

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                                                                      | DATE       | RESTRICTION |
|--------------------------|----------------------------------------------------------------------------------------------------|------------|-------------|
| 001. email               | From Lisa Green to Jonathan A Kaplan and Sarah Rosen Wartell; RE: phone number [partial] (2 pages) | 05/10/1999 | P6/b(6)     |
| 002. email               | From Seth Harris to Lisa Green and Sarah Rosen Wartell; RE: phone number [partial] (1 page)        | 05/07/1999 | P6/b(6)     |

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20590

### FOLDER TITLE:

NM [New Markets] Trip Press Speech/Shih

2012-0043-S

ms248

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Draft 5/10/99  
Shih

**PRESIDENT WILLIAM J. CLINTON**  
**REMARKS ON LAUNCHING OF NEW MARKETS TOUR**  
**THE WHITE HOUSE**  
**MAY 11, 1999**

**Acknowledge:** The Vice President -- I thank him for his leadership as Chair of the Community Empowerment Board and for encouraging more business investment through his White House Business and Entrepreneurial Roundtables -- the inspiration for today's meeting; Sec. Rubin; Sec. Cuomo, Sec. Daley, Sec. Hermann, Sec. Glickman, SBA Admin. Alvarez; Gene Sperling, who has worked so hard with Rev. Jackson, the Cabinet, Congress, and the private sector to launch our New Markets Initiative.

Over the past six and a half years, I have been privileged to stand in the Rose Garden and report on the state of our economy. And through each announcement of new job or unemployment figures, I have been able to tell the story of America's economic recovery.

In less than a decade, America has moved from budget deficits to record surpluses, from skyrocketing interest rates to soaring consumer confidence. Our new economy -- powered by technology, nurtured by the human mind, enlarged by trade among all nations -- is booming. Millions of average Americans -- through pension, retirement and mutual funds -- are reaping the benefits of economic growth. African-American and Hispanic unemployment continue to reach new record lows.

But there are still millions of Americans -- in inner cities, in rural areas such as Appalachia, the Delta and Indian Country -- for whom the prosperity of our time has yet to become reality. Even as we celebrate the lowest unemployment since 1957, there are still 37 cities where unemployment is double the national average. Even as new shopping malls sprout up across America, there are places where children must walk for blocks past abandoned storefronts just to buy a carton of milk from the grocery store. These Americans are still living in the shadows of our good times -- and that is unacceptable.

And it is just as unacceptable that by ignoring these areas, America is missing tremendous opportunities for new growth. Recently a Harvard Business School professor found that inner city families control more than \$85 billion a year in purchasing power. But more than a quarter of that demand is unmet. We can do better.

Since 1993, we have worked hard to revitalize our hardest-pressed communities, recognizing the leading role the private sector can play in restoring the most basic tools of opportunity -- jobs, capital, credit -- to these areas. That is why we created empowerment zones, spurring new private investment for our underserved communities. We built a network of community development banks, fueling the spark of private enterprise in our neighborhoods. We strengthened and streamlined the Community Reinvestment Act, extending new credit and financial services to thousands in low-income areas. We are working with business to mentor

and train our young people for the new job market. These efforts have made a tremendous difference.

But now, our unprecedented prosperity has given us an unprecedented opportunity to do even more. This is a golden moment for America. There will never be a better time to bring the sunlight of economic opportunity to the communities who have waited longest in its shadows. It is our moral obligation -- the duty of every single American who has benefited from our economy -- to seize this moment.

For three days in July, I will visit the communities that remain America's most stubborn pockets of poverty. I am going there not just to remind my fellow Americans of their plight, but to highlight their tremendous economic potential. For years, our government has supported trade missions to emerging markets around the world. But some of the greatest untapped markets are not overseas, they are right here at home.

Today, I challenge America's business leaders to make new commitments to invest in untapped markets. And I will invite those who do to join me on my trip. Together, we must mobilize America's private sector to bring new jobs and opportunity to these communities. I challenge you -- not only because it is the right thing to do -- but also because it is in your own interest to do so.

And government must do its part to create the conditions you need to succeed. I am working with both parties in Congress to boost support for community development banks. And in my balanced budget, I am proposing a New Markets Initiative to leverage billions in private sector investment. It includes tax credits worth 25 percent of the equity placed in investments targeted to untapped markets. And we hope to create new American Private Investment Companies and New Market Venture Capital Firms to bring loan guarantees to investors who develop in these areas.

Now is the time to act. We are a vast and remarkable nation -- full of regional and cultural diversity. But there is a diversity we must not tolerate. We cannot be One America in the 21st Century if some parts of the country are surging forward while others are languishing in place, stuck with the old problems of the 20th Century. Poverty, lack of jobs, a scarcity of businesses, there should be no room for these -- not anywhere in the world's richest, most powerful country. Let us all work to build an America full of towns and cities that any American would be proud to call home.



● June Shih

05/10/99 01:08:40 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: latest new markets draft

Draft 5/10/99

Shih

**PRESIDENT WILLIAM J. CLINTON  
REMARKS ON LAUNCHING OF NEW MARKETS TOUR  
THE WHITE HOUSE  
MAY 11, 1999**

Good morning. Over the past six and a half years, I have been privileged to stand here in the Rose Garden and report to the American people on the state of our economy. And each new report, each new statistic that I have been privileged to announce from these steps has given me the chance to tell the story of America's phenomenal economic recovery. In less than a decade, America has moved from record budget deficits to record surpluses, from skyrocketing interest rates to soaring consumer confidence.

Because of the hard work and vision of the American people, we are experiencing the greatest surge in prosperity and wealth creation in history. Our new economy -- powered by technology, nurtured by the human mind, enlarged by trade among all nations -- is booming. We have 18.4 million new jobs ... wages rising at twice the level of inflation ... unemployment is the lowest since 1957 ... businesses are posting record profits ... more families than ever live in homes they call their own.

This prosperity has been far reaching. Millions of average Americans -- through pension, retirement and mutual funds -- have been able to share in the wealth of the stock market. The African-American middle class is growing -- with higher family incomes, higher homeownership, and the lowest poverty rate ever recorded. African-American and Hispanic unemployment continue to reach new record lows.

But we must remember that there are still millions of Americans -- in our inner cities, rural areas such as Appalachia and the Mississippi Delta and Indian Country -- for whom the economic prosperity of our time have yet to become a reality. Even as we celebrate record wealth creation in America, there are still communities where three out of five families are poor. Even as we celebrate the lowest unemployment since 1957, there are still 37 cities where unemployment is double the national average, places where mothers and fathers

must travel for miles to the suburbs to find good paying jobs. Even as new shopping malls sprout up all across America, there are still places where children must walk for blocks past abandoned storefronts, just to buy a gallon of milk from the grocery store. These Americans are still living in the shadows of these good times -- and that is unacceptable.

As the Vice-President has said, for six and a half years, my Administration has worked to bring a new vision for revitalizing our hardest-pressed communities. Our vision of America is of communities where every family is supported by working parents, where children can go to good schools and walk along safe streets. And we've recognized that the private sector must lead the way in restoring the most basic tools of opportunity -- jobs, capital, credit -- to these areas. That is why we more than tripled the number of empowerment zones across America, to spur billions of dollars in new private investment for our abandoned central cities. We built a network of community development banks, fueling the spark of private enterprise in our neighborhoods. We extended credit and financial services to under served communities by strengthening and streamlining the Community Reinvestment Act. Though it's been on the books for more than 20 years, 95 percent of the financial commitments made under this law -- more than \$1 trillion -- were made in the past five years alone. And as the Vice President said, all these efforts are working -- and transforming communities all across America.

But today, our unprecedented prosperity gives us an unprecedented opportunity to do even more. This is a golden moment for America. There will never be a better time to bring the sunlight of economic opportunity to those communities who have waited longest in the shadows of prosperity. It is our moral obligation -- the duty of every single American who has benefited from this prosperity -- to work together to seize this moment.

That is why for three days in July, I will seek to focus every American's attention on those neighborhoods and communities that remain our most stubborn pockets of poverty. We must bring all America's resources to bear on bringing every community in every corner of America into these prosperous times. That is why I am inviting corporate CEOs, members of Congress, and community leaders to join me on this trip

And today, I challenge America's business leaders to take the lead in making new commitments to invest in these communities. I challenge you -- not only because it is the right thing to do, but also because it is in your interest to do so. Today, all across America, venture capitalists are raising billions of dollars for investment in Eastern Europe, in Asia, in South America. For years, our government has supported trade missions to emerging markets around the world. But I believe some of the greatest untapped markets are not overseas, they are in America.

By ignoring these areas, America is missing tremendous opportunities for economic growth. Recently a Harvard Business School professor found that inner city families control more than \$85 billion a year in purchasing power. And yet, more than 25

percent of that market is going unmet. While on average, Americans make 37 percent of their purchases outside their communities, residents of Chicago's South Shore must make about 70 percent of their expenditures outside their own neighborhood. Counties in the Mississippi Delta average just one supermarket per 190 square miles.

Not only can investing in under served areas be good for a company's profit margin, it can also help meet the challenge of finding employees in a tight labor market. Today, the challenge for our economy has not been in creating new jobs, it has been in filling them. The challenge will become even greater. According to Inc. Magazine, minorities -- who tend to live in the inner city -- will account for more than half of all workforce growth. Sooner or later, companies will have to move to where the workers are.

Government must do its part. I pledge to work with Congress to help create the conditions you need to succeed in these areas. I am working with members from both parties to expand our support for community development banks that have sparked so much new activity in these communities. And in January, I unveiled a bold new strategy to leverage up to \$15 billions in private sector capital to bring jobs and opportunity to our inner cities and rural areas. My New Markets Initiative includes tax credits worth 25 percent of the equity any business places in an investment fund, in community development banks or other investment vehicles targeted to untapped markets. It includes loans and technical assistance for small business owners. And we hope to create new American Private Investment Companies and New Market Venture Capital Firms to provide hundreds of millions of dollars in government loan guarantees to investors who develop new commercial projects and help businesses expand or relocate in targeted areas.

Now is the time to act. We are a vast and remarkable nation -- full of geographic, regional and cultural diversity. But there is one diversity we must not tolerate. We cannot be One America in the 21st Century if some parts of the country are surging forward while others are languishing in place, stuck with the old problems of the 20th Century. Poverty, lack of jobs, a scarcity of businesses, these should not be -- certainly not anywhere in the world's richest, most powerful country. Let us all work to build an America full of towns and cities that any American would be proud to call home.

Message Sent To:

---

Melissa G. Green/OPD/EOP@EOP  
Sarah Rosen Wartell/OPD/EOP@EOP  
Jonathan A. Kaplan/OPD/EOP@EOP  
Lisa Green/OPD/EOP@EOP  
Carl Haacke/OPD/EOP@EOP  
Maria Echaveste/WHO/EOP@EOP  
Leslie Bernstein/WHO/EOP@EOP

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                                                                      | DATE       | RESTRICTION |
|--------------------------|----------------------------------------------------------------------------------------------------|------------|-------------|
| 001. email               | From Lisa Green to Jonathan A Kaplan and Sarah Rosen Wartell; RE: phone number [partial] (2 pages) | 05/10/1999 | P6/b(6)     |

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20590

### FOLDER TITLE:

NM [New Markets] Trip Press Speech/Shih

2012-0043-S  
ms248

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]  
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
P3 Release would violate a Federal statute [(a)(3) of the PRA]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]  
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

 Lisa Green  
05/10/99 01:37:54 PM

Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP@EOP, Sarah Rosen Wartell/OPD/EOP@EOP  
cc: Melissa G. Green/OPD/EOP@EOP  
Subject: New Markets

Seth Harris from Labor called this morning,

We definitely need to incorporate at least one or two lines into the President's remarks (as we agreed to do --- also Herman will be expecting). I have condensed the three paragraphs that Seth sent us last week (forwarded below). Gene's handwritten comments about this at the end of April were "I think we should work something out but rather than focus on a government program the focus should be on private sector commitments to training, mentoring, etc. "

"As part of investing in new markets, we must invest in creating jobs and in private sector mentoring and training programs. Private sector investment in young people, is particularly critical to economic success in underserved communities. Many of the CEOs gathered here today know through their own investment and participation in Secretary Herman's Youth Opportunities Initiative at the Labor Department that young people need jobs in these communities --- 4.7 million out--of-school youth live in high-poverty areas, and almost half are not working. "

----- Forwarded by Lisa Green/OPD/EOP on 05/10/99 10:49 AM -----



Harris Seth <harris-seth@dol.gov>  
05/07/99 05:11:11 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Sarah Rosen Wartell/OPD/EOP  
cc:  
Subject: New Markets

---

<<sj&yo.pps2.wpd>>

Attached is a revised draft of three short paragraphs for the President's remarks on Tuesday. Let's talk about how you might shorten it or make it fit your message more tightly. I think it will fit nicely with the pent-up retail demand/available labor pool material that Carl Haacke is pulling together that is referred to in HUD's new report.

If you need to reach me at home over the weekend, my phone number is P6(b)(6)

P6/(b)(6)

My home email address is sethdharr@aol.com.

Also, the Secretary will plan to attend Gene's pre-breakfast meeting and the CEO breakfast on Tuesday, but she is not going to join the convoy to Atlanta. If you can give me some more details on the July trip, I will get to work trying to block the time on her calendar.

Thanks.



- sj&yo.pps2.wpd

## BACKGROUND ON THE CLINTON/GORE ADMINISTRATION'S COMMUNITY DEVELOPMENT AGENDA

May 11, 1999

### **TODAY'S ANNOUNCEMENT BUILDS ON PRESIDENT CLINTON'S AND VICE PRESIDENT GORE'S SIX-YEAR RECORD OF CREATING NEW INITIATIVES AND EXPANDING EXISTING EFFORTS TO PROMOTE ECONOMIC AND COMMUNITY DEVELOPMENT.**

Since 1993, President Clinton and Vice-President Gore have been committed to tapping the potential of America's urban and rural communities. The Clinton-Gore Administration has worked with the private sector, states, and localities to help revitalize America's communities by bringing capital, jobs, and opportunity to distressed areas and cleaning up the urban environment. President Clinton and Vice-President Gore have created or expanded the following initiatives over the last six years:

**Helping to Bring Private Enterprise and Capital to Distressed Areas.** The Clinton-Gore Administration has renewed the commitment of the Federal government to help bring private enterprise into underserved communities and improve access to capital for low-income households, minorities, and traditionally underserved borrowers.

- ***125 Empowerment Zones and Enterprise Communities.*** The Clinton Administration has announced 105 EZs and ECs across the country. This program was proposed by Clinton and was passed by Congress in 1994. The EZ/EC effort has generated more than \$2 billion of new private sector investment in community development activities. The President has also signed into law a second round of EZs -- 15 new urban and 5 new rural zones -- which will include tax incentives, small business expensing, and private activity bonds. In FY 1999, the President and Congress provided first-year funding of \$55 million for the new EZs, and \$5 million in first-year funding for 20 new rural Enterprise Communities announced in January.
- ***Strengthened and Simplified the Community Reinvestment Act (CRA).*** In April 1995, The Clinton Administration passed legislation to reform CRA regulations and emphasize performance. And under President Clinton, the private sector has pledged more than \$1 trillion going forward in loans to distressed communities -- and more than 95 percent of these financial commitments have been made since 1992. There have been 23 times more financial commitments to distressed communities from banks in the past 6 years than in the previous 15 years combined. Lending to minority and low-income borrowers is also on the rise.
- ***Created the Community Development Financial Institutions Fund (CDFI).*** Through grants, loans, and equity investments, President Clinton's CDFI Fund is helping to create a network of community development financial institutions in distressed areas across the United States. The CDFI fund was established in 1994. This year funding was increased 19 percent to \$95 million from \$80 million.
- ***The Community Empowerment Fund (CEF/EDI).*** This program supports critical economic development in distressed communities in conjunction with the Section 108 program to help

bring economic development to the residents. The CEF specifically targets welfare-to-work and city-suburb business connections. The Administration proposes funding the CEF at \$125 million in 2000. The CEF grants will leverage \$625 million in loans to businesses. Estimated jobs supported by EDI and the Section 108 loan guarantee program increased from 16,900 in 1993, when \$19 million in EDI funds were available, to over 200,000 in 1995, when EDI funding totaled \$350 million.

**Helping to Bring Jobs and Opportunity to Distressed Areas.** A cornerstone of the Administration's community empowerment agenda is helping to bring jobs and opportunity back to distressed areas:

- ***\$3 Billion Welfare-to-Work Jobs Initiative.*** The Clinton Administration fought for a \$3 billion welfare-to-work jobs initiative, as part of the Balanced Budget Agreement. The Administration is implementing these welfare-to-work grants directly to both cities and states for allocating additional resources to help long-term, hard-to-serve welfare recipients find and keep jobs.
- ***Welfare-to-Work Tax Credit and Work Opportunity Tax Credit.*** The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. This credit complements the Work Opportunity Tax Credit (WOTC), which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities. In FY 1999, the President requested and Congress accepted extending the credit through June 30, 1999.
- ***Community Development Block Grant (CDBG) Expansion.*** President Clinton's FY 2000 budget included an expansion of CDBG. The final budget increases funding for CDBG from \$4.750 billion in FY 1999 to \$4.775 billion in FY 2000, a \$25 million expansion this year.

**Cleaning Up The Urban Environment.** The Clinton Administration has launched a landmark effort, including the Brownfields Tax Incentive to clean up and redevelop Brownfields sites. In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between \$5 billion and \$28 billion in private investment and creating and supporting 196,000 jobs.

## **PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR PAST ACHIEVEMENTS THROUGH A NUMBER OF NEW INITIATIVES THIS YEAR.**

While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities. To address this need, President Clinton and Vice President Gore are working on several fronts:

**The New Markets Initiative:** FY 2000 balanced budget provides a new initiative designed to create conditions for economic success by prompting approximately \$15 billion in new investment in rural areas through:

- *The New Markets Tax Credit*: To help spur \$6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds and corporations, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.
- *America's Private Investment Companies (APICs)*: Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APIC will encourage private investment in this country's untapped markets. For up to \$100 million of private equity, HUD and SBA will guarantee loans up to \$200 million, creating investment funds as large as \$300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government.
- *SBIC's Targeted to New Market*: For over 40 years, the SBA's small business investment company (SBIC) program has provided roughly \$20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. The SBA will now be offering more flexibility and new financing terms for Small Business Investment Companies (SBICs) that invest in underserved areas.
- *New Markets Venture Capital (NMVC) Firms*: NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.
- *New Markets Lending Companies (NMLC)*: For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program -- the 7(a) General Business Loan Guaranty program. Under the 7(a) program, SBA guarantees up to 80% of a loan made by a lender to a creditworthy small businesses that cannot otherwise secure financing on reasonable terms. Firms must have a strategy to target lending to underserved areas.
- **Microenterprise Lending and Technical Assistance**: Microenterprise initiatives in the FY 2000 budget include PRIME, under which the CDFI Fund will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling support for SBA lending to leverage over \$75 million in new microlending. The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops.

- **Regional Connections:** Regional Connections will provide competitive funding to States and partnerships of local governments (where at least one member is a CDBG entitlement community) to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, as part of the Administrations' Livability Agenda, will complement existing federal programs that influence growth and investment patterns. The budget proposes funding at \$50 million in FY 2000.
- **The Community Empowerment Fund (CEF/EDI):** This program supports critical economic development in distressed communities in conjunction with the Section 108 program to help bring economic development to the residents. The CEF specifically targets welfare-to-work and city-suburb business connections. In FY 2000 many projects will be eligible to participate in the CEF Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The Administration proposes funding the CEF at \$125 million in 2000, \$100 million less than 1999. The \$125 million in CEF grants will leverage \$625 million in loans to businesses. This will support an estimated 90,000 jobs in distressed communities.
- **Empowerment Zones and Enterprise Communities:** The 2000 Budget proposes mandatory funding for ten years: \$150 million a year for urban EZs and Strategic Planning Communities; \$10 million a year for rural EZs; and \$5 million a year for rural ECs.
- **Community Development Financial Institutions (CDFI) Fund:** The budget proposes to expand funding for the CDFI Fund to \$125 million--a \$30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.
- **BusinessLINC:** The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs.
- **Low-Income Housing Tax Credit:** Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of \$1.25 per capita to allocate to developers of affordable housing. While building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice President Gore propose to increase the cap on the LIHTC from \$1.25 per capita to \$1.75 per capita -- restoring the value of the credit to its 1986 level and helping to create an additional 150,000-180,000 new low-income rental housing units over the next five years.
- **Play-by-the-Rules:** This program will allow renters with solid payment track records to own a home. The 2000 Budget proposes a second round of \$15 million for this initiative.
- **Helping America's Communities Redevelop Abandoned Buildings:** Redevelopment of Abandoned Buildings, as part of the Administrations' Livability Agenda" would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-

family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide \$50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned buildings.



Sarah Rosen Wartell  
05/10/99 10:10:33 AM

Record Type: Record

To: Melissa G. Green/OPD/EOP@EOP, June Shih/WHO/EOP@EOP, Lisa Green/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP

cc: michael.barr@do.treas.gov

Subject: Speech Comments

Michael Barr -- please review ASAP.

Lisa -- Follow up with Michael to make sure email got through. tks.

These comments incorporate Sarah Rosen Wartell's and John Kaplan's.

Draft 5/9/99

Shih

**PRESIDENT WILLIAM J. CLINTON  
REMARKS ON LAUNCHING OF NEW MARKETS TOUR  
THE WHITE HOUSE  
MAY 11, 1999**

Good morning. Over the past six and a half years, I have stood here in the Rose Garden and reported to the American people on the state of our economy. It has been a task I have been delighted to perform, because the news has almost always been good.

Just last week, I announced that in April alone, our economy had created 234,000 new jobs, bringing the total to 18.4 million since 1993. It was just the latest evidence that we are witnessing the greatest surge in prosperity and wealth creation in the history of America. Our new economy -- powered by technology, nurtured by the human mind, enlarged by trade among all nations -- is booming. Businesses are posting record profits ... ~~the stock market is soaring to new heights~~ ... **[best not to get POTUS tied to market levels]** wages are rising at twice the level of inflation ... unemployment is the lowest since 1957 ... consumer confidence is high ... more families than ever live in homes they call their own.

This prosperity has been far reaching. Not just Wall Street tycoons, but millions of average Americans -- through pension, retirement and mutual funds -- have been able to share in the wealth of the stock market. The African-American middle class is growing -- with higher family incomes, higher homeownership, and the lowest poverty rate ever recorded. African-American and Hispanic unemployment continue to reach new record lows.

But there are still millions of Americans -- **black, white, asian and hispanic, living in urban and rural America** -- for whom these Rose Garden announcements might as well be the announcements of a foreign country. Even as we celebrate the lowest unemployment since

1957, there are 37 cities where unemployment is double the national average, places where mothers and fathers must travel for miles and miles to the suburbs to find good paying jobs. Even as companies invest billions in new shopping malls and supermarkets, there are still places in America where children must walk for blocks past abandoned storefronts, just to buy a gallon of milk from the grocery store. These Americans are still living in the shadows of these good times -- and that is unacceptable.

As the Vice-President has said, for six and a half years, this Administration has worked to bring a new vision to revitalizing our hardest-pressed, **urban and rural** underserved communities. Once the federal government thought that throwing money into one-size fits all programs was the best remedy for our cities' troubles. Then, we thought that ignoring our decaying neighborhoods would somehow make them go away. Today, we've followed a third way, working in partnership with businesses, community groups and leaders, to restore the most basic tools of opportunity -- jobs, capital, credit, -- to these hard pressed areas. We more than tripled the number of empowerment zones across America, spurring billions of dollars in new private investment for our abandoned central cities. We built a network of community development banks, fueling the spark of private enterprise in our neighborhoods. We've extended even more credit **and financial services** to under served communities by strengthening and streamlining the Community Reinvestment Act.

But we must do more. Today, I am proud to announce that this summer -- not long after the Fourth of July -- I will embark on a three-day journey to focus America's attention on those communities too-long bypassed by our booming economy -- our inner cities, **rural areas such as Appalachia and the Mississippi Delta** **[note: he may not want to do both -- shouldn't be seen as a promise to come -- might be easier not to specify any example for now]**, our Native American reservations. I hope to highlight some of the success these communities, in partnership with business and government, have already had in fostering development, and to propose new steps we can take to build on these successes and bring the prosperity of our time to these areas. And today, I want to invite the CEOs standing with me, **the investment community**, and all corporate America **[we are looking not only to large corporations but also to major investment firms not typically described as corporate America]** to join me in this journey, by **expanding the efforts they have already undertaken and making new commitments to invest, create new jobs, and inspire hope in these communities. [some are doing things and won't like implication they aren't]**

I challenge you -- not only because it is the right thing to do, but also because it is in your interest to do so. Today, all across America, venture capitalists are raising billions of dollars for investment in Eastern Europe, in Asia, in South America. For years, our government has supported trade missions to emerging markets around the world. But I believe some of the greatest untapped markets are not on the other side of the world, but right here at home.

By ignoring these areas, America is missing tremendous opportunities for economic growth. We are not reaching our fullest economic potential. Inner city families

control more than \$85 billion a year in purchasing power. ~~—more than the entire retail market of Mexico.~~ **[Raises questions about NAFTA.]** And yet, more than 25 percent of that market is going unmet. While on average, Americans make 37 percent of their purchases outside their communities, residents of Chicago's South Shore must make about 70 percent of their expenditures outside their own neighborhood. Rural counties in Arkansas, Louisiana, and Mississippi average just one supermarket per 153.5 square miles -- that's almost the size of the state of Rhode Island!

We need more American businesses to recognize the potential of investing in these areas. So I call on businesses to look to the experience of companies like Pathmark, whose Bedford-Stuyvesant and Newark's Central Ward branches are doing double the business of a typical grocery store and yielding healthy profits. Pathmark has just opened a third store in Harlem and its cash registers are buzzing. **[Shouldn't just cite retail. You also should cite to Inc. Magazine's Inner City 100 -- manufacturing and service businesses booming in underserved areas. Lisa can provide info if don't already have it.]**

Not only can investing in under served areas be good for a company's profit margin, it can also help meet the challenge of finding employees in a tight labor market. Today, the challenge for our economy has not been in creating new jobs, it has been in filling them. By moving into underemployed neighborhoods, businesses can find a good supply of people who are willing to work hard.

But opening these new markets is not the job of corporate America alone. I pledge to work with Congress to help create the conditions you need to succeed in these areas. I am working with members from both parties to expand our support for community development banks that have sparked so much ~~microenterprise~~ **new activity [only small fraction is micro enterprise]** in these communities. And in January, I unveiled a bold new strategy to leverage up to \$15 billions in private sector capital to bring jobs and opportunity to our inner cities and rural areas. My New Markets Initiative includes tax credits worth 25 percent of the equity any business places in an investment fund, in community development banks or other investment vehicles **targeted to in-untapped markets [funds not geographically located -- just investments]**. It includes loans and technical assistance for small business owners. And we hope to create new American Private Investment Companies **and New Market Venture Capital firms** to provide hundreds of millions of dollars in government loan guarantees to investors who **develop new commercial facilities and** help businesses expand or relocate in targeted areas.

Now is the time to act. Who knows when we will ever have an opportunity to lift more people out of poverty than now, at this moment of unprecedented prosperity?

We are a vast and remarkable nation -- full of geographic, regional and cultural diversity. But there is one diversity we must not tolerate. We cannot be One America in the 21st Century if some parts of the country are surging forward while others are languishing in

place, stuck with the old problems of the 20th Century. Poverty, lack of jobs, lack of businesses, lack of retail, these should not be -- certainly not anywhere in the world's richest, most powerful country. Today, let us all work to build an America full of towns and cities that any American would be proud to call home.



**US DEPARTMENT OF THE TREASURY**  
**OFFICE OF THE DEPUTY ASSISTANT SECRETARY**  
**COMMUNITY DEVELOPMENT POLICY**  
**1500 PENNSYLVANIA AVENUE, NW - Rm. 2415MT**  
**WASHINGTON, DC 20020**  
**(202) 622-0016 FAX: (202) 622-5672**

***IMMEDIATE ATTENTION!!***

**Date: May 10, 1999**

**To: Sarah Rosen**  
**Lisa Green**

**From: Michael S. Barr**

**Pages 5 (pages including the cover)**

**Fax: 456-2223**

From: ex.mail."jshih@oa.eop.gov"  
 To: ex.mail("srosenwa@oa.eop.gov"), DOM3.DOP06 (BARRM)  
 Date: 5/10/99 10:12am  
 Subject: Re: Speech Comments

**ASAP**

I am in the midst of revising portions of speech; will have new draft by noon

Sarah Rosen Wartell  
 05/10/99 10:10:33 AM

Record Type: Record

Fax to June Shih (Pres. draft)  
 Sarah Rosen }  
 Lisa Green } (NEC)

To: Melissa G. Green/OPD/EOP, June Shih/WHO/EOP, Lisa Green/OPD/EOP,  
 Jonathan A. Kaplan/OPD/EOP

cc: michael.barr @ do.treas.gov  
 Subject: Speech Comments

Michael Barr -- please review ASAP.

Lisa -- Follow up with Michael to make sure email got through. tks.  
 These comments incorporate Sarah Rosen Wartell's and John Kaplan's.

Draft 5/9/99  
 Shih

PRESIDENT WILLIAM J. CLINTON  
 REMARKS ON LAUNCHING OF NEW MARKETS TOUR  
 THE WHITE HOUSE  
 MAY 11, 1999

Good morning. Over the past six and a half years, I have stood here in the Rose Garden and reported to the American people on the state of our economy. It has been a task I have been delighted to perform, because the news has almost always been good.

Just last week, I announced that in April alone, our economy had created 234,000 new jobs, bringing the total to 18.4 million since 1993. It was just the latest evidence that we are witnessing the greatest surge in prosperity and wealth creation in the history of America. Our new economy -- powered by technology, nurtured by the human mind, enlarged by trade among all nations -- is booming. Businesses are posting record profits ... (strikethrough: the stock market is soaring to new heights ...) [best not to get POTUS tied to market levels] wages are rising at twice the level of inflation ... unemployment is the lowest since 1957 ... consumer confidence is high ... more families than ever live in homes they call their own.

Even as we celebrate the lowest unemployment since 1957, there are 37 cities where unemployment is double the national average, places where mothers and fathers must travel for miles and miles to the suburbs to find good paying jobs. Even as companies invest billions in new shopping malls and supermarkets, there are still places in America where children must walk for blocks past abandoned storefronts, just to buy a gallon of milk from the grocery store. These Americans are still living in the shadows of these good times -- and that is unacceptable.

e have been left behind

As the Vice-President has said, for six and a half years, this Administration has worked to bring a new vision to revitalizing our hardest-pressed, urban and rural underserved communities. Once the federal government thought that throwing money into one-size fits all programs was the best remedy for our cities' troubles. Then, we thought that ignoring our decaying neighborhoods would somehow make them go away. Today, we've followed a third way, working in partnership with businesses, community groups and leaders, to restore the most basic tools of opportunity -- jobs, capital, credit, -- to these hard pressed areas. We ~~more than tripled the~~ number of empowerment zones across America, spurring billions of dollars in new private investment for our abandoned central cities. We built a network of community development banks, fueling the spark of private enterprise in our neighborhoods. We've extended even more credit and financial services to underserved communities by strengthening and streamlining the Community Reinvestment Act.

helped communities create jobs

We're providing the tools for the private sector to build

stranger and more streamlined

in communities

under

and rural communities

But we must do more. Today, I am proud to announce that this summer -- not long after the Fourth of July -- I will embark on a three-day journey to focus America's attention on those communities too-long bypassed by our booming economy -- our inner cities, ~~government-stricken~~ rural areas such as Appalachia and the Mississippi Delta [note: he may not want to do both -- shouldn't be seen as a promise to come -- might be easier not to specify any example for now], ~~our~~ Native American reservations. I hope to highlight some of the success these communities, in partnership with business and government, have already had in fostering development, and to propose new steps we can take to build on these successes and bring the prosperity of our time to these areas. And today, I want to invite the CEOs standing with me, the investment community, and all corporate America [we are looking not only to large corporations but also to major investment firms not typically described as corporate America] to join me in this journey, by expanding the efforts they have already undertaken and making new commitments to invest, create new jobs, and inspire hope in these communities. [some are doing things and won't like implication they aren't]

And we will keep C&A strong and vibrant.

Financial institutions are expanding

*doubtful* I challenge you -- not only because it is the right thing to do, but also because it is in your interest to do so. Today all across America, ~~venture capitalists are raising billions of dollars for investment in Eastern Europe, in Asia, in South America.~~ For years, our government has supported trade missions to emerging markets around the world. But I believe some of the greatest untapped markets are not on the other side of the world, but right here at home. ?

By ignoring these areas, America is missing tremendous opportunities for economic growth. We are not reaching our fullest economic potential. Inner city families control more than \$85 billion a year in purchasing power. (striketrough: -- more than the entire retail market of Mexico.) [Raises questions about NAFTA.] And yet, more than 25 percent of that market is going unmet. While on average, Americans make 37 percent of their purchases outside their communities, residents of Chicago's South Shore must make about 70 percent of their expenditures outside their own neighborhood. Rural counties in Arkansas, Louisiana, and Mississippi average just one supermarket per 153.5 square miles -- that's almost the size of the state of Rhode Island!

We need more American businesses to recognize the potential of investing in these areas. So I call on businesses to look to the experience of companies like Pathmark, whose Bedford-Stuyvesant and Newark's Central Ward branches are doing double the business of a typical grocery store and yielding healthy profits. Pathmark has just opened a third store in Harlem and its cash registers are buzzing. [Shouldn't just cite retail. You also should cite to Inc. Magazine's Inner City 100 -- manufacturing and service businesses booming in underserved areas. Lisa can provide info if don't already have it.]

Not only can investing in under served areas be good for a company's profit margin, it can also help meet the challenge of finding employees in a tight labor market. Today, the challenge for our economy has not been in creating new jobs, it has been in filling them. By moving into underemployed neighborhoods, businesses can find a good supply of people who are willing to work hard.

But opening these new markets is not the job of corporate America alone. I pledge to work with Congress to help create the conditions you need to succeed in these areas. I am working with members from both parties to expand our support for community development banks that have sparked ~~so much (striketrough: microenterprise) new activity~~ ~~fraction is micro enterprise in these communities.~~ And in January, I unveiled a bold new strategy to leverage up to \$15 billions in private sector capital to bring jobs and opportunity to our inner cities and rural areas. My New Markets Initiative includes tax credits worth 25 percent of the equity any business places in an investment fund, in community development banks or other investment vehicles targeted to (striketrough: in )untapped markets [funds not geographically located -- just investments]. It includes loans and technical assistance for small business owners. And we hope to create new American Private Investment Companies and New Market Venture Capital Firms to provide hundreds of millions of dollars in ~~government~~ loan guarantees ~~to investors who~~ ~~develop new commercial facilities and help businesses expand or relocate in~~

yes, need local entrepreneurs growth example, not just outside company moving in.

new jobs, grow stronger businesses, and built new homes in the communities

grow the funds that succeed in raising and of private sector equity capital to

~~targeted areas~~ these communities.

Now is the time to act. Who knows when we will ever have an opportunity to lift more people out of poverty than now, at this moment of unprecedented prosperity?

We are a vast and remarkable nation -- full of geographic, regional and cultural diversity. But there is one diversity we must not tolerate. We cannot be One America in the 21st Century if some parts of the country are surging forward while others are languishing in place, stuck with the old problems of the 20th Century. Poverty, lack of jobs, lack of businesses, lack of retail, these should not be -- certainly not anywhere in the world's richest, most powerful country. Today, let us all work to build an America full of towns and cities that any American would be proud to call home.

CC: ex.mail("maggreen@oa.eop.gov", "lgreen@oa.eop.gov", "...)



**US DEPARTMENT OF THE TREASURY**

**OFFICE OF THE DEPUTY ASSISTANT SECRETARY**

**COMMUNITY DEVELOPMENT POLICY**

**1500 PENNSYLVANIA AVENUE, NW - Rm. 2415MT**

**WASHINGTON, DC 20020**

**(202) 622-0016 FAX: (202) 622-5672**

***IMMEDIATE ATTENTION!!***

**Date: May 10, 1999**

**To: Sarah Rosen  
Lisa Green**

**From: Michael S. Barr**

**Pages 5 (pages including the cover)**

**Fax: 456-2223**

From: ex.mail."jshih@oa.eop.gov"  
To: ex.mail("srosenwa@oa.eop.gov"), DOM3.DOP06 (BARRM)  
Date: 5/10/99 10:12am  
Subject: Re: Speech Comments

ASAP

I am in the midst of revising portions of speech; will have new draft by noon

Sarah Rosen Wartell  
05/10/99 10:10:33 AM

Record Type: Record

Fax to June Shih (Pres. dev't  
speechwriter)  
Sarah Rosen }  
Lisa Green } (NEC)

To: Melissa G. Green/OPD/EOP, June Shih/WHO/EOP, Lisa Green/OPD/EOP,  
Jonathan A. Kaplan/OPD/EOP

cc: michael.barr @ do.treas.gov  
Subject: Speech Comments

Michael Barr -- please review ASAP.

Lisa -- Follow up with Michael to make sure email got through. tks.  
These comments incorporate Sarah Rosen Wartell's and John Kaplan's.

Draft 5/9/99  
Shih

PRESIDENT WILLIAM J. CLINTON  
REMARKS ON LAUNCHING OF NEW MARKETS TOUR  
THE WHITE HOUSE  
MAY 11, 1999

Good morning. Over the past six and a half years, I have stood here in the Rose Garden and reported to the American people on the state of our economy. It has been a task I have been delighted to perform, because the news has almost always been good.

Just last week, I announced that in April alone, our economy had created 234,000 new jobs, bringing the total to 18.4 million since 1993. It was just the latest evidence that we are witnessing the greatest surge in prosperity and wealth creation in the history of America. Our new economy -- powered by technology, nurtured by the human mind, enlarged by trade among all nations -- is booming. Businesses are posting record profits ... (strikethrough: the stock market is soaring to new heights ...) [best not to get POTUS tied to market levels] wages are rising at twice the level of inflation ... unemployment is the lowest since 1957 ... consumer confidence is high ... more families than ever live in homes they call their own.

even as we celebrate the lowest unemployment since 1957, there are 37 cities where unemployment is double the national average, places where mothers and fathers must travel for miles and miles to the suburbs to find good paying jobs. Even as companies invest billions in new shopping malls and supermarkets, there are still places in America where children must walk for blocks past abandoned storefronts, just to buy a gallon of milk from the grocery store. These Americans are still living in the shadows of these good times -- and that is unacceptable.

been le behind

As the Vice-President has said, for six and a half years, this Administration has worked to bring a new vision to revitalizing our hardest-pressed, urban and rural underserved communities. Once the federal government thought that throwing money into one-size fits all programs was the best remedy for our cities? troubles. Then, we thought that ignoring our decaying neighborhoods would somehow make them go away. Today, we've followed a third way, working in partnership with businesses, community groups and leaders, to restore the most basic tools of opportunity -- jobs, capital, credit, -- to these hard pressed areas. We ~~more than tripled the~~ <sup>helped create</sup> number of empowerment zones across America, spurring billions of dollars in new private investment for our abandoned central cities. We ~~built a~~ <sup>are providing</sup> network of community development banks, fueling the spark of private enterprise in our neighborhoods. We've ~~extended even more credit and~~ <sup>tools for the private sector to build</sup> financial services to underserved communities by strengthening and streamlining the Community Reinvestment Act.

stranger and more streamlined

in communities under

and rural communities

But we must do more. Today, I am proud to announce that this summer -- not long after the Fourth of July -- I will embark on a three-day journey to focus America's attention on those communities too-long bypassed by our booming economy -- our inner cities, <sup>inner cities</sup> ~~rural areas~~ such as Appalachia and the Mississippi Delta (note: he may not want to do both -- shouldn't be seen as a promise to come -- might be easier not to specify any example for now), ~~our~~ Native American reservations. I hope to highlight some of the success these communities, in partnership with business and government, have already had in fostering development, and to propose new steps we can take to build on these successes and bring the prosperity of our time to these areas. And today, I want to invite the CEOs standing with me, the investment community, and all corporate America [we are looking not only to large corporations but also to major investment firms not typically described as corporate America] to join me in this journey, by expanding the efforts they have already undertaken and making new commitments to invest, create new jobs, and inspire hope in these communities. [some are doing things and won't like implication they aren't]

And we will keep C&A strong and vibrant.

Financial institutions are expanding

doubtful

I challenge you -- not only because it is the right thing to do, but also because it is in your interest to do so. Today, all across America, Eastern Europe, in Asia, in South America, ~~venture capitalists are raising billions of dollars for investment in~~ supported trade missions to emerging markets around the world. But I believe some of the greatest untapped markets are not on the other side of the world, but right here at home.

?

By ignoring these areas, America is missing tremendous opportunities for economic growth. We are not reaching our fullest economic potential. Inner city families control more than \$85 billion a year in purchasing power. (striketrough: -- more than the entire retail market of Mexico.) [Raises questions about NAFTA.] And yet, more than 25 percent of that market is going unmet. While on average, Americans make 37 percent of their purchases outside their communities, residents of Chicago's South Shore must make about 70 percent of their expenditures outside their own neighborhood. Rural counties in Arkansas, Louisiana, and Mississippi average just one supermarket per 133.5 square miles -- that's almost the size of the state of Rhode Island!

We need more American businesses to recognize the potential of investing in these areas. So I call on businesses to look to the experience of companies like Pathmark, whose Bedford-Stuyvesant and Newark's Central Ward branches are doing double the business of a typical grocery store and yielding healthy profits. Pathmark has just opened a third store in Harlem and its cash registers are buzzing. [Shouldn't just cite retail. You also should cite to Inc. Magazine's Inner City 100 -- manufacturing and service businesses booming in underserved areas. Lisa can provide info if don't already have it.]

yes, need local entrepreneurs growth example, just outside company moving in

Not only can investing in under served areas be good for a company's profit margin, it can also help meet the challenge of finding employees in a tight labor market. Today, the challenge for our economy has not been in creating new jobs, it has been in filling them. By moving into underemployed neighborhoods, businesses can find a good supply of people who are willing to work hard.

But opening these new markets is not the job of corporate America alone. I pledge to work with Congress to help create the conditions you need to succeed in these areas. I am working with members from both parties to expand our support for community development banks that have sparked so much (striketrough: microenterprise) new activity. ~~fraction is micro enterprise in these communities.~~ And in January, I unveiled a bold new strategy to leverage up to \$15 billions in private sector capital to bring jobs and opportunity to our inner cities and rural areas. My New Markets Initiative includes tax credits worth 25 percent of the equity any business places in an investment fund, in community development banks or other investment vehicles targeted to (striketrough: untapped markets [funds not geographically located -- just investments]). It includes loans and technical assistance for small business owners. And we hope to create new American Private Investment Companies and New Market Venture Capital Firms to provide hundreds of millions of dollars in ~~government~~ loan guarantees to investors who ~~develop new commercial facilities and help businesses expand or relocate in~~

new jobs, grow stronger business and built new homes in the communities

grow for funds that succeed in raising ~~and~~ private sector equity capital to

~~targeted areas~~ these communities.

Now is the time to act. Who knows when we will ever have an opportunity to lift more people out of poverty than now, at this moment of unprecedented prosperity?

We are a vast and remarkable nation -- full of geographic, regional and cultural diversity. But there is one diversity we must not tolerate. We cannot be One America in the 21st Century if some parts of the country are surging forward while others are languishing in place, stuck with the old problems of the 20th Century. Poverty, lack of jobs, lack of businesses, lack of retail, these should not be -- certainly not anywhere in the world's richest, most powerful country. Today, let us all work to build an America full of towns and cities that any American would be proud to call home.

CC: ex.mail("maggreen@oa.eop.gov", "lgreen@oa.eop.gov", "...)

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                                                               | DATE       | RESTRICTION |
|--------------------------|---------------------------------------------------------------------------------------------|------------|-------------|
| 002. email               | From Seth Harris to Lisa Green and Sarah Rosen Wartell; RE: phone number [partial] (1 page) | 05/07/1999 | P6/b(6)     |

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20590

### FOLDER TITLE:

NM [New Markets] Trip Press Speech/Shih

2012-0043-S  
ms248

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]  
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
P3 Release would violate a Federal statute [(a)(3) of the PRA]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]  
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[002]



Harris Seth <harris-seth@dol.gov>

05/07/99 05:11:11 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Sarah Rosen Wartell/OPD/EOP

cc:

Subject: New Markets

---

<<sj&yo.pps2.wpd>>

Attached is a revised draft of three short paragraphs for the President's remarks on Tuesday. Let's talk about how you might shorten it or make it fit your message more tightly. I think it will fit nicely with the pent-up retail demand/available labor pool material that Carl Haacke is pulling together that is referred to in HUD's new report.

If you need to reach me at home over the weekend, my phone number is

P6/(b)(6)

P6/(b)(6)

My home email address is sethdharr@aol.com.

Also, the Secretary will plan to attend Gene's pre-breakfast meeting and the CEO breakfast on Tuesday, but she is not going to join the convoy to Allanta. If you can give me some more details on the July trip, I will get to work trying to block the time on her calendar.

Thanks.



- sj&yo.pps2.wpd

5/7/99

REVISED POSSIBLE PRESIDENTIAL SPEECH LANGUAGE  
ON LABOR DEPARTMENT'S SUMMER JOBS AND  
YOUTH OPPORTUNITIES PROGRAM

If we are going to invest in creating jobs in new markets, then we must have skilled workers to fill those jobs. Private sector investment in young people is a necessary and important part of this effort. Through the Youth Opportunities Initiative that Secretary Herman launched at the Labor Department, the private sector is investing in the 4.7 million out-of-school youth in high-poverty areas, almost half of whom are not working.

There are plenty of examples you can follow. In Kentucky, there's a youth training program in partnership with American Woodmark Cabinetmakers. The company needs skilled workers. The young people need jobs. Everyone wins. In Detroit, there's a brand new effort giving young skills to work for GM, Ford, and Chrysler --- jobs that could last a lifetime. Just last week, Secretary Herman and Richmond, California Mayor Rosemary Corbin announced a new venture where the federal government, the local government, and the Chamber of Commerce have teamed up to get kids out of street gangs, train them, and put them to work. New markets and new workers are the right combination for a great return on your investments.

Employers across America have also been answering our call invest in young people by giving them summer jobs. I know Secretary Herman is going to kick off this year's Summer Jobs program at the end of this month, and I know many of you --- Bell Atlantic, Ford, General Motors, and Chrysler --- are already investing in this effort. It's a long list: The Hartford Courant Company in Connecticut; NationsBank in Baltimore; Sears in Columbus, Ohio; American Express in Phoenix, Arizona; and A&A Tools in Stockton, California. The list goes on and on. I urge all of you to invest in the summer jobs program in America's new markets.

SR/LG/BK

I think we should ~~would~~ ~~sum~~ ~~try~~  
But rather than focus on a gov project  
The focus should be on private sector comm h  
to mentoring, try etc. Let's try

 Sarah Rosen  
04/26/99 07:36:17 PM

Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Lisa Green/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP, Broderick  
Johnson/WHO/EOP@EOP, Roger S. Ballentine/WHO/EOP@EOP  
Subject: Secretary Herman and the New Markets Trip

GS  
4/27/99

I have talked extensively with Seth Harris, Counselor to Secretary Herman, who warned me that the Secretary will be raising with the President that in New Markets we shouldn't forget the "supply side" of economic development, i.e., that they way to get businesses to invest in new market areas is to ensure that workers there have the skills they need.

I played devil's advocate. For six years, this President has had an amazing record about the importance of human skills development. With the help of Secretaries Reich and Herman, no one can say that he has neglected this side of the equation. But some could say that the President himself has not invested as much energy in creating incentives for business investment in these areas which is the focus of this event. We don't want to muddy the message too much. Shouldn't he focus on the business investment/economic development side now. I said that maybe we'd be willing to put a line or two into the speech that says, "we continue to believe that it is also important to focus on skills development to ensure that businesses investing find a workforce ready for the 21st century. That's why we are ...." (and we'd put a bullet somewhere in the fact sheet on the event).

Seth said that, in theory, that would be more than fair, although Herman is likely to argue for more to ensure that she ends up with something. What she really wants is POTUS to highlight their summer jobs and youth opportunities grants during the May 5 event. He provided us with the attached 3 paragraphs for POTUS speech which is probably more than I had in mind, but gives us the general idea.

Just wanted you to know that this was likely to come directly from Herman to POTUS. And see if Gene and others agree that there is a reasonable way to give her a small hit during the speeches at the sites visited without muddying the message too much, if we want to accomodate the concern.

----- Forwarded by Sarah Rosen/OPD/EOP on 04/26/99 06:43 PM -----



Harris Seth <harris-seth@dol.gov>  
04/26/99 05:27:25 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Sarah Rosen/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Supply-Side of New Markets

---

<<sj&yo.pps.wpd>>

Sarah asked me to put together two or three paragraphs that we would want to see added to the President's New Markets message on May 5th. They are attached.

I think these will fit reasonably well with the existing demand-side message by generally reinforcing the capital investment approach without completely ignoring the supply side of the equation. Our business liaison is also working with Cheri in an effort to match up your CEOs with our summer jobs private-sector partners. The result should be an even better fit between the two messages.

Please let me know if you agree that these paragraphs should be included or if you need any additional information. I can be reached at (202) 219-8271 or Harris-Seth@DOL.GOV.

Thanks.

 - sj&yo.pps.wpd

---

Message Copied To:

Hamm Peter-ETA <PHAMM@DOLETA.GOV>  
Kamela William <kamela-william@dol.gov>  
Peluso Michelle <peluso-michelle@dol.gov>  
FIALA GERRI-ETA <GFIALA@DOLETA.GOV>  
Satterfield Lee <satterfield-lee@dol.gov>  
Montgomery Edward <montgomery-edward@dol.gov>

---

Message Sent To:

Gene B. Sperling/OPD/EOP@EOP  
Melissa G. Green/OPD/EOP@EOP  
Maria Echaveste/WHO/EOP@EOP  
Minyon Moore/WHO/EOP@EOP  
Thurgood Marshall Jr/WHO/EOP@EOP  
Anne E. McGuire/WHO/EOP@EOP  
Marjorie Tarmey/WHO/EOP@EOP  
Lynn G. Cutler/WHO/EOP@EOP  
Stephanie S. Streett/WHO/EOP@EOP  
Laura A. Graham/WHO/EOP@EOP  
Alvin Brown/OVP@OVP  
Cheryl M. Carter/WHO/EOP@EOP  
Jackson T. Dunn/WHO/EOP@EOP

## POTENTIAL SPEECH LANGUAGE FOR LIFELONG LEARNING COMPONENT OF NEW MARKETS MESSAGE

Capital investment is one of the keys to increasing the economic competitiveness in new market areas. But even in our booming economy, with virtually full employment, businesses can't open or expand in distressed communities unless they know they will have access to the willing and skilled workers they need to get the job done.

There are nearly 5 million young people out of school in high-poverty areas — exactly the areas we are targeting with this initiative — and almost half of these young people are out of work. Yes, it's a problem. But it is also an opportunity. Let's give these young people the skills they need so that businesses locating in these new markets will find the willing, prepared young workers they need --- and the new consumers every business wants for its products. This month, Secretary Herman will invite new market communities to apply for \$250 million in Youth Opportunities (YO) grants from the Labor Department. This is the time for business leaders and community leaders to invest in the talents of young people who can make these communities the success stories I know they can be.

Employers can start right away, without waiting for the government, by giving a young person their first summer job. The private sector is the key to our success. I know many of the businesses that will be participating in this initiative --- from Bell Atlantic and Pacific Bell to Ford, General Motors, and Chrysler --- already champions the summer jobs effort. Secretary Herman kicked off the 1999 summer jobs program today with mayors across the country. I urge private employers to invest in these young people and reap the benefits by making these new markets into communities with high skills, high employment, and high hopes.



Lisa Green  
05/10/99 12:03:23 PM

Record Type: Record

To: Sally Katzen/OPD/EOP  
cc: Shannon Mason/OPD/EOP, on Mason  
Subject: New Markets for Sally's Speech



Press Paper for Sally.d

Sally requested information on the New Markets Initiative for her speech this afternoon with the Working Women's Forum. Attached is a draft of the Press Paper for tomorrow's New Markets event. Also here are three points she might want to incorporate in her remarks.

- Despite the longest economic expansion in history, marked by tremendous business and job growth, many urban and rural areas in the country have not participated in the capital investment that has spurred job growth and economic development elsewhere at home and abroad. President Clinton's commitment to building one America is a commitment to making progress for all Americans, in every home and community in the nation.
- President Clinton and Vice President Gore have an excellent record on economic and community development including the Community Reinvestment Act, Community Development Financial Institutions, Micro-Enterprise Programs and the Empowerment Zones. They are working to expand and build upon these efforts by encouraging the private sector to develop new ideas for investment in economically distressed areas. The New Markets Initiative includes programs designed to spur \$15 billion in new investment through tax credits and loan guarantees. These programs will also encourage more technical assistance to help build capacity for small businesses and microenterprises.
- Tomorrow President Clinton will be meeting with 17 CEOs from major corporations and investment firms and challenging them to invest in America's new markets. We are very interested in your participation in this challenge and would like to work with you on developing new investment programs and ideas for underserved communities.

**TAPPING AMERICA'S POTENTIAL**

**PROMOTING EFFORTS TO ATTRACT CAPITAL TO UNDERSERVED AREAS.** As part of a bipartisan focus on underserved urban and rural areas, President Clinton is seeking ways to expand current efforts. President Clinton's New Markets Initiative will build upon existing programs to help create the conditions for economically successful investment in underserved inner city and rural areas. Included among the elements of the plan are:

- **The New Markets Tax Credit.** To help spur \$6 billion in equity capital for investment in America's new markets, President Clinton and Vice President Gore have proposed a tax credit worth 25 percent for investments in a wide range of vehicles. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative.
- **America's Private Investment Companies (APICs):** Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APIC will encourage private investment in this country's untapped markets. HUD and SBA will guarantee loans up to \$200 million, creating investment funds as large as \$300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government
- **New Markets Venture Capital (NMVC) Firms:** NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.



**June Shih**

05/08/99 02:56:52 PM

Record Type: Record

To: Carl Haacke/OPD/EOP@EOP

cc: Lisa Green/OPD/EOP@EOP, Joshua S. Gottheimer/WHO/EOP@EOP

Subject: prosperity stats

1. maybe we can attack it from the sales angle -- something like record car sales -- Sport Utility Vehicles and mini van sales up, keeping detroit busy.... (and isn't Honda opening a plant in the south somewhere and doesn't BMW already operate one? did they go into underserved areas?)
2. Record homeownership. I heard on ABC news that there is actually a drywall shortage because everyone is building, building, building ... can we verify?

## **PRESIDENT CLINTON'S CHALLENGE TO INVEST IN AMERICA'S NEW MARKETS**

**May 11, 1999**

[QUOTE FROM SOTU ON NEW MKTS??]

### **WORKING WITH CORPORATE AMERICA TO INVEST IN NEW, UNTAPPED**

**MARKETS.** Today, President Clinton and Vice President Gore held a roundtable with 16 Chief Executive Officers [CHECK NUMBER] of major American corporations to discuss how best to mobilize the private sector to make investments in America's most economically underserved communities --- America's new markets. [NEED MORE DETAIL?]

### **ANNOUNCING A JULY PRESIDENTIAL TRIP TO UNDERSERVED URBAN AND RURAL AREAS ACROSS THE COUNTRY.**

Cabinet Secretaries and CEOs often take trade missions overseas to locate untapped markets which – through trade and commercial agreements – can help to create jobs and expand economic development.

- President Clinton announced today that in July, in a bipartisan effort, he will take a delegation of CEOs and Members of Congress to untapped markets here at home, touring economically distressed communities and highlighting investment commitments from corporations across the nation. [KAPLAN NEEDS TO VET GRAPH W/DOUG ET AL]

### **PROMOTING OTHER EFFORTS TO ATTRACT CAPITAL TO UNDERSERVED**

**AREAS.** At the same time, President Clinton is seeking to work in a bipartisan way to expand efforts such as Community Development Banks, the recently-passed bipartisan microenterprise initiative, as well as New Markets legislation that would:

- **Tax Credit and Loan Guarantees.** Provide tax credit and loan guarantee incentives to stimulate billions of dollars in new private capital investment in targeted areas;
- **Private Sector Credit, Equity, and Technical Assistance.** Build a network of private investment institutions to funnel credit, equity and technical assistance into businesses in America's new markets; and
- **Expertise for Small Businesses.** Provide the expertise to targeted small businesses that will allow them to use new investment to grow.

[ARE THE THREE ITEMS ABOVE THE MOST IMPORTANT NEW MARKETS POINTS TO MAKE?]

### **BUILDING ON SIX YEARS OF WORK TO EXPAND ECONOMIC DEVELOPMENT.**

The Clinton-Gore Administration has made community development a priority since taking office. The efforts announced today build on a number of critical initiatives that have helped to expand economic development to the communities across the country that need it most: [NEED A FEW BULLETS HERE ON CDFI, CRA, ETC.]

## PRESIDENT CLINTON CHALLENGES CORPORATE AMERICA TO INVEST IN AMERICA'S NEW MARKETS AND ANNOUNCES JULY TRIP TO UNDESERVED COMMUNITIES

Today, President Clinton held a roundtable with 15 Chief Executive Officers and discussed how to best mobilize new investments in America's most economically underserved communities --- America's new markets. Joined by the CEOs, President Clinton announced an unprecedented domestic investment trip, slated for July in which he will tour several economically distressed communities and highlight new commitments from corporations across the nation.

America, is currently experiencing the longest expansion in its history --- marked by tremendous business and job growth. Yet, despite this economic boom, many urban and rural areas have not benefited from the capital investment that has spurred job growth - economically distressed inner city and rural areas.

As part of a bipartisan focus on underserved urban and rural areas, President Clinton hopes to mobilize corporate leadership with major new investment initiatives announced on his Summer Tour. The President's FY Balanced budget includes a new initiative designed to create the conditions for success by:

- Providing tax credit and loan guarantee incentives to stimulate billions of new private capital investment in targeted areas;
- Building a network of private investment institutions to funnel credit, equity and technical assistance into businesses in America's new markets; and
- Providing the expertise to targeted small businesses that will allow them to use new investment to grow

*working on package*



Lisa Green  
05/04/99 12:38:49 PM

Record Type: Record

To: June Shih/WHO/EOP@EOP  
cc: Sarah Rosen Wartell/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP  
Subject: new markets

Sarah forwarded your message to me. I am the new NEC staff person working on New Markets and community/economic development in general.

I spoke this afternoon with Josh Gottheimer about what you will need (this is my first event) and am putting together a package. Hope to have something ready for you later today.

----- Forwarded by Lisa Green/OPD/EOP on 05/04/99 12:36 PM -----



Sarah Rosen Wartell  
05/04/99 10:45:44 AM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP  
cc:  
Subject: new markets

----- Forwarded by Sarah Rosen Wartell/OPD/EOP on 05/04/99 10:45 AM -----



● June Shih 05/04/99 10:43:12 AM

Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP@EOP  
cc:  
Subject: new markets

do you have any info yet on this event?

**PRESIDENT CLINTON AND VICE PRESIDENT GORE:  
PROVIDING NEW JOBS AND A STRONG ECONOMY**

May 7, 1999

*"The American economy continues to see a remarkable combination of strong growth, job creation, and low inflation. Our economic strategy continues to be the right strategy for prosperity..."*

President Bill Clinton

May 7, 1999

Today, at the White House, President Clinton announced the results of a new economic report issued today. The report shows a robust economy with strong job creation, inflation virtually non-existent, and unemployment at its lowest rate in 29 years.

**Strong Leadership for a Strong Economy.** Under the leadership of President Clinton and Vice President Gore, the American economy created over 18 million new jobs, and growth continues to be robust. In 1992, the American economy was barely creating jobs, wages were stagnant, and the unemployment rate was 7.5 percent. Six years ago, President Clinton put in place a bold new three-part economic strategy of cutting the deficit to help reduce interest rates and spur business investment; investing in education, health care, science and technology so that America was prepared to meet the challenges of the 21st century; and opening markets abroad so that American workers would have a fair chance to compete and win across the globe.

- **18.4 Million New Jobs Under President Clinton.** Since President Clinton took office, the economy has added 18.4 million new jobs -- that's 2.4 million more new jobs in six years than were created during the entire eight years of the Reagan Administration (18.4 million under Clinton vs. 16.0 million under Reagan).
- **Unemployment At 4.3 Percent in April – The Lowest in 29 years.** The unemployment rate was 4.3% in April, down from 7.5% in 1992. The unemployment rate has been below 5% for 22 months in a row -- that is the lowest sustained unemployment rate in 29 years.
- **Highest Share of New Jobs in Private Sector in 50 Years.** Since President Clinton and Vice President Gore took office, the private sector has added 17 million new jobs -- with 2.3 million jobs added in the past year. Under President Clinton and Vice President Gore, 92 percent of the 18.4 million new jobs have been in the private sector -- that's the highest percentage in 50 years.
- **Fastest and Longest Real Wage Growth in Two Decades.** Last month, average hourly earnings increased 0.2 percent. Under President Clinton and Vice President Gore, real wages have risen about 6 percent compared to declining 4.3 percent during the Reagan and Bush years. After adjusting for inflation, wages have increased almost 2.7 percent in 1998 -- that's the fastest real wage growth in more than two decades and the third year in a row -- the longest sustained growth since the early 1970s.
- **Construction Jobs Are Coming Back.** Under President Clinton and Vice President Gore, construction jobs are coming back. After losing 662,000 jobs in construction during the previous four years, 1.7 million new construction jobs have been added since January 1993 -- that's a faster annual rate since the Truman Administration.
- **Manufacturing Jobs Are Up Under President Clinton.** After losing 2.1 million manufacturing jobs between 1981 and 1992, the economy has created 322,000 new manufacturing jobs since January 1993. After losing 46,000 jobs in the auto industry during the Bush Administration, America now has 152,000 new auto jobs during the Clinton Administration. And for the first time since the 1970s, America has led the world in auto production for four years in a row.
- **Unemployment Remains Historically Low for African Americans and Hispanics.** Under President Clinton and Vice President Gore, the African-American unemployment rate has fallen from 14.1 percent in January 1993 to 7.7 percent in April 1999 -- the lowest level on record. Hispanic unemployment rate has dropped from 11.3 percent in January 1993 to 6.9 percent in April 1999.
- **Inflation -- Lowest Since 1950s.** Inflation remains non-existent at 1.4 percent for the beginning of 1999. In 1998, the GDP price index rose 1.0 percent at an annual rate -- its lowest level since the 1950s.

**This nation's growth is creating new opportunities for more Americans.**

With the continuing economic expansion, the lowest unemployment rate in 29 years, the lowest core inflation rate in over 30 years, and the highest homeownership rate in history, it is clear that President Clinton's three-part economic strategy of fiscal discipline, investments in people, and opening markets abroad is working for America's working families. But some local communities are not sharing in this growth. The New Markets Initiative will tap the hidden potential of these communities so they can share in the benefits of today's prosperity.

- **Today we have the second longest expansion in history.** [Typically we say the longest peacetime expansion, but its hard to say that we are really at peace.]
- Since President Clinton took office, growth has averaged 3.5 percent per year -- relative to 1.3 percent per year under President Bush and 2.4 percent per year during the Reagan-Bush years.
- **18.4 Million New Jobs Under President Clinton.** Since President Clinton took office, the economy has added 18.4 million new jobs -- that's 2.4 million more new jobs in six years than were created during the entire eight years of the Reagan Administration (18.4 million under Clinton vs. 16.0 million under Reagan).
- **Unemployment At 4.3 Percent in April – The Lowest in 29 years.** In 1992, the unemployment rate was 7.5 percent. In April, the unemployment rate was 4.3 percent. The unemployment rate has been below 4.5% for over a year.
- **Fastest and Longest Real Wage Growth in Two Decades.** Under President Clinton and Vice President Gore, real wages have risen more than 6 percent compared to *declining* 4.3 percent during the Reagan and Bush years. After adjusting for inflation, wages have increased almost 2.7 percent in 1998 -- that's the fastest real wage growth in more than two decades and the third year in a row -- the longest sustained growth since the early 1970s.
- **Unemployment Remains Historically Low for African Americans and Hispanics.** Under President Clinton and Vice President Gore, the African-American unemployment rate has fallen from 14.1 percent in January 1993 to 7.7 percent in April 1999 – the lowest level on record (data first collected in 1972). Hispanic unemployment rate has dropped from 11.3 percent in January 1993 to 6.9 percent in April 1999 (data first collected in 1973). [we should get some wage data for African Americans and Hispanics from BLS on Monday]
- Estimates from SBA indicate that the number of minority owned firms jumped 63 percent, to 3.3 million from 2 million between 1992 and 1997. (this is not a very good estimate given the methodology but SBA is already public with the figure.)

**Not all communities are sharing in the prosperity**

- About 50 percent of the venture capital invested during the fourth quarter of 1998 went to Silicon Valley and New York's high-tech corridor, while just 5.7 percent went to South Central, Southwest and Northwest regions *combined*. (Source: PricewaterhouseCoopers, Money Tree Survey Report, Feb. 24, 1999).

- Selected unemployment rates, poverty rates from HUD book, which you gave to Josh. Chose areas best highlighting contrast between high and low unemployment, and new markets initiative site.
- Per capita income growth from my e-mails – select areas that are relevant to new markets initiative and demonstrate some falling behind.
- In FY 1999, 27 percent of the counties in Appalachia are designated as distressed because they have poverty and unemployment rates that are one-and-a-half times the national rate, and they have only two-thirds of the national per capita “market” (?) income. This compares with the national rate of 13 percent.
- In 1996, Appalachia’s per capita income was 82.6 percent of the national rate, down from a peak of 83.5 percent in 1994.
- Along the US – Mexico boarder, personal income was a low \$21,492 in 1996, 12 percent below the nation as a whole, and income grew just 2.3 percent between 1990 and 1996, compared to 3.5 percent for the nation as a whole.

**Tapping the hidden potential of these communities can help widen the circle of opportunity so that everyone can share the benefits of this economic expansion**

From Southshore social compact

- America's inner cities have vast untapped market potential. Neighborhoods like South Shore in Chicago have more buying power than even the wealthiest suburbs. For example, while South shore's median family income is only \$22,000, compared with \$124,000 in the affluent suburb of Kenilworth, South Shore has \$69,000 of retail spending power per acre, nearly twice that of Kenilworth which is \$38,000.
- Individuals with reported incomes under \$30,000 make almost one-third of all consumer expenditures for a total of \$290 billion annually.
- Chicago consumers living in South Shore make about 70 percent of their expenditures outside their own neighborhood, compared to 37 percent expenditures leakage for the average community area.

From HUD summary of BCG/ICIC work (we may want to qualify this with one study shows)

- The most “under-retailed” large cities are losing one-fourth to one-half of the retail spending by their residents to suburban areas. IN 1997, over \$39 billion was lost from New York City alone, \$16.8 billion from LA, \$8.6 billion from Chicago, \$1.1 billion from Atlanta.
- Residents of the poorest areas in Atlanta spend about \$127 million each year on retail outside the area.
- The purchasing power of all central city residents is estimated at \$665 million.

From ARC

- While Appalachia continues to lag the rest of the country in income and economic growth, the percentage of people aged 18 to 24 who have completed 12 or more years of schooling is 77 percent – about the same for the nation as a whole (76 percent). [this should be confirmed with Department of Education somehow, it sounds suspicious to me.]



Joshua S. Gottheimer  
05/05/99 07:56:15 PM



Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:

Subject: one more thing...

sorry to bother you, but it would be great if we could get info on rural areas of the country, not just urban centers. thanks

mention  
CRA

---

---

May 5, 1999

June,

In addition to providing you with background information I wanted to give you a sense of how the day will run. I'm not sure how much you know about the New Markets Initiative but here a few quick points on it.

**Impetus for the New Markets Initiative:** We have extraordinary economic growth but it is not reaching everywhere --- e.g., parts of Appalachian and inner cities are left behind. If we can't use this opportunity to try to redirect some of the economic engine to address underlying problems, when will we ever be able to do so? New markets are untapped markets --- communities in the rural or inner city areas that have traditionally not had access to capital.

**Elements of the New Markets Proposal:** The Initiative involves several program components that will be administered by Treasury, HUD and SBA. The goal is to provide incentives for private investment in communities, build capacity for small businesses, and establish relationships between venture capitalists and businesses in new markets. Some of these programs require legislative authorization, while others do not.

**Information on the May 11 Event:** There are actually three separate events planned for May 11. In addition to the May 11 Event is part of a multi-pronged strategy to rollout the New Markets Initiative.

- **May 11 Event(s):**

- (2) A CEO roundtable that will include CEOs and the President only. We anticipate closed press. Cabinet and senior White House staff will attend. We are still determining what role the Cabinet will have in the discussion. The president will need opening remarks as well as notes for engaging the group in a dialogue. The message should be focussed on the President's challenge to corporate America to invest in new markets. The dialogue should allow the CEOs to discuss what their companies are already doing or what they want to do in new markets.
- (1) Rose Garden announcement about the results of the roundtable and the July trip to under-served markets. The message here will be that the President is mobilizing corporate America and challenging them to invest in areas that have not traditionally had access to capital.
- (2) The Atlanta visit will include a stop and remarks at a business that illustrates the potential for successful investment in new markets. Atlanta has an Empowerment Zone with classic characteristics of a new market. An EZ was chosen for this trip to help create the bridge between EZ/ECs and the New Markets Initiative.

- **May 27 Community Empowerment Conference:** The VP's attendance is confirmed. Originally the President was not scheduled to attend; however I heard a buzz recently that there is a slight possibility that he will now attend.
- **June Rose Garden Event** with an unveiling by the President and Congressional Members of all three pieces of legislation (details and date TBD)
- **July Presidential Trip** for 2-4 days involving extended visits to several distressed rural and inner city areas.

**Attached Information:**

- Memo to the President proposing the overall strategy for the New Markets Trip(s)
- Memo to the President proposing Atlanta and Akron as locations for the May 11 Trip
- Three pagers on the New Markets Initiative and 1-2 pagers on the individual programs
- Copy of Slides used for a presentation on the New Markets Initiative last month
- Talking Points for Gene Sperling on the New Markets Initiative used for the Appalachian Regional Commission Briefing in February
- Copy of Article from Inc. Magazine on the Top Inner-City 100 Companies

**The Focus:** The focus of the entire day should be on private investment and how government can provide incentives to bring investment into these distressed communities. I am going to ask Treasury to provide us with statistics on economically distressed areas. You may also want to think about what we can have local businesses say at the stop in Atlanta. The bottom line is this event is about what the Private Sector can do to improve the economic conditions in underserved communities. How can companies do well (i.e. make a profit) by doing good! This event is not about the legislative initiative per se. We are waiting to do a big legislative push until the June Rose Garden unveiling.

**Follow-up:** When I get additional information from Treasury I will forward it to you. Also as the program becomes better defined I will send you more details. Don't hesitate to call if you need anything or have questions.

Thanks,

Lisa x6-2803

May 4, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING  
MARIA ECHAVESTE  
STEPHANIE STREETT

SUBJECT: PRESIDENTIAL TRIP TO AMERICA'S NEW MARKETS

**BACKGROUND**

As we have discussed, you will host a CEO roundtable on Tuesday, May 11 to discuss the New Markets Initiative. The CEO roundtable will serve as a venue for you to issue a challenge to the country and invite corporation participation in your July trip to underserved areas. The CEO Roundtable will also provide an opportunity to seek new commitments from corporations to invest in America's untapped markets. The morning roundtable on May 11 will be followed by an announcement in the Rose Garden about the July trip, when we expect to unveil major private sector commitments to underserved communities. After the Rose Garden announcement, you will be accompanied by a number of the CEOs and perhaps others on a brief trip to a city where we can illustrate the investment potential in new markets.

**REQUEST**

The purpose of this memorandum is to request your preference between two locations for the May 11 trip. You asked that we seek your guidance on what city to visit. We have analyzed a number of locations with an emphasis on Empowerment Zones and Empowerment Communities. We believe a visit to an EZ or EC will create a bridge between the New Markets Initiative and the community empowerment programs that have been a priority for both you and the Vice President over the last six years. Also, by focusing on Empowerment Zones it may make your May 11<sup>th</sup> trip less duplicative of your July trip that will include, but go beyond, Empowerment Zones.

We propose a visit to either Atlanta, Georgia or Akron, Ohio where we can highlight examples of economic success in untapped, non-traditional markets through visits to one or more business sites as outlined below.

**Option 1: Atlanta, GA**

*Pros:*

- This city has an Empowerment Zone with many characteristics of a "New Market." The Atlanta EZ has a poverty rate of 57.4% and an unemployment rate of 17.9%. Approximately 44% of the residents lack a high school diploma.

- Atlanta is home to many important corporations such as Coca-Cola and BellSouth that we will enlist as partners in the New Market Initiatives. We can expect CEOs from these companies to participate in both the roundtable and the trip, if Atlanta is selected as the location.
- The City of Atlanta is home to many small businesses that illustrate the potential for successful investment in distressed areas. Business success stories in Atlanta and its Empowerment Zone include the following, one of which may make for an effective venue on May 11:
  - (1) **NationsBank** has received funding from Treasury's CDFI Fund to make investments in the National Community Investment Fund. The NCIF will use NationsBank's support to invest in community development banks and to expand its existing community development programs.
  - (2) **Diaz Wholesale and Manufacturing** is a small business recently featured in an *Inc. Magazine* cover story on the Top 100 Inner-City Companies, compiled from research conducted by Michael Porter's group, Initiative for a Competitive Inner City. Diaz manufactures and distributes Hispanic foods and employs 85 people.
  - (3) **United Water Services Atlanta (UWSA)** was recently chosen to privatize the city's water system and will locate its regional headquarters in the EZ. UWSA employs 425 people and has committed to hiring 20% of its employees from the EZ. The company has also committed to provide a total of \$500,000 for use as seed capital in new EZ businesses.
  - (4) **Renewal Atlanta** is a recycling plant that will generate 65 permanent jobs for EZ residents and 200 temporary jobs for students. However, building renovations for the plant have just begun.
  - (5) **Blimpy's** is opening its first franchise as part of a corporate agreement to open franchises in ten EZ/ECs across the country.
- A visit to Atlanta on May 11 will also complement the planned SBA Workshop on New Markets scheduled for May 6 that will focus on SBA's Small Business Investment Company (SBIC) program. The workshop is designed to recruit potential new SBIC investors and management teams with experience investing in small businesses in low and moderate-income areas.

***Cons:***

- The Atlanta Empowerment Zone experienced some well-publicized difficulties during its startup related to administration and management. These issues have been resolved, however there may be some remaining stigma.

**Option 2: Akron, OH**

***Pros:***

- Akron, Ohio is a model Enterprise Community with many new businesses, illustrating the potential of a new market. The EC has a 25% poverty rate and an unemployment rate of 18.1% with a population of 49,920. Akron is a classic mid-sized city with a population of 223,019.

- A visit to Akron would be a related follow through to the Town Hall meeting you conducted there earlier this year on race relations.
- The mayor and congressman from Akron have been strong supporters.
- There are several examples in Akron of private investment that exemplify the types of commitments we will be seeking from corporations. These examples include:

- (1) **The Safe Harbor Minority Business Center** assists the development and growth of minority-owned office and service firms through support services and technical assistance. The 7,000 square foot center currently houses nine businesses. The center also operates a micro-lending program in conjunction with Akron's EC Program.
- (2) **Enterprise Community Fund (ECF)** is a non-profit business loan fund – and a recipient of a CDFI Fund award -- that makes working capital loans to small and micro-businesses in the distressed neighborhoods of the Akron Enterprise Community. ECF also provides businesses with much needed technical assistance.
- (3) **Akron Edison Industrial Incubator** was created in 1983 and is a model small business incubator with a multi-tenant facility that provides entrepreneurs with space and a wide variety of administrative, management, technical and professional services.
- (4) **G. Stephens Construction** is a small firm partnering with Turner Construction through BusinessLINC, an initiative that encourages larger businesses to link with and advise smaller firms, particularly those in economically distressed communities.
- (5) **The Middlebury Grocery Shopping Center** is under development in the central city area through a loan under the Economic Development Initiative. The center will ultimately employ 30 full time and 100 part time workers.

***Cons:***

- The Vice President has attended several recent events in Akron, including one last month on teen smoking.

**SUMMARY OF RECOMMENDATION**

After careful consideration and review of ten other potential locations (several of which you have recently visited), Atlanta, GA and Akron, OH were selected for recommendation. These two cities are characteristic of New Markets and they illustrate the potential for successful private investment in underserved communities. These cities also fit logistical travel constraints given our expected departure time from Washington following the morning roundtable. Please advise us of your preference.

Atlanta, GA \_\_\_\_\_

Akron, OH \_\_\_\_\_

Discuss Further \_\_\_\_\_

**JONATHAN A. KAPLAN**

05/04/99 02:38:11 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:

Subject: Put under your memory cap

that when we review the remarks for next Tuesday's roundtable, we should include a sentence at the top from the President thanking Gene for his commitment to this effort and for his close work with Rev. Jackson, others.



Sarah Rosen Wartell  
05/03/99 12:51:10 PM

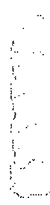
Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:

Subject: question

----- Forwarded by Sarah Rosen Wartell/OPD/EOP on 05/03/99 12:50 PM -----



Lynn G. Cutler  
05/03/99 12:19:00 PM

Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP@EOP

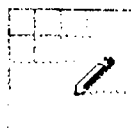
cc:

Subject: question

Is Atlanta a good possibility for CRA focus? Maria wanted to know--Ron Klain will take our judgment on Atlanta.

SR/LG/BK

I think we should would surely not  
but rather than focus on a gov program  
the focus should be on private sector community  
to mentoring, training etc. Let's talk

 Sarah Rosen  
04/26/99 07:36:17 PM

Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Lisa Green/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP, Broderick  
Johnson/WHO/EOP@EOP, Roger S. Ballentine/WHO/EOP@EOP  
Subject: Secretary Herman and the New Markets Trip

GS  
4/27/21

I have talked extensively with Seth Harris, Counselor to Secretary Herman, who warned me that the Secretary will be raising with the President that in New Markets we shouldn't forget the "supply side" of economic development, i.e., that they way to get businesses to invest in new market areas is to ensure that workers there have the skills they need.

I played devil's advocate. For six years, this President has had an amazing record about the importance of human skills development. With the help of Secretaries Reich and Herman, no one can say that he has neglected this side of the equation. But some could say that the President himself has not invested as much energy in creating incentives for business investment in these areas which is the focus of this event. We don't want to muddy the message too much. Shouldn't he focus on the business investment/economic development side now. I said that maybe we'd be willing to put a line or two into the speech that says, "we continue to believe that it is also important to focus on skills development to ensure that businesses investing find a workforce ready for the 21st century. That's why we are ...." (and we'd put a bullet somewhere in the fact sheet on the event).

Seth said that, in theory, that would be more than fair, although Herman is likely to argue for more to ensure that she ends up with something. What she really wants is POTUS to highlight their summer jobs and youth opportunities grants during the May 5 event. He provided us with the attached 3 paragraphs for POTUS speech which is probably more than I had in mind, but gives us the general idea.

Just wanted you to know that this was likely to come directly from Herman to POTUS. And see if Gene and others agree that there is a reasonable way to give her a small hit during the speeches at the sites visited without muddying the message too much, if we want to accommodate the concern.

----- Forwarded by Sarah Rosen/OPD/EOP on 04/26/99 06:43 PM -----



Harris Seth <harris-seth@dol.gov>  
04/26/99 05:27:25 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Sarah Rosen/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Supply-Side of New Markets

---

<<sj&yo.pps.wpd>>

Sarah asked me to put together two or three paragraphs that we would want to see added to the President's New Markets message on May 5th. They are attached.

I think these will fit reasonably well with the existing demand-side message by generally reinforcing the capital investment approach without completely ignoring the supply side of the equation. Our business liaison is also working with Cheri in an effort to match up your CEOs with our summer jobs private-sector partners. The result should be an even better fit between the two messages.

Please let me know if you agree that these paragraphs should be included or if you need any additional information. I can be reached at (202) 219-8271 or Harris-Seth@DOL.GOV.

Thanks.

 - sj&yo.pps.wpd

---

Message Copied To:

Hamm Peter-ETA <PHAMM@DOLETA.GOV>  
Kamela William <kamela-william@dol.gov>  
Peluso Michelle <peluso-michelle@dol.gov>  
FIALA GERRI-ETA <GFIALA@DOLETA.GOV>  
Satterfield Lee <satterfield-lee@dol.gov>  
Montgomery Edward <montgomery-edward@dol.gov>

---

Message Sent To:

Gene B. Sperling/OPD/EOP@EOP  
Melissa G. Green/OPD/EOP@EOP  
Maria Echaveste/WHO/EOP@EOP  
Minyon Moore/WHO/EOP@EOP  
Thurgood Marshall Jr/WHO/EOP@EOP  
Anne E. McGuire/WHO/EOP@EOP  
Marjorie Tarmey/WHO/EOP@EOP  
Lynn G. Cutler/WHO/EOP@EOP  
Stephanie S. Streett/WHO/EOP@EOP  
Laura A. Graham/WHO/EOP@EOP  
Alvin Brown/OVP@OVP  
Cheryl M. Carter/WHO/EOP@EOP  
Jackson T. Dunn/WHO/EOP@EOP

## POTENTIAL SPEECH LANGUAGE FOR LIFELONG LEARNING COMPONENT OF NEW MARKETS MESSAGE

Capital investment is one of the keys to increasing the economic competitiveness in new market areas. But even in our booming economy, with virtually full employment, businesses can't open or expand in distressed communities unless they know they will have access to the willing and skilled workers they need to get the job done.

There are nearly 5 million young people out of school in high-poverty areas — exactly the areas we are targeting with this initiative — and almost half of these young people are out of work. Yes, it's a problem. But it is also an opportunity. Let's give these young people the skills they need so that businesses locating in these new markets will find the willing, prepared young workers they need --- and the new consumers every business wants for its products. This month, Secretary Herman will invite new market communities to apply for \$250 million in Youth Opportunities (YO) grants from the Labor Department. This is the time for business leaders and community leaders to invest in the talents of young people who can make these communities the success stories I know they can be.

Employers can start right away, without waiting for the government, by giving a young person their first summer job. The private sector is the key to our success. I know many of the businesses that will be participating in this initiative --- from Bell Atlantic and Pacific Bell to Ford, General Motors, and Chrysler --- already champions the summer jobs effort. Secretary Herman kicked off the 1999 summer jobs program today with mayors across the country. I urge private employers to invest in these young people and reap the benefits by making these new markets into communities with high skills, high employment, and high hopes.

J.G. H. 2013

**PRESIDENT CLINTON AND VICE PRESIDENT GORE:  
AN ECONOMIC STRATEGY THAT'S WORKING**

April 30, 1999

*"Strong growth, high investment, low inflation, and low unemployment are a winning combination and more evidence that we should stick with an economic strategy that has helped us usher in a new era of prosperity for the American people."*

President Bill Clinton  
April 30, 1999

Today, at the White House, President Clinton announced more good economic news: in the first quarter of this year, the U.S. economy expanded at a robust 4.5% annual rate. With continuing economic expansion, the lowest unemployment rate in 29 years, the lowest inflation rate in over 30 years, and the highest homeownership rate in history, it is clear that the President's economic strategy is working for America's working families.

**America's Economy Continues to Grow Steady and Strong.** Commerce Department first-quarter statistics released today show that America's economy continues to grow steady and strong:

- \* **GDP growth remains a strong 4.5%** (at an annual rate). Since President Clinton took office, growth has averaged 3.5% per year -- relative to 1.3% per year under President Bush and 2.4% per year during the Reagan-Bush years.
- \* **Private-sector GDP growth was up 4.5%.** Since President Clinton took office, the private sector of the economy has grown an average of 4% per year -- compared to 3% under President Reagan and 1.3% under President Bush.
- \* **Productive business investment grew a healthy 10.5%.** Last year, productive business investment grew at a double digit pace (16.6%) -- that makes six consecutive years of double digit business investment growth for the first time on record. And since President Clinton has taken office, business investment has been faster -- 12.3% per year -- than under any President since Kennedy.
- \* **Inflation is at its lowest rate since 1959.** In the first quarter, the GDP price index rose 1.4% at an annual rate. Last year, inflation rose just 1% -- the smallest increase in 40 years.

**The President's Economic Strategy Is Working.** President Clinton's three-part economic strategy of fiscal discipline, investments in people, and opening markets abroad is working for America:

- \* **Maintaining Fiscal Discipline.** In 1992, the budget deficit was \$290 billion -- the largest dollar deficit on record. Last year, the budget surplus was nearly \$70 billion -- the largest dollar surplus on record.
- \* **Investing in the American People.** For six years, the President has worked to expand educational opportunity because education and job training are vital to a strong economy.
- \* **Opening Markets Abroad and Leading The Global Economy.** President Clinton is committed to opening markets abroad and enforcing trade laws so that all nations play by the rules.



Sarah Rosen Wartell  
05/10/99 08:13:52 PM

Record Type: Record

To: June Shih/WHO/EOP@EOP

cc: Jonathan A. Kaplan/OPD/EOP@EOP, Lisa Green/OPD/EOP@EOP, Melissa G. Green/OPD/EOP@EOP

Subject: Per Gene -- Somewhere insert

Regarding the Herman request for an insert, Gene suggested we compromise with a placeholder for their issue: "we must invest in new jobs and work in partnership with the private sector on mentoring and training our young people ..."

Then, we can point to it later if DoL wants to expand. Lisa - You should let Seth know this is all that survived.

**Laura A. Graham**  
05/10/99 08:19:51 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Updated Morning Times

9:05 am - 9:30 am Briefing on CEO Meeting (Oval Office)

9:30 am - 10:45 am Meeting w/CEOs

10:50 am - 11:00 am Briefing on Statement

11:05 am - 11:20 am Statement

11:25 am depart for AAFB

Thanks.

Message Sent To:

---

Melissa G. Green/OPD/EOP@EOP  
Jonathan A. Kaplan/OPD/EOP@EOP  
Lisa Green/OPD/EOP@EOP  
Marjorie Tarmey/WHO/EOP@EOP  
Cheryl M. Carter/WHO/EOP@EOP  
Kim B. Widdess/WHO/EOP@EOP  
Laura D. Schwartz/WHO/EOP@EOP  
Wendy Hartman/OVP@OVP

**Format for CEO Roundtable:**

- Vice President opens
- President speaks, opens discussion
- Wide-ranging discussion with CEOs

**1. Vice President's Suggested Opening Thoughts**

- Welcome to the White House and thank you all for being here today
- We are asking for your advice and help with our efforts to tap America's full potential by creating more investment in untapped markets across the country
- This effort to mobilize investments in new markets builds upon our past and current efforts creating Empowerment Zones, preserving the effectiveness of the Community Reinvestment Act, and establishing Community Development Financial Institutions.
- Introduce President

## **2. The President's Suggested Remarks -- three main points to stress at outset:**

- We would like to use this summer to conduct a major mobilization to spur investment and business growth in America's most economically underserved communities.
- In fact, there are a lot of good efforts going on now, including the Wall Street Project that Reverend Jackson and Sandy Weill have led.
- Now we want to elevate this endeavor to a national level so that we are able to show new efforts that are being made.
- To help elevate this, we are planning to visit during the week of July 5 untapped markets across the country – with a real focus on inner cities and rural areas. And we want this effort to be bipartisan.
- We need your ideas about the best way to do this – locations you think we should visit, community development banks to highlight, mentoring efforts that are working. We want to hear from you about what you think it will take to do this.

**3. Discussion with CEOs -- you may want to open the discussion by turning to (1) Sandy Weill and then (2) Frank Raines to talk about what resources and tools they have seen work best in underserved areas.**

**Sandy Weill, Citigroup:**

Weill's Likely Points:

- Major supporter of the Wall Street Project and Trillion Dollar Roundtable, working with the Rainbow/PUSH Coalition
- Last May, Citicorp and Travelers announced a 10-year, \$115 billion CRA commitment to lending and investing in moderate- and lower-income communities and small businesses – double Citibank's \$56 billion in U.S. deposits

Background on Sandy Weill:

- Mr. Weill is CEO of Citigroup.
- The company's banking subsidiary, Citicorp, has a good CRA record and has been active in community development banking.
- Mr. Weill is also one of the main advocates behind Rev. Jackson's Wall Street Project and has been very vocal about his belief that corporations can do well by doing good.

**Frank Raines, Fannie Mae:**

Raines Likely Points:

- Fannie Mae is the largest private investor in Multifamily Low Income Housing tax Credit investments.
- Their new American Communities Fund has closed \$210 million in investments for urban revitalization and plans to invest \$350 million in revitalization activities across the country.
- Through March 1999, Fannie Mae has committed to invest close to \$50 million in CDFIs and by the end of 2000 they will have invested \$75 million. They have also invested \$75 million in DC's revitalization corporation.

Background on Frank Raines:

- Raines was named Chairman and CEO of FannieMae in January 1999. FannieMae is the largest non-bank financial services company in the world.
- As you well know, Raines became chairman after stepping down after two years as your Director of the Office of Management and Budget. During his tenure, he was a key negotiator in the talks that led to the passage of the bipartisan Balanced Budget Act of 1997.
- Prior to joining the White House, he was a vice-chairman of Fannie Mae, in charge of the company's legal, credit policy and finance functions.

**ROUNDTABLE WITH CEOs IN THE CABINET ROOM**  
**May 11 – Tapping America's Potential**

[WE WILL WANT TO PUT THIS ON NOTECARDS]

Format for Roundtable:

Vice President opens  
President speaks, opens discussion  
Wide-ranging discussion with CEOs

The Vice President will open:

- Welcome to the White House and thank you all for participating in today's activities
- We are asking for your help with our efforts to tap America's full potential by creating more investment in untapped markets across the country
- This effort to mobilize investments in new markets builds upon our past and current efforts creating Empowerment Zones, preserving the Community Reinvestment Act, and establishing Community Development Financial Institutions.
- Introduce President

The President will speak and then open the discussion. Three main points to stress at outset:

- This summer we plan to visit untapped markets across the country. This unprecedented domestic tour will take place during the week of July 5. The tour will include visits to inner city and rural areas. I hope to be accompanied by individuals from the public sector and private sector. (S)
- As part of the trip we would like to make major announcements at each stop about investment commitments from the private sector – initiatives that are in your pipeline and more importantly new, innovative ideas for investing in these areas.
- We are enlisting your help in mobilizing America around this bipartisan effort to encourage new investments in America's most economically underserved communities.

You may want to open the discussion by asking (1) Sandy Weill and then (2) Frank Raines to talk about what resources and tools they have seen work best in underserved areas.

Suggested questions for CEOs:

- **Question for Sandy Weill:** Are there examples at Citigroup that support the potential for economic success in new markets?
- **Background on Sandy Weill**, age 66, was born and raised in Brooklyn, NY and is CEO of Citigroup. The company's banking subsidiary, Citicorp has a good CRA record and has been active in community development banking. Mr. Weill is also one of the main advocates behind Jackson's Wall Street Project and has been very vocal

I'd include one or two states evidencing that why there is untapped potential.

effectiveness

and inner reservation?

about his belief that corporations can do well, by doing good. Weill began working in the finance industry as a runner, and ultimately became a stockbroker for Bear Sterns. Weill's distinguished career has included a stint as President of American Express. But he is best known for a series of successful acquisitions and mergers which began with his 1986 equity investment in Commercial Credit followed by several purchases. The original company ultimately acquired Primerica, Smith Barney, Barclays American/ International, the Shearson unit of Weill's former employer American Express, Travelers Insurance for \$722 billion, Salomon Inc. In April 1998, Weill merged his company, then known as the Travelers, with Citicorp and created the largest corporation in America and the global leader in financial services.

**Questions for Frank Raines:** What are your thoughts about why investors have not take advantage of the potential in these markets? Given your recent transition from government to the private sector how do you think the government can best support the private sector while still allowing markets to be as efficient as possible?

Background on Frank Raines: [Is it really necessary to provide the President with biographical background on Raines?]

[NEED TO INCLUDE FOR THE PRESIDENT – BUT NOT ON CARDS – BACKGROUND ON (1) HIS ACCOMPLISHMENTS AND (2) THE BIOS on all CEOs]

● June Shih

05/10/99 09:30:21 PM

Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP@EOP

cc: Jonathan A. Kaplan/OPD/EOP@EOP, Lisa Green/OPD/EOP@EOP

Subject: any thoughts on tps 

**PRESIDENT WILLIAM J. CLINTON  
TALKING POINTS FOR ROUNDTABLE AT SWEET AUBURN CURB MARKET  
ATLANTA, GA  
May 11, 1999**

**Acknowledgments:** Mayor Bill Campbell; Sec. Cuomo; SBA Administrator Aida Alvarez; Gene Sperling; Rep. McKinney.

I have heard much about the good things that have been happening in Atlanta's downtown since it became an Empowerment Zone. And I am delighted to see with my own eyes how the neighborhood where Martin Luther King, Jr. grew up -- the Sweet Auburn Historic District -- is now coming back after years of decline.

I am here above all because I want America -- and especially the CEOs that I've brought here today -- to see how private citizens, government and businesses can work together to revitalize a community and bring prosperity to all.

As some of you may know, this summer I will be traveling to those communities still living in the shadows of our unprecedented economic prosperity -- to the inner cities, native American reservations and rural areas that are still struggling with high unemployment and poverty. I hope to focus America's attention on the great untapped economic potential of these areas -- and to encourage more businesses to invest in them.

For the past six and a half years, the Vice President and I have worked to foster a new role for government in community revitalization. We recognized that the hard work must be done by communities themselves, and that government could catalyze progress by giving businesses and citizens the tools they needed -- tax credits, loans, technical assistance -- to start new businesses and create new jobs.

I am proud that Atlanta has benefited from this new partnership. Through some \$8.3 million in HUD grants and loans, we have helped the Sweet Auburn Curb Market and its vendors buy equipment, renovate or set up shop. Today, this market is thriving.

Over the past year alone, Ruby says that you've created some 40 new jobs -- and filled most of these openings with residents from the community.

. So now, I hope we can talk a little bit about how all of you have worked together, how the business community and the federal government can continue to help you bring even more economic opportunity to Atlanta, and how we can work to bring your experience to more and more underserved communities.



● **June Shih**

05/10/99 07:01:59 PM

Record Type:    Record

To:        Sarah Rosen Wartell/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP, Lisa  
             Green/OPD/EOP@EOP

cc:

Subject:   Re: latest draft [\[...\]](#)

who, besides Gene, do we acknowlegde in rose garden?