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Final 09/26/00 10:45am

Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON THE ECONOMY

THE WHITE HOUSE

September 26, 2000

Acknowledgments: John Podesta; other members of my economic team – Gene Sperling, Martin Baily, Jack Lew & Sylvia Mathews; members of CEA, OMB, & all the groups represented here today

Today I want to talk about some good news for our economy and what it means for hard-working Americans.

Seven and a half years ago, when I came to Washington, the American economy was stalling and our people were laboring under some very heavy burdens. As John Podesta just described, the budget deficit was $290 billion, and twelve years of irresponsible policies had quadrupled our national debt. That meant low growth and high interest rates.

Unemployment was also high; and the confidence of our people in their government was on the wane.

Al Gore and I were determined to change all that, putting a new economic strategy into action – of fiscal discipline, investment in our people, and expanded trade. We expanded the EITC to make sure that work pays. We raised the minimum wage. We cut taxes in ways that help Americans meet the challenges of work and home. We created the HOPE Scholarship tax credit and enacted the biggest expansion of college opportunity since the GI Bill, 50 years ago.

Our economy is undergoing the longest expansion in history – with more than 22 million new jobs, the lowest unemployment rate in 30 years, the lowest female unemployment in 40 years, the lowest Hispanic and African American unemployment ever recorded.

Today, I am pleased to announce that America has reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that in the last year, the typical household income rose $1,072 – to the highest level ever recorded, breaking $40,000 for the very first time. Americans' incomes have been on the rise for five years running. Since 1993, when we launched our economic strategy, median family income has risen by 15 percent.

That means, for the typical family, $6,300 more a year for the things that matter most: sending their children to college, covering critical health care costs, saving for a secure retirement.

Listen to this: the poverty rate has fallen to 11.8 percent, the lowest in 20 years. Since 1993, 7 million Americans have moved out of poverty, 2.2 million in the last year alone. Last year, African American and Hispanic poverty rates took their biggest drop ever. Child poverty dropped more than any year since 1966. And elderly poverty fell below 10 percent for the first time in history.

Better yet, the rising tide of our economy is lifting all boats. Every income group is seeing income growth – with the greatest gains being made by the hardest pressed Americans. In 1999, as this report shows, African-American and Hispanic households experienced the biggest boost in their incomes ever recorded.

Today, the most important thing we can say about our economy is that it works for hardworking families – and its success belongs to all our people. If we stay on the path that got us here – the path of fiscal discipline – we can reach even greater heights of prosperity. We can extend it even further to the people and places left behind, so that the gains we are seeing in the cities reach as far as our Native American reservations.

We can also achieve something that was once unthinkable: we can make our country debt-free for the first time since Andrew Jackson was President, in 1835.

Months ago, I presented a budget that sticks to the path of fiscal discipline and makes critical investments in America's future: saving Social Security; strengthening Medicare and including a voluntary prescription drug benefit; investing in education and other priorities; and paying down the debt completely by 2012.

There is now less than one week left in this fiscal year. And still Congress has not passed 11 of 13 appropriations bills. Still Congress has not raised the minimum wage.

Still Congress has not passed a strong, enforceable patients' bill of rights or a voluntary Medicare prescription-drug benefit.

I was, however, encouraged this week when the Republican leadership said they'll work with me and Congressional Democrats – in the face of the drug companies' opposition – to give Americans access to prescription drugs that are cheaper in other countries. I think it's just plain wrong when drug companies sell the same drugs for a much higher price at home than they do abroad, even when those drugs are manufactured here in the United States. Some of the most vulnerable Americans – seniors and people with disabilities – are paying the highest prices for prescription drugs in the world.

I support the legislation the Senate has passed to right this wrong. The Senate bill, if fully funded, meets my condition that the prescription drugs we import are every bit as safe as the ones already on the shelves of America's pharmacies. With this protection in place, we can preserve the safety of our prescription drug supply <u>and</u> cut prices for Americans in need.

This idea has potential – so long as the leadership in Congress sees it not as part of a campaign strategy, but as part of a solution. Of course, it's only <u>part</u> of a solution. A discount doesn't help you much if you've got more than $10,000 in catastrophic drug costs. What you need – what all seniors need – is something that not only makes drugs cheaper but helps you pay for them. What you need is a Medicare prescription drug benefit that is optional, affordable, and dependable.

I am disappointed by the leadership's suggestion that there's no time to pass a voluntary Medicare prescription-drug benefit this year. I disagree. Every day this Congress is still in session is another day it should be working overtime to provide a Medicare prescription drug benefit and to meet our other pressing priorities.

There is still time for Congress to raise the minimum wage… to pass bipartisan New Markets legislation to carry opportunity to every corner of our country… to help close the growing digital divide between those who have the skills and the tools to succeed in the new economy and those who don't.

There is still time for Congress to fully fund my proposals on education – to reduce class size with more highly trained teachers; to fix crumbling old schools and to build new ones; to support afterschool programs; and to turn around failing schools or shut them down.

The remarkable success of our economy – the rising incomes, the falling poverty rates – show again how much we can achieve when we work hard and make the right choices. The American people do that every day of the year. So in the few days left in this legislative session, I hope the Congress will work with me in the same spirit of progress, and with the same eye toward achievement. Thank you.

SEPTEMBER 26, 13:25 EDT

Census: Poverty Lowest in 21 Years

By GENARO C. ARMAS
Associated Press Writer

WASHINGTON (AP) — The nation's poverty rate dropped to 11.8 percent in 1999, the lowest since 1979, while median household incomes reached a record high, according to new Census Bureau data released Tuesday.

Rep. Clay Shaw
Associated Press/Tony Gutierrez [14K]

There were 32.2 million people living in poverty in 1999, 2.2 million fewer than the year before, according to the agency's annual report on income and poverty. The overall poverty rate in 1998 was 12.7 percent.

In addition, 16.9 percent of the nation's children were in poverty, also the lowest since 1979.

Democrats and Republicans were quick to take credit for the good news.

President Clinton says the latest Census Bureau figures show Americans' incomes have been on the rise for five years

``This is a good day for America,'' President Clinton said, calling attention to the poverty figures six weeks before the election. ``We have proved that we can lift all boats in a modern, global, information-based economy.''

Clinton spoke before about 100 staff members of the Office of Management and Budget and the Council of Economic Advisers after the Census Bureau released its report. The president called it ``another economic milestone'' for the Clinton-Gore administration.

``These exciting developments are the direct result of the welfare reform law Republicans wrote and finally pushed into law in 1996,'' said Rep. Clay Shaw, R-Fla., a member of the House Ways and Means Committee. He said that without welfare reform, there would be ``more children in poverty and more adults getting a welfare check instead of a paycheck.''

Every racial and ethnic group experienced a drop in both the number of poor and the percent in poverty, as did children, the elderly and people ages 25 to 44, said Census Bureau analyst Daniel Weinberg.

``Declines in poverty were concentrated in metropolitan areas, particularly central cities. And, on the income side, this was the fifth consecutive year that households experienced a real annual increase in income,'' Weinberg said.

CENSUS
TOP NEWS
Census: Poverty Lowest in 21 Years
Census Response Rate Tops 1990
Democrats Accuse GOP on Census
Remaining Key Dates for 2000 Census
LA Suburb Deals With Ethnic Change
Hispanic, Asian Population Booming
Personal Income by State
RECENT STORIES
Graphic on Population Growth

said.

Accounting for inflation the median income level for the nation's households rose 2.7 percent from $39,744 in 1998 to a record-high of $40,816 last year. The average poverty threshold for a family of four in 1999, also accounting for inflation, was $17,029; for a family of three, it was $13,290.

Except for whites, the poverty rate for the nation's major racial and ethnic groups set or equaled historic lows, the Census Bureau said:

—African-Americans, 23.6 percent.

—Hispanics, 22.8 percent.

—Asian and Pacific Islanders, 10.7 percent.

—Non-Hispanic whites, 7.7 percent.

Based on comparisons of two-year averages (1998-1999 and 1997-1998), the Census Bureau said no state showed a significant increase in poverty rates, while the District of Columbia and seven states — Arizona, Arkansas, California, New York, South Dakota, Utah, Virginia — showed decreases in poverty rates.

Income levels for the major racial and ethnic groups also increased:

—African-Americans, $27,910.

—Hispanics, $30,735.

—Asian and Pacific Islanders, $51,205.

—non-Hispanic whites, $44,366.

Also, the median household income was up in 1999 in the Midwest ($42,679) and South ($37,422), but was statistically unchanged from 1998 in the Northeast ($41,984) and West ($42,720).

On the Net: Census Bureau: http://www.census.gov

Calif. Minorities Become Majority

ON THE WEB

Census Bureau

home] us news] world] business] sports] weather] search] help]

AP

Whole ¶ on import of drugs
– from letter yesterday

** CLOSE HOLD **

▷ surplus
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▷ Fri. – ed

PLEASE NOTE:
This is a DRAFT only.
All elements are subject to change depending upon the actual numbers.

copy to
Martin Baily

Draft 09/25/00 9:30pm
Jeff Shesol

Facts are stubborn
things – for John

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
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Seven and a half years ago, when I came to Washington, the American economy was stalling and our people were laboring under some very heavy burdens. As John Podesta just described, the budget deficit was $290 billion, and twelve years of irresponsible policies had quadrupled our national debt. That meant low growth and high interest rates. Unemployment was also high; and the confidence of our people in their government was on the wane.

expand EITC
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Al Gore and I were determined to change all that, putting a new economic strategy into action – a strategy of fiscal discipline, investment in our people, and expanded trade. That was our roadmap. Today, we've got results. Our economy is undergoing the longest expansion in history, with more than 22 million new jobs, the lowest unemployment in 30 years, the lowest female unemployment in 40 years, the lowest Hispanic and African American unemployment rate ever recorded, and the highest homeownership in history.

Today, I am pleased to announce that America has reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that in the last year, the typical household income rose $TK... Since 1993, when we launched our economic strategy, median family income is up by TK percent. That means, for the typical family, $TK more a year for the things that matter most: sending their children to college, covering critical health care costs, saving for a secure retirement.

Listen to
this:
Listing
A, B, C

Better yet, the rising tide of our economy is lifting all boats. In the 1980s, most working families saw their incomes stagnate or even decline; and the farther down the scale you were, the worse you did. Today, however, TK. In 1999, African-American and Hispanic households experienced TK.

As our economy continues its expansion, opportunity is growing as well – bringing more and more Americans from the economic margins into the mainstream. This report shows that the poverty rate has fallen to TK percent... The broadbased growth of our economy has helped lift millions of hardworking people out of poverty – since 1993, TK million Americans have moved out of poverty and into the circle of opportunity, TK of them in the last year alone.

When any American is living in poverty, we can never be satisfied. But we can and should be encouraged that last year saw TK, and that the African American poverty rate is TK. We can be encouraged that the child poverty rate TK, and that the elderly poverty rate TK.

Of course, the real measure of our economic strategy is not shown in any one statistic, or any new study, but in the lives of the American people – [like those who join us here today] – the people who work the shifts, raise the kids, dream the dreams. Today, the most important thing we can say about our economy is that it works for them; and the greatest thing we can say about our success is that it belongs to all our people.

If we stay on the path that got us here – the path of fiscal discipline – we can reach even greater heights of prosperity. We can extend it even further to the people and places left behind, so that the gains we are seeing in the cities reach as far as our Native American reservations. We can do this and also achieve something once unthinkable: we can make our country debt-free for the first time since Andrew Jackson was President, in 1835.

Months ago, I presented a budget that stays true to the path of fiscal discipline and makes critical investments in America's future: saving Social Security; strengthening Medicare and including a voluntary prescription drug benefit; investing in education and other priorities; and paying down the debt completely by 2012. Months ago, I asked Congress to work with me in meeting these important challenges.

There is, now, less than one week left in this fiscal year. And still Congress has not passed eleven of thirteen appropriations bills; still Congress has not raised the minimum wage; still Congress has not passed a strong, enforceable patients' bill of rights or a voluntary Medicare prescription-drug benefit.

The Republican leadership has suggested they are out of time. I disagree. Every day this Congress is still in session is another day they should be working overtime to meet our pressing priorities. There is still time for Congress to raise the minimum wage. There is still time to pass bipartisan New Markets legislation that can bring opportunity to every corner of our country. There is still time to help close the growing digital divide between those who have the skills and the tools to succeed in the new economy and those who don't. There is still time for Congress to fully fund my proposals on education – to reduce class size with more highly trained teachers; to fix crumbling old schools and to build new ones; to support afterschool programs; and to turn around failing schools or shut them down.

The remarkable success of our economy – the rising incomes, the falling poverty rates – show again how much we can achieve when we work hard and make the right choices. The American people do that every day of the year. So in the few days left in this legislative session, I hope the Congress will work with me in the same spirit of progress, and with the same eye toward achievement. Thank you.

Framings:

1) We can't appear like we're giving up on medicare – coverage for all the pops.
- push

2) This has potential — and make sure it's not an empty or camp slogan promise (RX cos. will water down); not just headline
- not savior or replacement
a) - and can't undermine qual.
- import drugs are safe
b) - has to be adequately financed

But under any scenario, it won't address... [trans]

3) Doesn't help you to have discounts if you have $10-19,000 costs in catastrophic drug costs
you need to have insurance.

Public Papers of the Presidents

Public Papers of the Presidents

September 30, 1999

CITE: 35 Weekly Comp. Pres. Doc. 1859

LENGTH: 3938 words

HEADLINE: Remarks on Signing the Continuing Resolution and an Exchange With Reporters

BODY:

The President. Good afternoon. I wanted to talk to you before I leave for New York about two developments affecting our economy and the progress we are making to build a stronger one.

Today we have further evidence that our economic strategy of fiscal discipline, investment in our people, and expanded trade is working. In the 12 years before I came to Washington, irresponsible policies here quadrupled our debt. That led us to high interest rates and high unemployment, stagnant wages, and low growth. The Vice President and I came here determined to change all that, to put the American people first and give them the tools to turn around the American economy.

Over the last 6 1/2 years, the results speak for themselves: the longest peacetime expansion in history, more than 19 million new jobs, the lowest unemployment in 29 years, the lowest welfare rolls in 32 years, the first back-to-back surpluses in 42 years, the largest surplus and the highest homeownership in history.

Today I am pleased to announce another economic milestone in the implementation of this strategy. In its annual study on income and **poverty** in America, the Census Bureau reports that a typical household income rose $ 1,304 in just one year, from $ 37,581 in 1997 to $ 38,885 in 1998. That's a 3.5 percent increase in a year, tied for the largest since 1978, allowing American families more money for things that matter, sending their children to college, buying a home, purchasing a car, saving for retirement.

The report also shows that since we launched our economic plan in 1993, median family income is the highest it has ever been, increasing from $ 41,691 in '93 to $ 46,737 in '98. That's over $ 5,000 more that hardworking families can put to good use. But the best news is that these gains finally are being shared with all groups in America, from the wealthiest to the poorest.

In the 1980's, most working families saw their incomes stagnate, with the worst performance at the bottom of the economic scale. In the last 5 years, finally, we have stemmed the tide of rising inequality, and this new report documents the strong income growth among all groups of people.

This broadbased growth has helped to lift millions of hardworking families out of **poverty.** The report shows that the **poverty** rate fell to 12.7 percent. That is the lowest **poverty** rate since 1979, the lowest rate in 20 years.

While we still have room for improvement, the African-American **poverty** rate is now at its lowest level on record; the Hispanic **poverty** rate its lowest level in 20 years. And we know that 4.3 million Americans were lifted out of **poverty** last year because of our expanded earned-income tax credit, which was a critical part of the economic reform plan in 1993. It is now, inexplicably to me, under attack by some in Congress.

Our economy is now working for all the American people, and it has to continue. That brings me to my second point.

Today is the last day of the current fiscal year. Because the Congress has not finished its work, it must send me a continuing resolution, a temporary spending measure to keep the Government working for 3 more weeks. But it should be sending me spending bills that meet the great challenges and opportunities before us, that protect and strengthen Social Security, that strengthen and modernize Medicare with prescription drug coverage, that make vital investments in education, national security, the environment, medical research, and other critical areas, and that enable us to pay down the American debt so that we can pay it off, for the first time since 1835, over the next 15 years.

Now, a few minutes ago, just before I came out here, I signed that continuing spending bill, not because I wanted to, but because it was the only way to prevent another Government shutdown. Months ago I presented a responsible budget plan that pays for itself, invests in education, saves Social Security and Medicare, puts us on the path to paying America out of debt by 2015 *. Regrettably, the majority in Congress, the Republican majority, has chosen to disregard the way I put this budget together and to disregard the path of fiscal discipline.

* White House correction.

Instead of making the difficult choices to finish their work and crafting a responsible budget, they've resorted to gimmicks and gamesmanship, like using two sets of books and designating the fully predictable census, for example, as emergency spending.

But they're doing something else that troubles me more. To disguise the fact that they're spending the Social Security surplus, the congressional majority wants to delay earned-income tax payments to nearly 20 million families. Now, the income and **poverty** figures I announced earlier show that 4.3 million Americans were lifted out of **poverty** last year, twice the number that were lifted out of **poverty** by the earned-income tax credit before we expanded it in 1993.

We've worked hard to eliminate barriers to families who are working their way out of **poverty.** We've got record numbers of people moving from welfare to work, often at very modest wages, eligible for this earned-income tax credit. Delaying their EITC payments would put one more roadblock in their way.

So let me be clear: I will not sign a bill that turns its back on these hardworking families. They're doing all they can to lift themselves out of **poverty,** to raise their children with dignity. I don't think we should be putting more roadblocks in their way. Delaying the earned-income tax credit payment is more than a gimmick. It is an effective tax increase on the most hard-pressed working Americans.

Now, one of the most interesting developments of the last week in this budget fight, which as I said, I was hoping would not be a fight and I still hope will be resolved -- but one of the most interesting things to me about this last week is that the Republican majority actually launched an ad campaign that plays the worst kind of politics with this issue. Instead of spending their time creating an honest budget, they're spending millions of dollars creating phony ads to accuse the Democrats in Congress, who are in the minority, of doing what the Congressional Budget Office, their own Congressional Budget Office, says they are doing. That is, spending the Social Security surplus.

In fact, just yesterday, the very day they were announcing these misleading and unfair ads, their own Congressional Budget Office sent them a letter that shows they are spending $ 18 billion from the Social Security surplus. Now, I can't help noting that these are the same people who told us they could spend all this money and cut taxes $ 792 billion, and never touch the Social Security surplus.

Let's back up and look at where we are here, really. I had a lot of difficult decisions in my budget. I had a cigarette tax; I had a tax on polluters to clean up toxic waste dumps. Why did I put that in there, knowing it would be controversial? Because there was a general consensus here that with the second year of a budget surplus, we ought to move as quickly as possible to divide the surpluses, if you will, the Social Security from the non-Social Security, and that we would move this year to try to stop spending Social Security funds that the Government had been spending since 1983, at least since 1983, when the revenues were raised.

And so we all said, "Okay, let's try to do it this year." And so, I knew it would be hard, but I said, "Okay, I'll do my part. I'll try to do this. But we're going to have to make some tough decisions here if we're going to meet the need of people in both parties -- the investment priorities."

Then they said, "No, we don't want to do that." The Republican majority said, "No, we don't want to do that. We don't want a cigarette tax, and we don't want to ask the polluters to pay more for the toxic waste." Once they said that, to be fair, there was no way they could avoid at least one more year of spending Social Security funds.

Now, that's where we are on this. That's really what's going on. And there is another way. We don't have to do this. We don't have to get into an ad war where they accuse us of doing what they're doing, that their own Congressional Budget Office says they're doing. And they don't have to act like if they get caught doing it, they've, in effect, committed a felony.

There was a decision they had to make. When we decided we were going to try to get out of spending Social Security funds this year, instead of next year, they had to make a decision. And the decision was to close corporate loopholes, deal with the toxic waste dumps by asking polluters to pay more, and raise the cigarette tax. If they weren't willing to make that decision, they were going to be in the pickle they're in now. Now, that's what happened.

It doesn't have to be this way. We can work together. We can fashion a budget that builds on our economic prosperity and eliminates the public debt by the year 2015 and extends the life of the Social Security Trust Fund to 2050, past the life expectancy of the baby boomers, rendering this momentary debate completely irrelevant by dealing with the long-term security of the country. And that is what we ought to do.

I also would say it is profoundly important that we fund the right kind of education budget that has 100,000 teachers, that supports our efforts to mentor poor kids and get them to college, that supports our efforts to help young people read, and that gives our kids access to after-school programs; that doesn't undercut our efforts to connect all the classrooms to the Internet next year, that helps us to build or modernize 6,000 schools, that helps us to have some real accountability so we get what works and we stop funding what doesn't.

That's the other big, outstanding question in this budget debate that has nothing to do with what the ads are about: What kind of education policy we're going to have; what kind of future are we going to give our kids. Then there's the whole criminal justice issue which we've argued about since 1994, that we've got the lowest crime rate in 26 years, but it's still too high, and I want to fund another 50,000 police to go out there in the most dangerous neighborhoods to prevent crime from happening in the first place, through the community policing program.

So that is what I wanted to say. We don't need gimmicks in the budget, and we don't need gimmicks on the airwaves. What we need to do is to roll up our sleeves and go to work together and make decisions and tell the American people why we made them and what they are and what the long-term consequences are.

The Congress now has 3 weeks to finish the job the American people sent them to Washington to do. I will work with Congress on a budget that honors our commitments, that protects Social Security and Medicare. If we work together to meet these objectives -- keep in mind, if we work together to meet these objectives, we could pass a long-term budget that no only gets us out of debt by 2015 but actually has an affordable program for middle-class tax relief.

But this argument that's being held now, and this sort of ad war is, I think, the worst kind of --

first of all, it's misleading. And secondly, it's a waste of time and money. What we need to do is to roll up our sleeves and do the job the American people sent us here to do.

So, thank you.

Korean War Massacre

Q. Mr. President, what's you're reaction to the Associated Press report of a massacre of hundreds of refugees by American servicemen during the Korean war? There is -- a dozen veterans of that war are quoted as corroborating this account. Do you think there should be an investigation?

The President. Yes. The most important thing you need to know about that is -- I was briefed on it this morning -- is that Secretary Cohen has said that he wants to look into this. He wants to get to the bottom of it. He wants to examine all the available information and evidence. And he has assured us that he will do that. And that was his immediate instinct, too. And I appreciated it.

2000 Presidential Election

Q. Mr. President, the Vice President seems to be in some political trouble, despite the good economic numbers that you cite. Mr. Bradley, former Senator Bradley, has out-raised him in the last quarter. I would like to know whether you counseled him to move his headquarters, whether you thought he panicked, and why you think that people like Senator Moynihan say that he can't be elected -- Senator Moynihan who, of course, backs Mrs. Clinton.

The President. I gave you enough time to put all of your little twists in there, didn't I? [*Laughter*]

First of all, let me say I think it's a good decision, the decision he made to move his headquarters to Tennessee. I suppose I think that because I had such a good experience when I stayed home and close to my roots. We discussed it a long time ago. But I can tell you I'm absolutely -- he called me yesterday morning, he said that he had made a decision to do this. And we had not discussed it in, I don't know, a good while. I'm absolutely -- he told me a week or so ago that he was thinking about some things that he thought would help his campaign and make it more consistent with the kind of message that he wanted to convey to the American people and the kind of campaign he personally wanted to run. And he announced those three decisions yesterday, and I approve of all of them. I think they were good decisions. And I think they'll get good results. And the most important thing is, he made them, and he believes in them. And that's all you can do in one of these campaigns.

Q. What's the problem? Has it been you? Has it been the record of the administration?

The President. Well, first of all, I think he's, by all reports I get, he's personally doing quite well out there, and I think he will continue to do well. So I don't have the same take on it you do. I'm not a political analyst anymore. I have to stay here and do my job. But the only thing I would say is, when you run for President, you need to know what you want America to look like, and then you need to have good ideas, and you need to try to share them with people in a way they can relate to. And I believe he'll be -- I believe he'll do quite well.

Keep in mind, we're a long way from the end of the road here.

Tax Policy and Federal Spending

Q. On the budget, if the Republicans won't give you the taxes you want, what's the alternative? Cut back on the spending you want? How do you get out of this pickle?

The President. Well, the alternative is, just mechanically -- if they won't raise money, the alternative is, you either have to say -- well, let me say what the alternative is not, first. The alternative is not their gimmicks, and then we'll come up with our gimmicks, and we'll all see who can out-gimmick someone else. That is not the alternative.

The alternative should be that we decide we're going to cut back on the spending for a year. Or if it's too severe -- and from what we hear out there in the country from -- and what we know about the needs of education, what we know about what we both want to do to help restore our ability to recruit in the military and help our military families with a pay increase there, what we know in a number of other areas -- if we decide to spend this money together, if we jointly agree on it, and it won't allow us to have a divided surplus, which keep in mind, we want to do this year, then both parties need to agree on that.

Now, I strongly prefer to go on and get out of the Social Security surplus this year. And what I proposed is not all that onerous -- I mean, dealing with -- the corporate loop-holes I proposed to close, the cigarette tax, and the toxic waste dump fees. That's not all that bad. You could always compromise. You could raise less and spend a little less.

But my point is, the most important thing is, we should be straightforward with the American people about this, and we shouldn't try to get them all tied up in knots and pretend that something is going on that isn't. We know we are going to now have, in the future years, a surplus that will -- except when we have economic downturns -- but on average, a surplus that will be large enough, projected, that we can meet the future needs of education, the environment, national security, out of non-Social Security revenues.

Now, this is a -- let me remind you all, this is a new development. When we were in the deficit spending mode all during the eighties -- all of you know this; you wrote about it a lot -- the deficits were made to seem smaller than they were because Social Security revenues were in surplus over Social Security payments. They are still in surplus over Social Security payments, but now other revenues are in surplus over other spending this year.

But the '97 budget caps were very tight; they were for the teaching hospitals; they were for a lot of other things; they were when it comes to continuing to improve education. And we do need to spend some more on national defense, as all of you know -- at least I feel that way, and the Republicans do, too, because of the problems for the military families and some modernization problems. So this whole question that there is just so much agitation on and all these ads filling the airwaves, it's really about the fact that when they started looking at their budget, they couldn't get out of the Social Security funds until next year either unless they were willing to raise some money this year from the cigarette tax, from closing corporate loopholes, or the toxic waste dumps.

So all I'm suggesting is, we need to sort of stop misleading the American people -- they need to, with their television ads -- and we need to sit down and work this out and figure out what's right for the people, make the right disciplined choices and go forward.

Q. Mr. President, you said you need to sit down and talk, and yet there are some Republicans on the Hill who make it clear that that's the last thing they want to do, is to sit down with the White House and start negotiating. What is the status --

The President. That's the last thing they want to do.

Q. Right.

The President. Yes, that's right.

Q. So what is the status of communication right now, and how can you get out of this if you all don't start communicating?

The President. Well, I don't think we can if we don't start communicating. But all I'm telling you is -- they've had a debate, apparently, within their caucus in both houses about whether we ought to join hands and do the, evidently, right thing for the American people, and also be candid about this budget problem that they have -- because they're philosophically opposed to raising the cigarette tax and they don't want to close any corporate loopholes right now. We've just got to figure out if there is a resolution to that. And then there are those who believe that they can somehow create this whole other issue, spending the Social Security surplus, and then say that they're not doing it, we're doing it, even though they're in the majority and they approve all the money; or they can say, well, I made them do it somehow. That's what's going on here.

So there are people who believe in their caucus that somehow they can make some big political issue out of this. And then there are those who want to get something done. I had a long talk with a committee chairman yesterday, and I won't identify him for fear of hurting him. But we talked a long time about how we need to make an honest effort to resolve the differences between where they are and where we are on the areas within his jurisdiction.

So I think there is a difference of opinion. I think a lot of them would like to just show up for work tomorrow. And that's what I hope we'll do.

Japanese Nuclear Accident

Q. Has Japan asked for American help in dealing with its nuclear accident? And how would the United States treat such a request?

The President. Well, first of all -- and I should have said this the very first thing -- we are all very concerned, and our thoughts and prayers are with the people in Japan today because of this uranium plant accident. You can only imagine how difficult this must be for them, quite apart from whatever the facts are. This is going to be a very hard day for the people of Japan.

And we are doing our best to determine what, in fact, has happened and what assistance we can give. And we will do whatever we possibly can that will be helpful to them. And we will try to be as comprehensive and prompt about it as possible.

Mortgage for New York Residence

Q. Mr. President, what about your mortgage, sir? Do you now understand why some people felt that it was improper for you to arrange a mortgage with a loan guarantee from Mr. McAuliffe? And are you now planning to get a different kind of mortgage?

The President. Well, I will stay with what Mr. Lockhart has told you about that. We had just a day or two to get that house; a lot of people wanted it for the same reason we liked it. A lot of people like the house. It's a nice place. We liked it. So we did what was necessary to secure it.

Now, we're going to close on it in a little more than a month. And if we change the financing between now and then, we'll let you know as soon as we do. But we did not do it before we got an opinion from the Office of Government Ethics about the mechanics of it, and that it did not constitute a gift under Federal law.

Q. Why wouldn't Bowles and Rubin help?

The President. They were -- I don't have anything to say about that. McAuliffe called me the first thing when I was talking to him, and he said, "Look, if you can get somebody else to do it, fine." I think because -- everybody thought it was a legitimate business arrangement. No one thought there was anything wrong with it, all the people I talked to about it, and all the people anybody else talked to about it.

I think some people didn't want to do it because they know they live in a world where they live in the Larry Klayman political press world in which what's true is not as important as whether you can be dragged around; you have to spend a lot of money you don't have or you'd rather not spend for reasons that have nothing to do with anything that's real.

It's like this television ad campaign, to go back to the budget issue. There is the rest of the world and the way it works and the way people view things, and then there is the way a lot of things around here work. And so I don't -- anybody that's ever been through it knows that's true.

You're all smiling because you think, I wonder if the President made a mistake by committing the truth in that last remark. I can see you all smiling and thinking that. [*Laughter*] So all I can tell you is, I feel good about where we are on it. We're going to close on it in a month, and we're excited about it. And if we change the financing, we'll let you know.

Thank you.

NOTE: The President spoke at 12:55 p.m. in the Briefing Room at the White House. In his remarks, he referred to Larry Klayman, chairman, Judicial Watch, Inc.; former Chief of Staff to the President Erskine B. Bowles; former Secretary of the Treasury Robert E. Rubin; and Terence McAuliffe, loan guarantor of the First Family's residence Chappaqua, NY.

LANGUAGE: ENGLISH

LOAD-DATE: October 26, 1999

LINDA RICCI
09/25/2000 06:00:17 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP, Patrick M. Dorton/OPD/EOP@EOP

cc:
Subject: Congress/Approps

Hi guys.

→ expansion of CHIP

What follows is input from Jack and Sylvia on which Congressional issues to mention tomorrow: (Sylvia wanted to hold off on using the CR message until it comes to us... so the link for this is stuff Congress should fund to address poverty issues.)

Congress should fund my budget for:

1. Education =--- more teachers to reduce classize
- modernize and renovate school rooms

- Accountability (Portion of Title 1 funds that goes to iimprove failing schools)
- After school
- Teacher Quality

2. Digital Divide

3. New Markets (there are tax and approps pieces to this, approps pieces include EZ's and EC's)

4. Minimum Wage

5. Housing Vouchers

Jeff - I'm assuming you know the langugage to frame these issues, but please call or page if you need anything.

Thanks for waiting. Sorry it took so long. - Linda

Draft 09/25/00 9:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
September 26, 2000

Acknowledgments: John Podesta; other members of my economic team – Gene Sperling, Jack Lew, Martin Baily; staff members of CEA, OMB; and all the groups represented here today

Today I want to talk about some good news for our economy and what it means for hard-working Americans.

Seven and a half years ago, when I came to Washington, the American economy was stalling and our people were laboring under some very heavy burdens. As John Podesta just described, the budget deficit was $290 billion ~~and growing~~, and twelve years of irresponsible policies had quadrupled our national debt. That resulted in low growth and high interest rates. Unemployment was also high; and the confidence of our people in their government was on the wane.

Al Gore and I were determined to change all that, putting a new economic strategy into action – a strategy of fiscal discipline, investment in our people, and expanded trade. That was our roadmap. Today, we've got results. Our economy is undergoing the longest expansion in history, with more than 22 million new jobs, the lowest unemployment in 30 years, the lowest female unemployment in 40 years, the lowest Hispanic and African American unemployment rate ever recorded, and the highest homeownership in history.

Today, I am pleased to announce that America has reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that in the last year, the typical household income rose [$1,072 – to the highest level ever recorded, breaking $40,000 for the very first time] [Americans' incomes have been on the rise for five years running] Since 1993, when we launched our economic strategy, median family income is up by [15] percent. That means, for the typical family, [$6,300] more a year for the things that matter most: sending their children to college, covering critical health care costs, saving for a secure retirement.

Better yet, the rising tide of our economy is lifting all boats. In the 1980s, most working families saw their incomes stagnate or even decline; and the farther down the scale you were, the worse you did. Today, however, every income group is experiencing income growth – [with the greatest gains being made by the hardest pressed Americans] In 1999, African-American and Hispanic households experienced [the biggest boost in their incomes ever recorded].

As our economy continues its expansion, opportunity is growing as well – bringing more and more Americans from the economic margins into the mainstream. This report shows that the poverty rate has fallen to [11.8] percent, [the lowest rate since 1979] The broadbased growth of our economy has helped lift millions of hardworking people out of poverty – since 1993, [7] million

Americans have moved out of poverty and into the circle of opportunity, almost a third of them in the last year alone.

Of course, when any American is living in poverty, we can never be satisfied. But we can ~~and should~~ be encouraged that last year saw the biggest decline ever in the African American and Hispanic poverty rates, and that the African American poverty rate is the lowest on record. We can be encouraged that the child poverty rate took its biggest one-year drop since 1966, and that the elderly poverty rate fell below 10 percent for the first time in history.

The real test of our economic strategy is not found in any one the statistic, or any new study, but in the lives of the American people – [like those who join ~~me~~ us here today] – people who work the shifts, raise the kids, dream ~~the dreams. Today, we~~ the thing can say our economy is working for them; and the most important best thing we can say about our success is that it belongs to all our people.

we can do this and also

If we stay on the path that got us here – the path of fiscal discipline – we can reach even greater heights of prosperity. We can extend it even further to the people and places left behind, so that the gains we are seeing in the cities ~~are felt~~ reach as far ~~away~~ as the Native American ~~country~~ reservations. ~~And we can~~ achieve something that was once unthinkable: we can make our country debt-free for the first time since Andrew Jackson was President, in 1835.

Months ago, I presented a budget that stays true to the path of fiscal discipline and makes critical investments in America's future: saving Social Security; strengthening Medicare and including a voluntary prescription drug benefit; investing in education and other priorities; and paying down the debt completely by 2012. months ago, I asked Congress to work with me in meeting these important challenges.

There is, ~~however,~~ now less than one week left in this fiscal year. And still Congress has not passed eleven of thirteen appropriations bills; still Congress has not raised the minimum wage; ~~and~~ still Congress has not passed a strong, enforceable patients' bill of rights or a voluntary Medicare prescription-drug benefit.

The leadership has suggested they are out of time. I disagree. Every day this Congress is still in session is another day they should be working to meet these pressing priorities. There is still time for Congress to raise the minimum wage, and they should get it done. There is still time to pass New Markets legislation that can bring opportunity to ~~the people and the places left behind~~ every corner of our country. There is still time to help close the growing digital divide between those who have the skills and the tools to succeed in the new economy and those who don't. There is still time for Congress to fully fund my proposals on education – to reduce class size with more highly trained teachers; to fix crumbling old schools and to build new ones; to support afterschool programs; and to turn around failing schools or shut them down.

The remarkable success of our economy – the rising incomes, the falling poverty rates – show again how much we can achieve when we work hard and make the right choices. The American people do ~~exactly~~ that every day of the year. So in the few days ~~we have~~ left in this legislative session, I hope the Congress will work with me in the same spirit of progress, and with the same eye toward achievement. Thank you.

Today, I am pleased to announce that America has reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that in the last year, the typical household income rose $1,072 – to the highest level ever recorded, breaking $40,000 for the very first time. Americans' incomes have been on the rise for five years running. Since 1993, when we launched our economic strategy, median family ~~household~~ income is up by ~~13.3~~ percent. 14.9 That means The typical family has $6,300 more a year for the things that matter most: sending their children to college, covering critical health care costs, saving for a secure retirement.

15.0

Better yet, the rising tide of our economy is lifting all boats. In the 1980s, most working families saw their incomes stagnate or even decline; the worst performance was at the bottom of the scale. But today, every income group is experiencing income growth – with the greatest gains being made by the hardest pressed Americans. In 1999, African-American and Hispanic households saw the biggest boost in their incomes ever recorded.

As our economy continues its expansion, opportunity is growing as well – bringing more and more Americans from the economic margins into the mainstream. This report shows that the poverty rate has fallen to 11.8 percent, the lowest rate since 1979. The broadbased growth of our economy has helped lift millions of hardworking people out of poverty – since 1993, 7 million Americans have moved out of poverty and into the circle of opportunity, almost / nearly a third of them in the last year alone.

Of course, when any American is living in poverty, we can never be satisfied. But we can and should be encouraged that the African American poverty rate is the lowest on record, and the Hispanic poverty rate matches the lowest ever recorded. We can take pride that the child poverty rate took its biggest one-year drop in more than ~~two~~ three (33 yrs) decades, and that the elderly poverty rate fell below 10 percent for the first time in history.

since 64

lowest since 79
or near its record low

21.6 = 78
21.8 = 79
22.8 = 99

optional alternate)
Last year we saw the biggest drop ever recorded in Af. Am + Hisp poverty rates.

95

Devorah R. Adler
09/26/2000 10:35:49 AM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc:

Subject: initial comments

still looking for Chris to get his signoff but here's what I have so far (JML as well).

--------------------- Forwarded by Devorah R. Adler/OPD/EOP on 09/26/2000 10:29 AM ---------------------------

Jeffrey A. Shesol
09/26/2000 10:19:27 AM

Record Type: Record

To: Devorah R. Adler/OPD/EOP@EOP

cc:

Subject: Re: how are we doing? do you have draft?

I was, however, encouraged this week when the Republican leadership said they'll stand with me**, and Congressional Democrats,** – in the face of the drug companies' opposition – and work to give Americans access to prescription drugs that are cheaper in other countries. ~~It's just plain wrong when~~ **We know that** drug companies sell the same drugs for a much higher price at home than they do abroad, even when those drugs are manufactured here in the United States. This means some of the most vulnerable Americans – seniors and people with disabilities – are paying the highest prices for prescription drugs in the world. This is just plain wrong.

I support the legislation the Senate has passed to right this wrong. The Senate bill**, if fully funded,** meets my condition that the drugs we import are every bit as safe as the drugs already on the shelves of America's pharmacies. With this protection in place, ~~and with full funding,~~ we can preserve the safety of our prescription drug supply and cut prices for Americans in need. This is an idea with potential – so long as the leadership in Congress sees it not as a headline or a slogan but as part of a solution.

Of course, it's only part of a solution. A discount doesn't help you much if you're a senior citizen with $10,000 to $15,000 in catastrophic drug costs. If that's you, what you need is insurance. What you need – what **all seniors** need – is a Medicare prescription drug benefit that is optional, affordable, and dependable.

I am extremely disappointed at the Republican leadership's suggestion that there's no time to pass a voluntary Medicare prescription-drug benefit this year. I disagree. Every day this Congress is still in session is another day they should be working overtime to provide a Medicare prescription drug benefit and to meet our other pressing priorities.

[if at all possible, can we flip the disappointment and do that first? we are getting complaints from Democrats that we're not being stronger about still pushing for this.]

V. 2

KEY FACTS ON CENSUS INCOME AND POVERTY REPORT

September 26, 2000

TODAY, THE CENSUS BUREAU RELEASED THEIR ANNUAL REPORT ON INCOME AND POVERTY IN AMERICA FOR 1999. HIGHLIGHTS:

Strong Broad-Based Income Gains:

- **Household Income Breaks $40,000 for First Time in History.** Income for the median household rose $1,072 or 2.7 percent, from $39,744 in 1998 to $40,816, marking an unprecedented fifth year of significant growth in income. Since 1993, the median household income after adjusting for inflation has increased by $4,797 or 13.3 percent.

- **Family Income Up Over $6,300 Since 1993.** Another measure of income—family income, which excludes single individuals and counts only related members in any household—shows similar trends. In 1999, the median family income, adjusted for inflation, increased to $48,950 from $47,769 or 2.5 percent. Since President Clinton and Vice President Gore passed their Economic Plan in 1993, median family income has increased from $42,612 in 1993 to $48,950 in 1999—that's an increase of $6,338 or 15 percent. From 1987 to 1992, median family income fell $1,991 after adjusting for inflation.

- **African American Household Income Up $1,999 in 1999.** In 1999, the median income of African-American households increased from $25,911 in 1998 to $27,910—that's an increase of $1,999 or 7.7 percent, which is the largest one-year increase ever recorded. Since 1993, the median income of African American household has increased $5,389 or 23.9 percent from $22,521 in 1993 to $27,910 in 1999, adjusted for inflation.

- **Hispanic Household Income Up $1,779 in 1999.** In 1999, the income of the median Hispanic household, adjusted for inflation, increased from $28,956 in 1998 to $30,735 in 1999—that's an increase of $1,779 or 6.1 percent, which is the largest one-year increase ever recorded. Since 1995, the income of the typical Hispanic household has risen $5,745 or 23 percent, which is by far the largest four-year increase in Hispanic income on record.

- **All Groups Have Seen Their Incomes Rise – From Richest to Poorest.** For the third year in a row, all five quintiles of the income distribution saw their incomes, adjusted for inflation, rise. The average income for the lowest 20 percent increased by 5.4 percent compared to an increase of 3.9 percent for the highest 20 percent. Since 1993, all five quintiles have seen their incomes rise strongly, after 12 years in which there was little if any improvement for the bottom 60 percent of Americans.

- **No Rise in Income Inequality.** After rising for nearly 20 years, the income inequality among all Americans has not changed significantly over the past six years indicating that the strong economic growth was relatively evenly shared over the income distribution. In the 1970s and 1980s, income inequality increased, while the economy expanded. In the 1990s, all parts of the income scale are benefiting from a growing economy.

Strong Reduction in Poverty:

- **Poverty Rate Fell to 11.8 Percent in 1999 -- Its Lowest Level Since 1979.** In 1999, the poverty rate dropped to 11.8 percent from 12.7 percent the year before, which is the lowest poverty rate in two decades. Since President Clinton and Vice President Gore passed their Economic Plan in 1993, the poverty rate has declined from 15.1 percent in 1993 to 11.8 percent last year–that's the largest six-year drop in poverty in nearly 30 years (1964-1970). There are now 7 million fewer people in poverty than in 1993, and over 2.2 million or over 30 percent of this decline occurred during the past year. (In 1999, the poverty threshold was $17,029 for a family of four.)

- **1999 Represents the Largest One-Year Drop in Child Poverty in More than Three Decades.** While the child poverty rate remains too high, in 1999, it declined from 18.9 percent to 16.9 percent, which is the lowest since 1979. The full 2 percentage point decline is the largest one-year decline since 1966. Under President Clinton, the child poverty rate has declined from 22.7 percent to 16.9 percent or 25.6 percent, which is the biggest six-year drop in nearly 30 years (1964-1970).

- **Elderly Poverty Rate Fell Below 10 percent for the First Time.** In 1999, the elderly poverty rate of 9.7 percent fell below the 10 percent mark for the first time in recorded history. In 1959, the elderly poverty rate was 35.2 percent.

- **The African American Poverty Rate Down To Its Lowest Level on Record.** While the African-American poverty rate is still far above the poverty rate for whites, it declined from 26.1 percent in 1998 to 23.6 percent in 1999, which is the lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate dropped from 33.1 percent to 23.6 percent or 29 percent, which is the largest six-year drop in African American poverty in more than 30 years.

- **Child Poverty Among African Americans Down To Lowest Level on Record.** While the African-American child poverty rate is too high, it fell from 36.7 percent to 33.1 percent in 1998, which is the largest one-year drop in history and its lowest level on record (data collected since 1959). Since 1993, the child poverty rate among African Americans has fallen every single year for six straight years (1993- 99), a historical record. Poverty among African American children has declined 13 percentage points or 28.2 percent under President Clinton.

- **The Hispanic Poverty Rate Dropped to its Lowest Level Since 1979.** In 1999, the Hispanic poverty rate dropped from 25.6 percent to 22.8 percent--that's the lowest level since 1979. Poverty for Hispanics declined by 2.8 percentage points or 10.9 percent from 1998, which is the largest one-year percentage point decline ever recorded. While there is still more work to do, since President Clinton took office, Hispanic poverty has declined from 30.6 percent to 22.8 percent or 25.5 percent from 1993. The Hispanic child poverty rate fell from 34.4 percent to 30.3 percent or 12 percent from 1998. Poverty for Hispanic children has declined 10.6 percentage points or 26 percent since 1993.

- **The Asian and Pacific Islander Americans Poverty Rate As Low As It's Ever Been.** In 1999, the Asian Pacific Islander poverty rate dropped from 12.5 percent to 10.7 percent—as low as it's ever been. Since 1993, the Asian Pacific Islander Americans poverty rate has dropped from 15.3 to 10.7 or 30.1 percent, which is the largest percentage decline of all groups.

- **4.1 Million People Lifted Out of Poverty by the EITC.** In 1993, President Clinton expanded the Earned Income Tax Credit, providing a tax cut for low-income working families. In 1999, the EITC lifted 4.1 million people out of poverty, which is nearly <u>double</u> the number of people lifted out of poverty by the EITC in 1993. Among children, the EITC reduced poverty by 17 percent in 1999, which represents moving 2.3 million children out of poverty.

- **Central Cities Show Large Improvement**. The poverty rate for in central cities fell from 18.5 percent in 1998 to 16.4 percent in 1999, which is the largest percentage point decline ever recorded and the lowest level since 1979. Since 1993, poverty in the central cities has fallen by 23.7 percent.

THE WHITE HOUSE

WASHINGTON

STATEMENT

Peter Wong NEC

11:00-11:25 briefing + statement

JDP wants audience / Census people (sr. officials)

Roosevelt Room

- to thank them
- too pol? they'll call KT

see last wk's numbers — 1st improvement in list.? (in what?)

program — only POTUS

message

* Another econ. milestone → 5 best yrs. / min. #s Names?
  strategy is working
* Budget — fiscal discipline → broad benefits that reach all (debt, etc.) — (new rules? unlikely)
  (9/30 statement last year)

Cabinet, etc?

Martin Baily
Ken Prewitt (Census)
Mineta

Do we do approps?

No chart / announcement

Census Bureau puts the #s out

THE WHITE HOUSE

WASHINGTON

1st time ever —

5 yrs. in a row of ~~tax~~ incm growth

Black, Hisp, Asian, children
considerably lower

Expansion - far into it — bring in
hardest pressed groups

Lowest ever for blacks (not Hisp.)
New record lows
"matched the lowest rate ever recorded"

7 m since '93
30% in last yr alone
(2.2m)

Greatest rate of growth is among lowest quintile

Even distrib. - everybody's benefit

[Pov is falling fastest in central city
→ new mkts, EZ, etc.

$ amounts?
$2000 for blacks

JS.

THE WHITE HOUSE

WASHINGTON

Has seen #s

Peter Wong
Dorton ?
Audrey Choi 55084
Kathleen McGary
Kathryn Shaw

Gene

Karen :

Gene yes
Jack yes on appropo → bracket it

→ w/o the #s to them

draft 11pm, 9.24.0

September 25, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

SUBJECT: Income and poverty statistics

The Census Bureau will release its annual report of income and poverty statistics tomorrow at 10:00 AM. The report unquestionably provides good news with record highs for income and earnings, and record lows in poverty attained by many groups.

OVERVIEW

The increases in income and the declines in poverty reported here are especially noteworthy because they appear to be accruing disproportionately to groups that have typically been among the most difficult to reach: those in the central cities, children, female headed households and minorities. These groups have all experienced particularly large increases in income and decreases in poverty during this past year, the 8th year of the expansion. These results point to the success of policies that have been targeted at these groups in particular the successes that have been achieved in moving families off welfare.

INCOME

Record fifth consecutive year of growth. Median household income rose in the past year by $1,072 in 1999 dollars, marking an unprecedented fifth year of significant growth in income. With this increase, median income reached the highest level ever recorded by the Census Bureau since it began tracking such figures in 1967. From 1993 to 1999, median household income increased by $4,797 or 13.3 percent.

see chart

Blacks experience largest recorded increases. Between 1998 and 1999, median income for black households increased by an astounding $1,999 or 7.7 percent. This percentage increase was the largest year to year gain ever recorded, with records dating back to 1967. Since 1993 median household income for blacks has increase by $5,389 or 23.9 percent

Hispanics also experience record increases. Median income for Hispanic households also increased by a record amount, growing by $1,779 or 6.1 percent. Since 1993 median household income for Hispanics has increase by $4,349 or 16.5 percent

Record levels observed for all groups. With these record yearly gains, median household income for blacks, Hispanics, and Asian and Pacific Islanders all reached the highest levels ever recorded with amounts of $27,910, $30,735 and $51,205 respectively.

New measures for American Indians and Alaskan Natives. The first ever reported measurement of household income for American Indians and Alaskan natives shows a median income over a three year period of $30,800 for this group.

see chart

Growth was widely distributed. Income growth was shared across the income distribution. The average income of the lowest 20 percent increased by 5.4 percent compared to an increase of 3.9 percent for the highest 20 percent.

Largest gains in central cities. Our central cities are benefiting from economic growth. Median household income in central cities increased by 6.4 percent from 1998 to 1999, substantially outpacing the 2.7 percent growth experienced by the country as a whole.

POVERTY

Large reduction in overall poverty. The poverty rate declined to 11.8, the lowest rate since 1979 and one of the lowest ever on record. Since 1959 when the Census began reporting poverty rates, lower rates have been reported only 5 times. The fall in the poverty rate from 12.7 percent in 1998 to 11.8 percent resulted in a decline of 2.2 million in the number of American poor, twice the decline of the previous year. There are now 7 million fewer Americans in poverty than in 1993, and over 30 percent of this decline occurred during the past year. *

see chart

Largest one year decline on record for blacks and Hispanics. Poverty rates fell by 10.9 percent for Hispanics, 9.6 percent for blacks. In both cases the change was the largest one year declines ever recorded. Poverty rates for Asian Pacific Islanders also experienced dramatic declines, falling by 14.4 percent.

New historic lows for all groups. Poverty rates improved across racial and ethnic groups with blacks and Asian Pacific Islanders attaining the lowest levels ever recorded. The poverty rate for blacks was 23.6 percent, the lowest since records began in 1959. Poverty among Asian and Pacific Islanders also reached a record low at 10.7 percent. Poverty among Hispanics was 22.8 percent, the lowest level since 1979 and statistically equal to the lowest recorded rates since records began in 1972.

1999 improvements cap long-term trend. These record setting improvements combined with changes over previous years point to tremendous success in reducing poverty. Since 1993, the overall poverty rate has declined by 21.9 percent. Poverty among blacks declined by 28.7 percent and poverty among Hispanics fell by 25.5 percent. The largest decline was experienced by Asian and Pacific Islanders with a fall of 30 percent.

Large declines for children. Poverty for children was 16.9 percent, its lowest level since 1979. Poverty for children declined by a full 2 percentage points or 10.6 percent from 1998. This was the largest percentage point improvement since 1966. Poverty among black children declined by an even larger amount in absolute terms, falling 3.6 percentage points from 36.7 to 33.1 percent.

Extreme child poverty, defined as income below 50 percent of the poverty line, fell by 14.8 percent, a large decline coming on the heels of a 10 percent decline in this severe form of poverty during the previous year.

Record low poverty for the elderly. We have continued to successfully combat poverty among those the elderly. After several years of consistently low poverty rates near 10.5 percent, poverty among those 65 and over this year fell to 9.7 percent, the lowest number on record with data dating back to 1959.

see chart

Central cities show large improvement. Poverty rates in the central cities fell by over 2 percentage points or 11.4 percent this year, from 18.5 percent in 1998 to 16.4 in 1999, the largest percentage point decline ever reported, and the lowest level since 1979. This drop was large enough to account for over 80 percent of the decline in the number of individuals living in poverty. Since 1993 the number of central city residents in poverty has declined by 3.7 million, with one-half of this decline occurring in the past year.

Tax Policies help lower poverty rates for adults and children. The EITC helped 4.1 million Americans exit poverty. Using a definition of income that differs slightly from that used in official calculations of poverty, the EITC decreased poverty by 1.5 percentage points. Among children, the EITC reduced poverty by 17.3 percent or 3.2 percentage points in 1999, representing a movement of 2.3 million children out of poverty.

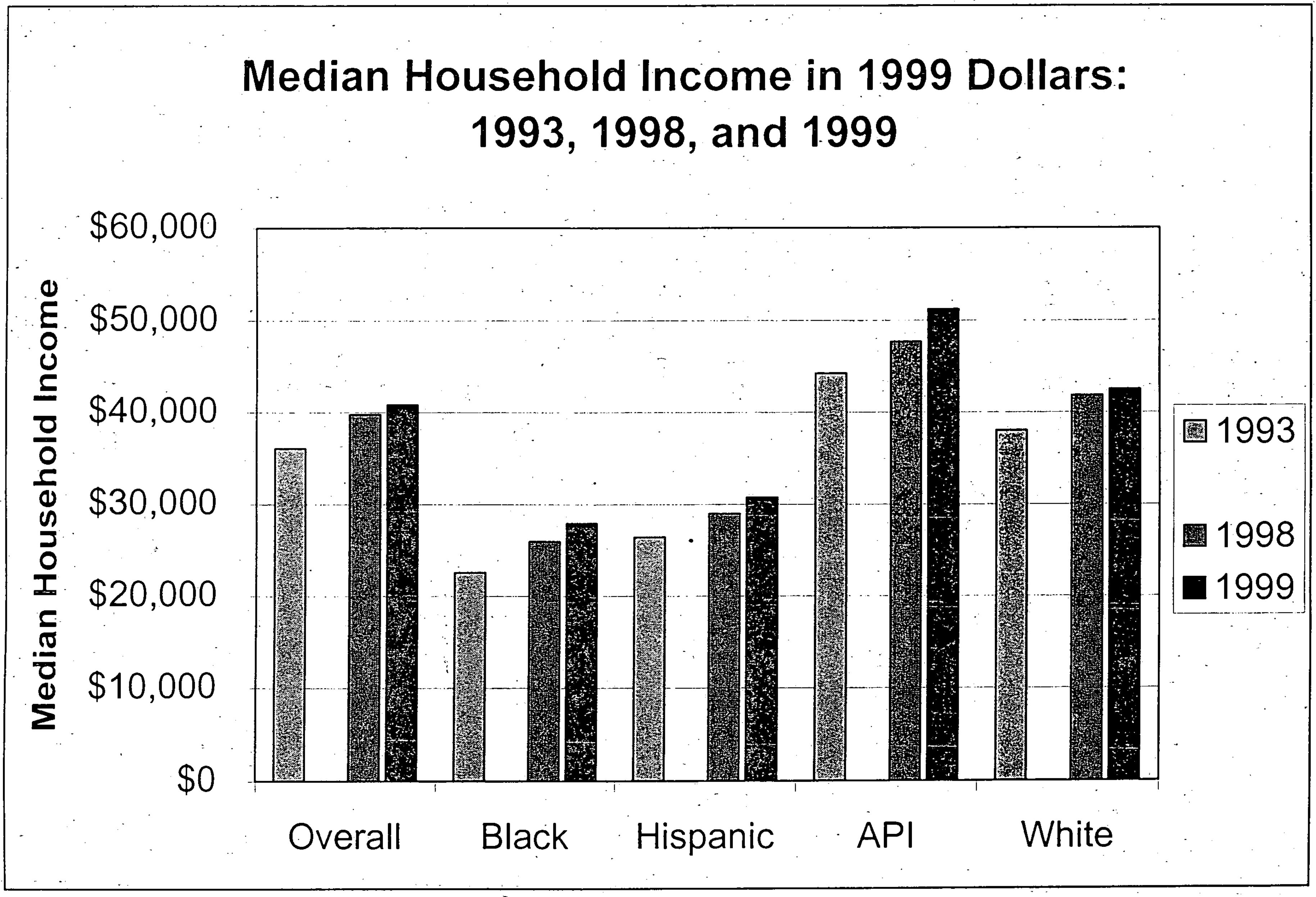
EARNINGS

Black males show exceptionally large gains. Median earnings for full time, year-round male workers increased by $350 from 1998 to $36,476. For black males the increase was particularly large, increasing by $2,379 or 8.6 percent. This increase brought earnings for full time year-round black male workers to their highest level since 1978, and the ratio of black male earnings to white male earnings to 0.81 the highest ever recorded

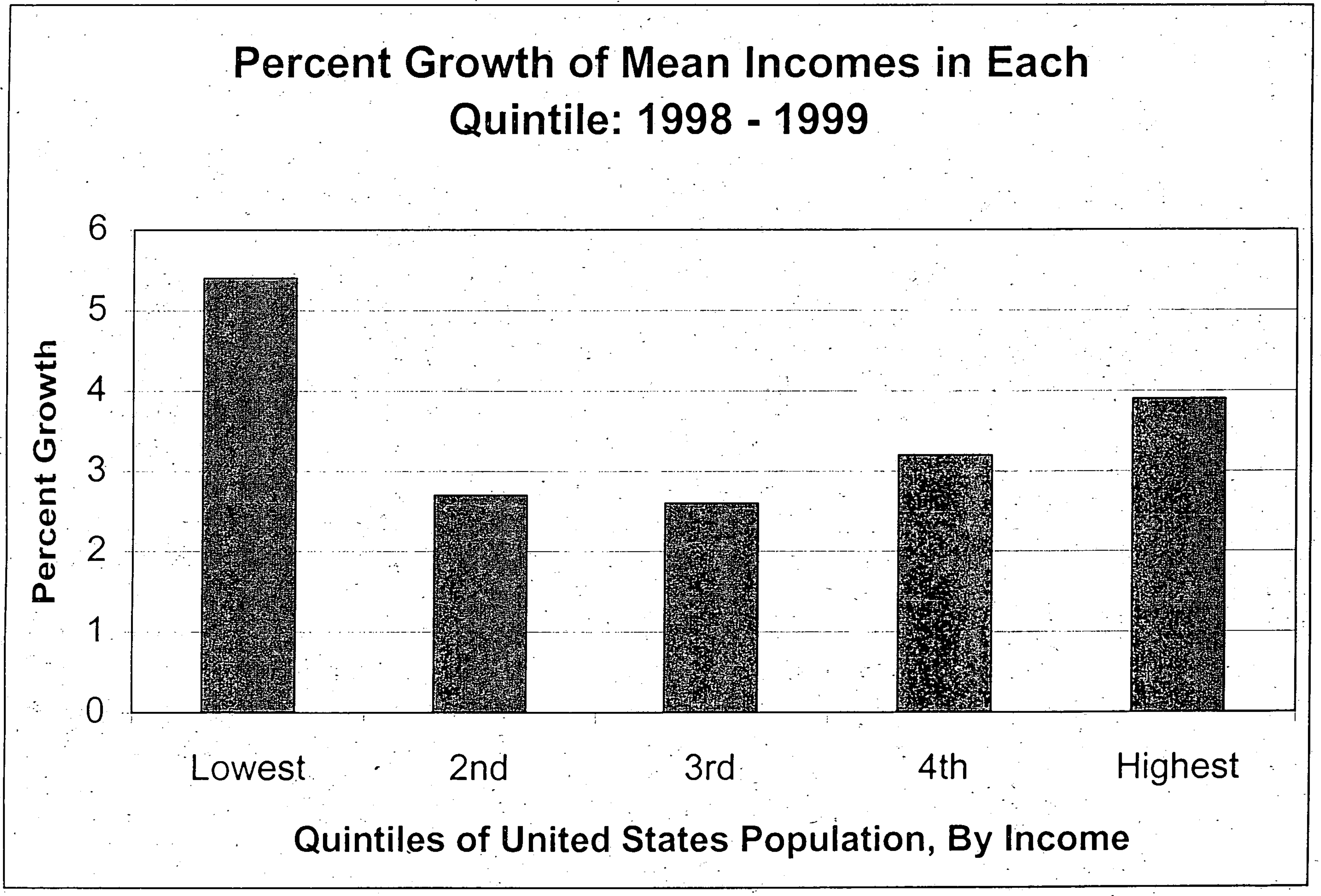
Numbers with Earnings Increase: Number of Americans with earnings increased to 149 million from 146 million in 1998. The number of women with earnings increased to 70.4 million, up from 68.8 million in 1998. The change was particularly large for blacks. The number of black males with earnings increasing by 4.1 from 1998 and the number of black women with earnings increased by 4.6 percent.

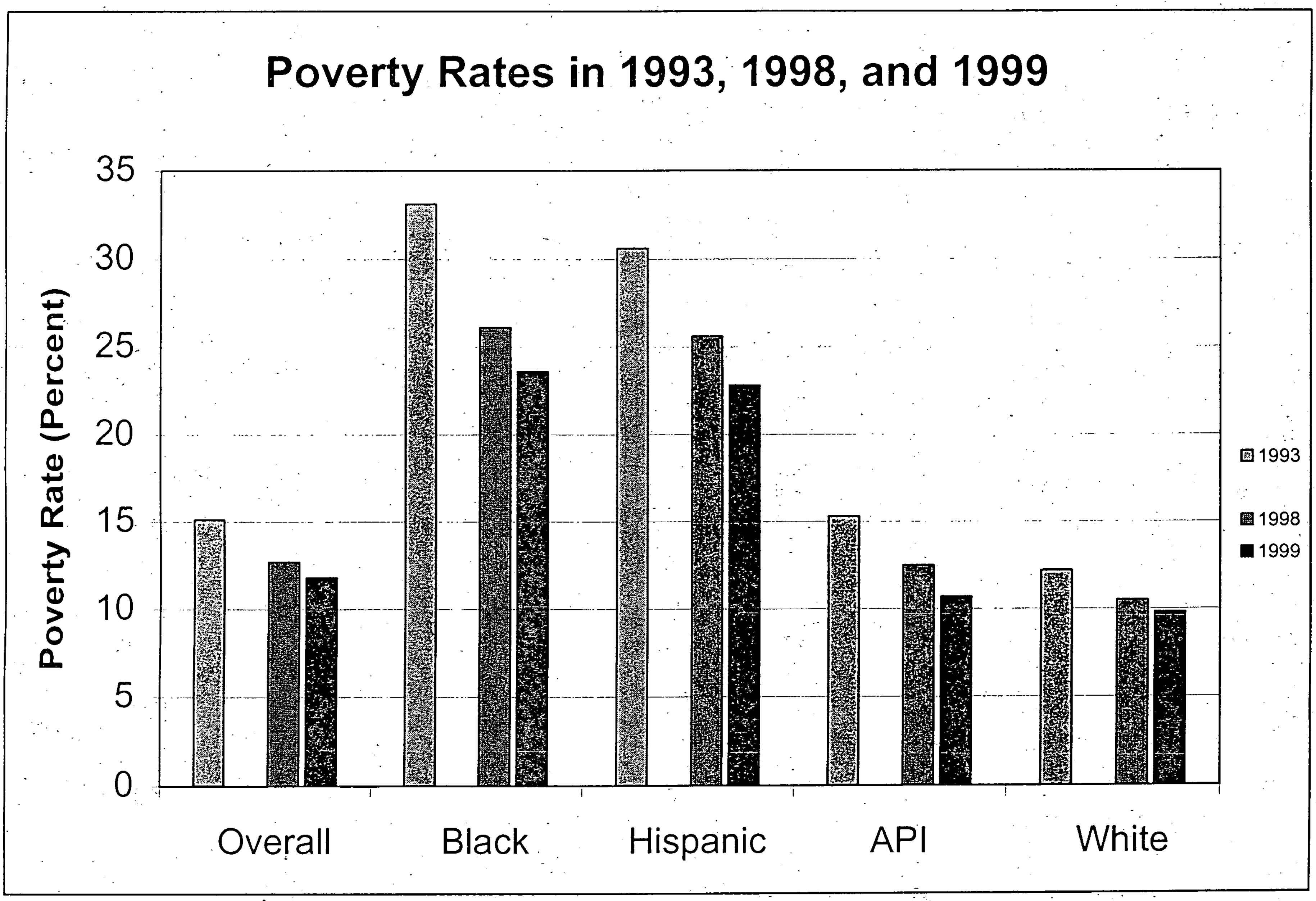
INEQUALITY

Inequality was unchanged from 1998, indicating that the strong economic growth was shared relatively evenly over the income distribution. Since 1993, the total growth in income for the each of five quintiles of the income distribution has been nearly identical. Mean household income in the lowest quintile increased by 15.5 percent over the six year period, and the four other quintiles experienced income growth of 13.6, 13.4, 13.4, and 16.

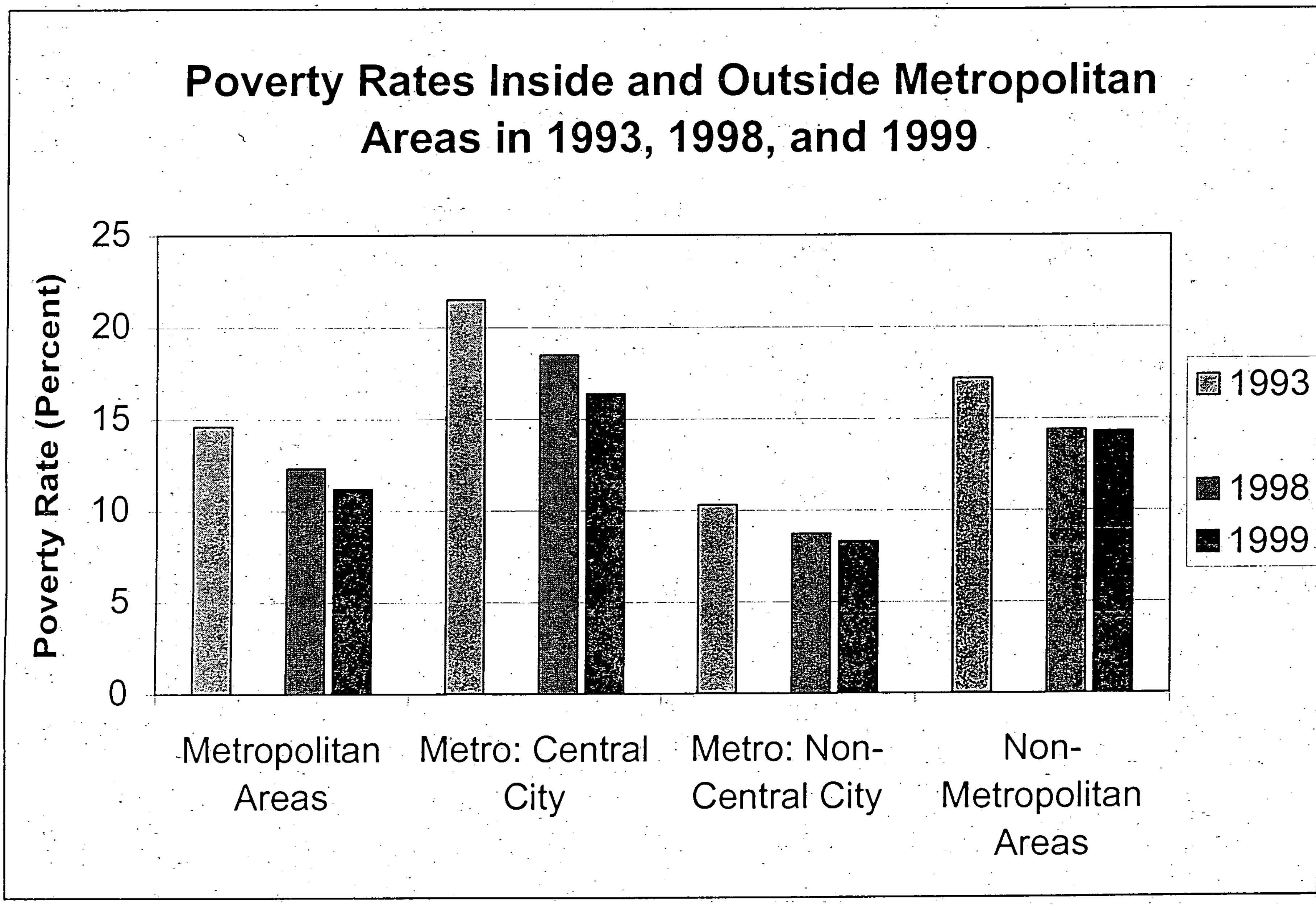


Median Household Income in 1999 Dollars:
1993, 1998, and 1999
Median Household Income
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
Overall
Black
Hispanic
API
White
1993
1998
1999


Percent Growth of Mean Incomes in Each Quintile: 1998 - 1999
6
5
4
3
2
1
0
Percent Growth
Lowest
2nd
3rd
4th
Highest
Quintiles of United States Population, By Income



Poverty Rates in 1993, 1998, and 1999
Poverty Rate (Percent)
35
30
25
20
15
10
5
0
Overall
Black
Hispanic
API
White
1993
1998
1999


Poverty Rates Inside and Outside Metropolitan Areas in 1993, 1998, and 1999
Poverty Rate (Percent)
25
20
15
10
5
0
Metropolitan Areas
Metro: Central City
Metro: Non-Central City
Non-Metropolitan Areas
1993
1998
1999

Draft 09/25/00 9:30pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE ECONOMY
THE WHITE HOUSE
September 26, 2000

Acknowledgments: John Podesta; other members of my economic team – Gene Sperling, Jack Lew, Martin Baily; staff members of CEA, OMB; and all the groups represented here today

Today I want to talk about some good news for our economy and what it means for hard-working Americans.

Seven and a half years ago, when I came to Washington, the American economy was stalling and our people were laboring under some very heavy burdens. As John Podesta just described, the budget deficit was $290 billion, and twelve years of irresponsible policies had quadrupled our national debt. That meant low growth and high interest rates. Unemployment was also high; and the confidence of our people in their government was on the wane.

Al Gore and I were determined to change all that, putting a new economic strategy into action – a strategy of fiscal discipline, investment in our people, and expanded trade. That was our roadmap. Today, we've got results. Our economy is undergoing the longest expansion in history, with more than 22 million new jobs, the lowest unemployment in 30 years, the lowest female unemployment in 40 years, the lowest Hispanic and African-American unemployment rate ever recorded, and the highest homeownership in history.

Today, I am pleased to announce that America has reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that in the last year, the typical household income rose $1,072 – to the highest level ever recorded, breaking $40,000 for the very first time. Americans' incomes have been on the rise for five years running. Since 1993, when we launched our economic strategy, median family income is up by 15 percent. That means, for the typical family, $6,300 more a year for the things that matter most: sending their children to college, covering critical health care costs, saving for a secure retirement.

Better yet, the rising tide of our economy is lifting all boats. In the 1980s, most working families saw their incomes stagnate or even decline; and the farther down the scale you were, the worse you did. Today, however, every income group is experiencing income growth – with the greatest gains being made by the hardest pressed Americans. In 1999, African-American and Hispanic households experienced the biggest boost in their incomes ever recorded.

As our economy continues its expansion, opportunity is growing as well – bringing more and more Americans from the economic margins into the mainstream. This report shows that the poverty rate has fallen to 11.8 percent, the lowest rate since 1979. The broadbased growth of our economy has helped lift millions of hardworking people out of poverty – since 1993, 7 million Americans have moved out of poverty and into the circle of opportunity, almost a third of them in the last year alone.

When any American is living in poverty, we can never be satisfied. But we can and should be encouraged that last year saw the biggest decline ever in the African American and Hispanic poverty rates, and that the African American poverty rate is the lowest on record. We can be encouraged that the child poverty rate took its biggest one-year drop since 1966, and that the elderly poverty rate fell below 10 percent for the first time in history.

Of course, the real measure of our economic strategy is not shown in any one statistic, or any new study, but in the lives of the American people – [like those who join us here today] – the people who work the shifts, raise the kids, dream the dreams. Today, the most important thing we can say about our economy is that it works for them; and the greatest thing we can say about our success is that it belongs to all our people.

If we stay on the path that got us here – the path of fiscal discipline – we can reach even greater heights of prosperity. We can extend it even further to the people and places left behind, so that the gains we are seeing in the cities reach as far as our Native American reservations. We can do this and also achieve something once unthinkable: we can make our country debt-free for the first time since Andrew Jackson was President, in 1835.

Months ago, I presented a budget that stays true to the path of fiscal discipline and makes critical investments in America's future: saving Social Security; strengthening Medicare and including a voluntary prescription drug benefit; investing in education and other priorities; and paying down the debt completely by 2012. Months ago, I asked Congress to work with me in meeting these important challenges.

There is, now, less than one week left in this fiscal year. And still Congress has not passed eleven of thirteen appropriations bills; still Congress has not raised the minimum wage; still Congress has not passed a strong, enforceable patients' bill of rights or a voluntary Medicare prescription-drug benefit.

The Republican leadership has suggested they are out of time. I disagree. Every day this Congress is still in session is another day they should be working overtime to meet our pressing priorities. There is still time for Congress to raise the minimum wage. There is still time to pass bipartisan New Markets legislation that can bring opportunity to every corner of our country. There is still time to help close the growing digital divide between those who have the skills and the tools to succeed in the new economy and those who don't. There is still time for Congress to fully fund my proposals on education – to reduce class size with more highly trained teachers; to fix crumbling old schools and to build new ones; to support afterschool programs; and to turn around failing schools or shut them down.

The remarkable success of our economy – the rising incomes, the falling poverty rates – show again how much we can achieve when we work hard and make the right choices. The American people do that every day of the year. So in the few days left in this legislative session, I hope the Congress will work with me in the same spirit of progress, and with the same eye toward achievement. Thank you.

Kathryn Shaw – Peter Wong

KEY FACTS ON CENSUS INCOME AND POVERTY REPORT

September 26, 2000

TODAY, THE CENSUS BUREAU RELEASED THEIR ANNUAL REPORT ON INCOME AND POVERTY IN AMERICA FOR 1999. HIGHLIGHTS:

Strong Broad-Based Income Gains:

- **Household Income Breaks $40,000 for First Time in Recorded History.** Income for the median household rose $1,072 or 2.7 percent, from $39,744 in 1998 to $40,816, marking an unprecedented fifth year of significant growth in income. Since 1993, the median household income after adjusting for inflation has increased by $4,797 or 13.3 percent.

- **Family Income Up Over $6,300 Since 1993**. Another measure of income—family income, which excludes single individuals and counts only related members in any household—shows similar trends. In 1999, the median family income, adjusted for inflation, increased to $48,950 from $47,769 or 2.5 percent. Since President Clinton's Economic Plan passed in 1993, median family income has increased from $42,612 in 1993 to $48,950 in 1999—that's an increase of $6,338 or 15 percent. From 1988 to 1992, median family income <u>fell</u> $1,991 after adjusting for inflation.

- **African American Household Income Up $5,389 Since 1993.** In 1999, the median income of African-American households increased from $25,911 in 1998 to $27,910, which is a one-year increase of $1,999 or 7.7 percent. Since 1993, the median income of African American household has increased $5,389 or 23.9 percent from $22,521 in 1993 to $27,910 in 1999, adjusted for inflation.

- **Hispanic Household Income Up $5,474 in Past Four Years.** In 1999, the income of the median Hispanic household, adjusted for inflation, increased from $28,956 in 1998 to $30,735 in 1999—that's an increase of $1,779 or 6.1 percent. Since 1995, the income of the typical Hispanic household has risen $5,474 or 23 percent, which is by far the largest four-year increase in Hispanic income on record.

- **Record Income Levels for All Groups.** Median household income, adjusted for inflation, for African Americans, Hispanics and Asian and Pacific Islander Americans all reached the highest levels ever recorded with amounts of $27,910, $30,735 and $51,205 respectively.

- **All Groups Have Seen Their Incomes Rise – From Richest to Poorest.** For the third year in a row, all five quintiles of the income distribution saw their incomes, adjusted for inflation, rise. The average income for the lowest 20 percent increased by 5.4 percent compared to an increase of 3.9 percent for the highest 20 percent. Since 1993, all five quintiles have seen their incomes rise strongly, after 12 years in which there was little if any improvement for the bottom 60 percent of Americans.

- **No Sharp Rise in Income Inequality.** After rising for nearly 20 years, the income inequality among all Americans has not changed significantly over the past six years indicating that the strong economic growth was relatively evenly shared over the income distribution. In the 1970s and 1980s, income inequality <u>increased</u>, while the economy expanded. In the 1990s, all parts of the income scale are benefiting from a growing economy.

Strong Reduction in Poverty:

- **Poverty Rate Fell to 11.8 Percent in 1999---Its Lowest Level Since 1979.** In 1999, the poverty rate dropped to 11.8 percent from 12.7 percent the year before, which is the lowest poverty rate in two decades. Since President Clinton signed his Economic Plan into law, the poverty rate has declined from 15.1 percent in 1993 to 11.8 percent last year–that's the largest six-year drop in poverty in nearly 30 years (1964-1970). There are now 7 million fewer people in poverty than in 1993, and over 2.2 million or 30 percent of this decline occurred during the past year. (In 1999, the poverty threshold was $17,029 for a family of four.)

- **In 1999 the Largest One-Year Drop in Child Poverty in More than Two Decades.** While the child poverty rate remains too high, in 1999, it declined from 18.9 percent to 16.9 percent, which is the lowest since 1979. The full 2 percentage point decline is the largest one-year decline since 1966. Under President Clinton, the child poverty rate has declined from 22.7 percent to 16.9 percent or 25.6 percent, which is the biggest six-year drop in nearly 30 years (1964-1970).

- **Elderly Poverty Rate Fell Below 10 percent for the First Time.** In 1999, the elderly poverty rate of 9.7 percent fell below the ten percent mark for the first time in recorded history. In 1959, the elderly poverty rate was 35.2 percent.

- **The African-American Poverty Rate Down To Its Lowest Level on Record.** While the African-American poverty rate is still far above the poverty rate for whites, it declined from 26.1 percent in 1998 to 23.6 percent in 1999, which is the lowest level recorded since data were first collected in 1959. Since 1993, the African-American poverty rate dropped from 33.1 percent to 23.6 percent or 29 percent, which is the largest six-year drop in African American poverty in more than 30 years.

- **Child Poverty Among African Americans Down To Lowest Level on Record.** While the African-American child poverty rate is too high, it fell from 36.7 percent to 33.1 percent in 1998, which is the largest one-year drop in history and its lowest level on record (data collected since 1959). Since 1993, the child poverty rate among African Americans has fallen every single year for six straight years (1993- 99), a historical record. Poverty among African American children has declined 13 percentage points or 29 percent under President Clinton.

- **The Hispanic Poverty Rate Dropped to its Lowest Level Since 1979.** In 1999, the Hispanic poverty rate dropped from 25.6 percent to 22.8 percent--that's the lowest level since 1979. Poverty for Hispanics declined by 2.8 percentage points or 10.9 percent from 1998, which is the largest one-year percentage point decline ever recorded. While there is still more work to do, since President Clinton took office, Hispanic poverty has declined from 30.6 percent to 22.8 percent or 25.5 percent from 1993. The Hispanic child poverty rate fell from 34.4 percent to 30.3 percent or 12 percent from 1998. Poverty for Hispanic children has declined 10.6 percentage points or 26 percent since 1993.

- **The Asian and Pacific Islander Americans Poverty Rate As Low As It's Ever Been.** In 1999, the Asian Pacific Islander poverty rate dropped from 12.5 percent to 10.7 percent—as low as it's ever been. Since 1993, the Asian Pacific Islander Americans poverty rate has dropped from 15.3 to 10.7 or 30.1 percent, which is the largest percentage decline of all groups.

- **4.1 Million People Lifted Out of Poverty by the EITC.** In 1993, President Clinton expanded the Earned Income Tax Credit, providing a tax cut for low-income working families. In 1999, the EITC lifted 4.1 million people out of poverty, which is double the number of people lifted out of poverty by the EITC in 1993. Among children, the EITC reduced poverty by 17 percent in 1999, which represents moving 2.3 million children out of poverty.

- **Central Cities Show Large Improvement**. The poverty rate for in central cities fell from 18.5 percent in 1998 to 16.4 percent in 1999, which is the largest percentage point decline ever recorded and the lowest level since 1979. Since 1993, poverty in the central cities has fallen by 23.7 percent.