard about them. And without Social Security they've estimated that more than 60 percent of all older widows would be living in poverty.

Now, in your life you have not had to face those circumstances mainly because of Social Security. Tell us about that.

MS. HAGA: Okay. Mr. President, Mr. Vice President, I'm so happy to be here, and thank you for inviting me. I just feel real honored and excited to be with you all today.

I am 76 years old and my husband, Alvin, and me had two sons -- Mike and Thomas. Al and I both had a high school education, but we weren't able to go to college. But we were absolutely determined that our two boys would go to college. For 28 years I worked in the school cafeteria, and every week I'd put my paycheck in the bank to take care of those boys' education. So my husband was an electrician, but he also worked three or four other jobs so that we could save all the money that we could for them.

I'm pleased that both of my sons did get a college education. Mike, in fact, is a seminary graduate. He works for you, Mr. President. (Laughter.) He works as an appointee at the Department of Agriculture and I'm so proud of him. And Thomas, my oldest son, has a very successful business in Texas, investment business. I'm proud of both of them.

As a widow on a modest income, I am keenly aware of the importance of Social Security. When I retired, after almost 28 years, I received a pension of only $200 a month from the school system. My monthly Social Security benefit totaled all of $300. Fortunately, my husband was still alive, and so I was not completely dependent on that $500 for all my income. I don't know how I would have survived with that money alone.

My husband died in 1991, Mr. President and Mr. Vice President. When that happened, my Social Security benefit was replaced by his. I got a raise of nearly $600 a month at a time that I really needed it. Now, between my monthly Social Security check of $915 and my pension, I can live very well. In fact, I'm proud that I can live independently and productively without any assistance from either one of my sons. There are millions of widows all over America just like me -- women who didn't earn all that much. But we now have the blessing of knowing that our years of hard work paid off, both in the success of our children and in having our government guarantee that we will have a secure old age. I owe it to my sons and my grandchildren to make sure that they have this same kind of security.

Again, Mr. President and Mr. Vice President, thank you so much for inviting me here today. Most importantly, thank you for providing the leadership needed and for making the future of Social Security a top priority. (Applause.)

THE PRESIDENT: We asked Lucy Sanchez to come here to talk about the Family and Medical Leave Act and its effect on her life, because I think it's important to point out that while both men and women are equally eligible for the Family and Medical Leave Act, women are far more likely to take advantage of it -- and they should not lose a year of eligibility, in terms of retirement vesting, when they do.

Keep in mind, if men and women all had retirement systems in addition to Social Security, and they were more or less equal, then our task of dealing with handling the baby boomers in the retirement system would be much, much easier. And so anything we can do now to equalize the impact of retirement earnings among similarly situated people 20 years from now will change and make less difficult the changes we are going to have to make anyway in the Social Security system.

I think it's very important for everybody to kind of keep that in mind. So when I announced earlier today, a few moments ago, that we wanted people not to lose credit in retirement vesting when they access the Family and Medical Leave Act. I think it's important -- we have an illustration of why it's important to have this law on the books and why it is inconsistent with being pro-work or pro-family to disallow retirement vesting just because people are taking advantage of the law.

Lucy?

MS. SANCHEZ: Thank you, Mr. President and Mr. Vice President, for inviting me to be here today. My experience is very recent. My husband went to walk the dogs one morning a year ago.

Halfway home he suffered a dissection of his aorta -- that's a tear. He managed to make it home and climbed our front steps and opened the door. He collapsed against the door jam and called my name. Luckily, I was home.

He has a genetic condition called Marfan's Syndrome, which affects the body's connective tissue. The most serious problems associated with Marfan's Syndrome involve the cardiovascular system, and the aorta, which is the main artery carrying blood away from the heart, is wider and more fragile than normal.

So instead of driving to work together that morning we drove to the emergency room at the Washington Hospital Center here. We had the advantage of being pretty certain we knew what had happened, and we told the ER staff, and he was in surgery within an hour.

Meanwhile, I phoned his office and explained, and I phoned my office and explained. I didn't go back to work for 90 days. He actually had two surgeries that time and was in the intensive care unit for 11 days and in the hospital for three weeks. He came home sick, weak, confused, frightened, disoriented, unsteady. He didn't know when he was hungry. He didn't know when he needed to sleep. He didn't know what pills to take. So I could be there to take care of him. He recovered sufficiently to return to work in February.

Then it happened again in May. Both times he needed around-the-clock care from me. They say trouble comes in threes so in July, my 85-year-old mother landed in the hospital with major health problems. And I was able to fly to Kentucky to be with her, to bring her home, and to make more permanent arrangements.

All of this was in the last 12 months, and who else is there to care for your family but you. Because that's why we have families, that's why we're part of families. We care for each other. And it is because of the Family and Medical Leave Act that I could care for my mother and my husband three different times this year.

I was out of work for 90 days, but I was not out of a job. I knew my job would be there without having to ask my boss for special favors. I'm sure she would have given them, but I didn't have to resort to that. I knew my seniority wouldn't be affected, and the fact that there was a plan in place to take care of life's exigencies -- and life is nothing but unexpected -- was a great relief. When your life is in turmoil it is just enormously comforting to know that that is there.

I did wonder what would happen to employee pension plans that I participate in -- would they continue, would they be affected, would they -- when I was actually lucky enough to be on annual leave and sick leave, for most of the time my paycheck continued. But should I have had to take even more time, I didn't know whether that would negate the plan or interrupt it. I just didn't know what would have happened if I hadn't been vested.

I believe that the Family Medical Leave Act is one of the finest pieces of legislation, a real contribution to the well-being of the American family and especially women, because women are the care-givers, as we all know.

We don't anticipate personal disasters. We tend to think of all of us as invincible, especially our own families. But it isn't always that way. This act is important to anyone, but especially women. I don't believe that people who take family medical leave should suffer pension loss, so I'm very happy to hear of this new plan.

Women usually put their needs after everyone else's. They tell us not to, but we do it anyway. And pension loss would put women who don't have much saved for the future at an even greater disadvantage.

I want to thank you, Mr. President and Mr. Vice President, for your leadership in the enactment of Family Medical Leave. I'm fortunate enough to work for an employer, the National Association of Social Workers, who strongly advocated for the Family and Medical Leave Act. And as we all know, professional social workers routinely help people juggle family care and work issues. And may I also just add as an amendment that Frances Perkins was a social worker. (Laughter.)

Eventually, the pieces of my life came back together. Everyone is well. And I would hope that no one would ever have to use Family and Medical Leave Act as I did, but regrettably, I know better. Thank you. (Applause.)

THE PRESIDENT: Well, thank you for sharing your story with us. We can all see how recent it has been and how difficult it has been for you, and you were very brave to come here and talk with us today. And we thank you for that very much.

We believe -- the Vice President and I and our spouses -- that the Family Leave law ought to be expanded some. (Applause.) We've tried in two Congresses to do that and haven't gotten very far. But we'll keep plugging away at it, because I think unless people have been in this situation where they're afraid they're going to lose their job, or wreck their retirement because they're just doing what's necessary to hold their families together, they can't imagine it. And the law is actually a great -- it's actually good for businesses, too, because it doesn't put any employers at a competitive disadvantage if it applies to all employers equally. It tends to minimize the cost, the burden of risk, for that. And I thank you very much for what you said.

But I think if we can take this whole family leave issue out of the whole -- just eliminate it in terms of whether your retirement vests or not, I think it would be a good thing to do. Modest cost to the retirement systems, enormous benefit to the stability of families. So I thank you very, very much for that.

Well, I think our panelists have done a great job, and I want to thank them for that. (Applause.) Again, what we attempted to do today was to show that on the present facts that women have a disproportionate interest the stability of the Social Security system and in the adequacy of the benefit because they are disproportionately likely to need it and more likely to have other assets -- or less likely to have other assets.

We also wanted to emphasize the disability and child survivor benefits, which our panelists have so eloquently done. None of this, however, is an excuse to avoid making the hard decisions we have to make because of the demographic changes that are occurring. It is just that we have to be mindful of it.

And what I'm hoping we did today was not to confuse anyone, that we've still got hard decisions to make, but to say that we ought to be especially sensitive to how these decisions affect women -- number one. And number two, we ought to be steely in our determination not to let the surplus go until we figure how much cost is involved and how we're going to balance all the difficult choices that have to be made and the risks that will have to be taken because we've got to maintain the social cohesion that Social Security has given us.

Think about what we got out of Molly being able to live her life under the circumstances and raise her children. Think about what society got out of that. Think about what society is going to get out of Tyra Brown because she was not abandoned when her mother suddenly passed away at the age of 15. And we were all sitting there watching her talk, just feeling better being Americans, weren't we, every one of us. Don't you think it was worth it to take care of her -- help her grandmother take care of her for three years? We all got something out of that, and she's got 60 years or more of giving back to society, that we're all going to benefit from that.

So I think as we -- we identified, all of us, with each one of these panelists as they talked to us about their lives. And so I'll say again, none of this lets us off the hook for making the hard decisions, but it ought to make us determined to be more sensitive to how they affect women, number one; and determined not to let the surplus go, in case we need it to fill in the patches of the decisions to make sure that we can have more stories like this 10, 20, 30, 40 years from now.

Thank you very much. (Applause.)

END 3:27 P.M. EST