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State of the Union Statistics

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DEFICIT REDUCTION

- The deficit has declined three years in a row for the first time since Harry Truman was President.

(Source: Budget of the United States Historical Table).

BUDGET DEFICITS

	5-YRS AGO (1990)	3-YRS AGO (1992)	PAST YEAR (1995)
Deficit	221	290	164
% of GDP	4.0%	4.9%	2.3%

Divider Title: 2

- The United States currently has the lowest deficit as a share of GDP of any major economy in the world.

(Source: CEA; see attached data sheet, page 3).

12/29/95

TO: DON BAER
MICHAEL MCCURRY

FROM: ALICIA MUNNELL

SUBJECT: THE PRESIDENT'S RADIO ADDRESS

The following points may be useful for the President's year-end radio address on the economy.

On the Overall Economy

The economy has grown energetically since the start of this administration and is now in its 19th quarter of non-inflationary growth.

- The unemployment rate, which was above 7 percent in January 1993, has fallen to 5.6 percent.

- At the same time, inflation of consumer prices has been stable, averaging just 2.7 percent under this administration--lower than any administration since John F. Kennedy was President. The "misery index," (which is the sum of the inflation rate and the unemployment rate) is now the lowest since 1968.

- The low and stable rates of inflation have allowed mortgage rates and other long-term interest rates to fall. Partly as a result of these interest-rate declines, home affordability during this administration has been the highest since the Nixon administration.

- New business incorporations have grown at an annual rate of 6.8 percent under this administration--much higher than the 2.5 percent average annual rate during the previous twelve years.

On Employment

7.7 million new non-farm jobs have been created during the first three years of this administration--more than during the first three years of any recent Republican Administration.

- Managerial and professional jobs comprise 57 percent of the new jobs.

- 93 percent of these new jobs have been created in the private sector. (That's higher than the average during any other administration since Harding was President.)

- The economy has added 185,000 manufacturing jobs during this administration--after losing more than 2.2 million over the previous 12 years.

- Construction jobs are up 771,000 since January 1993--more than three times the increase over the previous twelve years.

- Real wages have edged up slightly during this administration--in sharp contrast to the large declines under the previous 12 years of Republican administration.

International Comparisons

According to the World Competitiveness Report[1],

> "Results of the 1995 World Competitiveness Report (a product of the World Economic Forum) show the United States is the most competitive economy in the world for the second year in a row. Singapore follows in second place. These two economies stand out, well ahead of the 47 others included in the global ranking.
>
> "The United States ranks first in Domestic Economic Strength, Internationalization and Management, a unique position which reflects the United States' ability to thrive in a buoyant and large domestic market while maintaining a strong presence in international markets. The aggressiveness of industry in the US is especially noticeable in new technologies such as computers, software, telecommunications, etc. Not surprisingly, the country also ranks first in Science and Technology."

- The United States had the highest rate of economic growth of any of the G-7 countries in 1995, and the highest rate of growth of any G-7 country over the period since 1992.

- Employment in the United States grew as fast in 1995 as in any G-7 country, and has grown faster than in all other G-7 countries over the period since 1992.

---

[1] The 1995 World Competitiveness Report is a joint publication of the World Economic Forum in Geneva Switzerland and IMD, the International Institute for Management Development, a business school based in Lausanne, Switzerland.

- US real exports of goods and services have grown by 25 percent since the beginning of 1993. This is well above the export growth rates of any of the G-7 countries except Canada and Italy. (This is well above the growth of exports of Japan, Germany, France, and the UK.)

- The United States currently has the lowest deficit (as a share of GDP) of any G7 country.

Wash Post Article

1. that did the all but Norway report — Attached

2. ~~Z have keep sent Say Treasury a chart in print -- we might still have taken it. - should have that~~

3. Can we say Norway not major or top economy

↓

(*) OECD - Get from Peter Orszag.

The Washington Post

October 26, 1995, Thursday, Final Edition

SECTION: FINANCIAL; Pg. D11; TRENDLINES: SPENDING COMPARISONS

LENGTH: 887 words

HEADLINE: Budget Deficit? Other Nations Admire Our Balancing Act

BYLINE: John M. Berry, Washington Post Staff Writer

BODY:

From the perspective of other industrial nations, the current battle over how and when to balance the U.S. government's budget, cut taxes and reduce regulation of American businesses has a certain otherworldly quality to it.

The argument, often repeated in the debate, that government spending and taxes must be cut to stimulate economic growth rings strangely to foreign ears because the United States currently has the most balanced economy, the second-lowest unemployment rate and the best growth prospects among the industrial nations, according to many international economists.

But the key point for many foreign policymakers and analysts trying to follow the debate is shown in the chart at the right: Federal, state and local governments in the United States already spend a smaller share of national income than governments in any other industrial nation.

Among industrial nations, only three -- the United States, Japan and Australia, which is not on the chart -- will spend less than 40 percent of their gross domestic products this year, according to estimates by the Organization for Economic Cooperation and Development (OECD). The U.S. figure is put at 33.4 percent.

Furthermore, the United States will have a combined government budget deficit of only about 1.8 percent of GDP, the smallest of any industrial country save Norway, which is expected to have a moderate surplus, courtesy of its huge oil revenue.

Analysts at TransAtlantic Futures, a Washington-based economic consulting firm, asked a number of European government and banking officials attending the recent World Bank and International Monetary Fund meetings here what they thought about the U.S. budget and regulatory debate.

"In essence, Europeans are surprised by the hard edge of the current U.S. debate on reforming the economy," the firm told its clients. "While they would not say it out loud, most European finance ministers would probably feel outright ecstasy if they could induce their societies to display the same degree of flexibility and risk-taking that is already the positive hallmark of the United States."

For instance, a number of those queried pointed to the extremely strong performance of the U.S. stock market as evidence of great confidence in American businesses' ability to prosper.

"In the view of investors around the globe, U.S. stocks continue to be attractive because U.S. companies -- at least compared to [those in] other industrialized countries -- have long since thrown off the shackles of regulation in the broadest sense. In many ways, they can actually operate in a very entrepreneurial fashion," the firm said. Certainly the high level of government spending and taxes in Europe is causing problems in many countries there. Unemployment is stubbornly high in many areas partly because the extremely high level of payroll taxes makes employers reluctant to hire. Several European governments are trying to reduce the scope of their social safety nets so they can reduce those taxes and encourage more hiring.

Sweden's government embarked several years ago on an effort to reduce its spending as a share of GDP -- currently the highest of any industrial nation -- from around 69 percent, as shown on the chart, to the European-wide average of 50 percent. So far it has not had a great deal of luck.

The difficulties encountered in Europe in trying to trim government spending is another reason for the envious way in which policymakers there are viewing the United States these days, TransAtlantic Futures found.

"Many of these voices readily admit that they are amazed, if not completely perplexed, by the apparent ability of this country not to encounter severe social unrest. . . . Were the same the case in Europe, there would be national strikes, to say the least," the firm said.

An example of that was the one-day nationwide strike last week by seven unions representing French government workers protesting a plan to freeze their wages and privatize many government-run businesses such as Air France. One of the French government's goals is to try to reduce its public-sector budget deficit to allow the country to qualify to join in creating a single European currency in 1999.

The OECD predicted last summer that among the 15 European Union countries, only six would have deficits below the qualifying level of 3 percent of GDP in 1996 and only four would have debt-to-GDP ratios below 60 percent.

As mentioned above, the United States easily meets the 3 percent test and its debt-to-GDP ratio for all levels of government combined almost would qualify at 63 percent.

Actually balancing the federal budget in 2002 likely would mean that federal government spending would fall to 18 percent to 19 percent of GDP, using Congressional Budget Office projections of the size of current-dollar GDP and federal revenue that year. Recently it has been running just under 23 percent.

No one knows what share of GDP state and local governments will be spending seven years from now, particularly since responsibility for major federal welfare and health programs appears destined for the states. But even if state and local spending were to rise somewhat faster than the economy grows, the U.S. line on the chart seems headed for less than 30 percent.

GRAPHIC: Chart

LANGUAGE: ENGLISH

COUNTRY: UNITED STATES;

LOAD-DATE: October 26, 1995

Advance Copy

WORLD ECONOMIC OUTLOOK

A Survey by the Staff of the International Monetary Fund

INTERNATIONAL MONETARY FUND
Washington, D.C.
October 1995

Financial Indicators

(In percent)

	1987	1988	1989	1990	1991	1992	1993	1994	Projections 1995	1996
Industrial countries										
Central government fiscal balance[1,2]										
Industrial countries	-3.2	-2.6	-2.3	-2.7	-3.1	-4.2	-4.5	-3.8	-3.4	-3.1
United States	-3.3	-2.8	-2.3	-2.9	-3.5	-4.7	-3.8	-2.4	-2.3	-2.3
Japan	-2.2	-1.3	-1.2	-0.5	-0.2	-1.6	-2.8	-3.8	-4.4	-4.7
Germany[3]	-1.4	-1.7	-0.9	-1.8	-1.9	-1.3	-2.1	-1.5	-1.4	-1.6
France	-1.9	-1.7	-1.4	-1.6	-1.7	-3.0	-4.5	-4.9	-4.2	-3.5
Italy[4]	-11.2	-11.0	-10.7	-10.1	-10.3	-10.4	-10.0	-9.5	-7.4	-6.2
United Kingdom	-1.1	1.1	1.2	-1.1	-2.3	-6.9	-8.0	-6.5	-4.6	-2.9
Canada	-3.8	-3.2	-3.2	-3.9	-4.5	-4.2	-4.9	-3.8	-3.7	-2.2
General government fiscal balance[1,2]										
Industrial countries	-2.5	-1.9	-1.2	-2.0	-2.8	-3.8	-4.4	-3.7	-3.4	-3.0
United States	-2.5	-2.0	-1.5	-2.5	-3.2	-4.3	-3.4	-2.0	-1.9	-2.0
Japan	0.5	1.5	2.5	2.9	3.0	1.5	-1.4	-3.0	-3.7	-3.9
Germany[3]	-1.9	-2.1	0.1	-1.9	-3.3	-2.9	-3.3	-2.5	-2.5	-2.1
France	-1.9	-1.7	-1.2	-1.6	-2.2	-4.0	-6.1	-6.0	-5.2	-4.5
Italy[4]	-11.0	-10.7	-9.9	-10.9	-10.2	-9.5	-9.6	-9.0	-7.7	-6.5
United Kingdom	-1.4	1.0	0.9	-1.2	-2.6	-6.1	-7.8	-6.8	-4.9	-3.2
Canada	-3.8	-2.5	-2.9	-4.1	-6.6	-7.4	-7.3	-5.3	-4.6	-3.4
Growth of broad money[2]										
Industrial countries	8.0	8.8	9.0	8.0	5.7	3.4	4.1	2.4	...	...
United States	4.3	5.3	4.9	4.0	2.9	2.0	1.7	1.0	...	...
Japan	10.8	10.2	12.0	7.4	2.3	-0.2	2.2	2.8	...	...
Germany[5]	5.9	6.9	5.5	19.7	6.3	7.6	10.9	1.6	...	...
France	11.2	8.1	9.9	9.0	2.0	5.1	-3.1	2.0	...	...
Italy	7.1	9.5	10.7	9.4	9.1	4.7	8.1	1.9	...	...
United Kingdom	17.9	17.7	19.0	12.3	5.6	3.1	5.1	4.2	...	...
Canada	8.4	12.7	14.3	8.1	4.6	3.1	3.2	2.8	...	...
Short-term interest rates[6]										
United States	5.8	6.7	8.1	7.5	5.4	3.4	3.0	4.2	5.6	5.6
Japan	3.9	4.0	4.7	6.9	7.0	4.1	2.7	1.9	1.1	1.0
Germany	4.0	4.3	7.1	8.4	9.2	9.5	7.2	5.3	4.5	4.9
LIBOR	7.3	8.1	9.3	8.4	6.1	3.9	3.4	5.1	6.2	6.2
Developing countries										
Central government fiscal balance[1]										
Weighted average	-5.8	-5.3	-4.2	-3.1	-3.3	-2.7	-3.0	-2.5	-2.0	-1.2
Median	-5.3	-5.3	-4.7	-4.2	-4.4	-4.0	-4.3	-4.2	-3.0	-2.4
Growth of broad money										
Weighted average	44.2	74.2	84.5	79.2	57.9	66.2	73.4	55.6	25.7	20.3
Median	16.1	18.4	16.5	17.2	18.1	15.6	14.5	15.7	12.4	11.1
Countries in transition										
Central government fiscal balance[1,7]	-1.9	-2.3	-2.1	-4.9	-9.8	-12.9	-7.3	-8.3	-4.4	-3.2
Growth of broad money	18.4	22.9	34.8	21.6	116.7	654.6	409.3	207.7	...	...

*

1 In percent of GDP.
2 See the forthcoming *World Economic Outlook*, Tables A15-A18 for definitions.
3 Data through June 1990 apply to west Germany only.
4 Includes interest accruing on zero coupon bonds.
5 Data through 1989 apply to west Germany only. The growth rate for the monetary aggregate in 1990 is affected by the extension of the currency area.
6 For the United States, three-month treasury bills; for Japan, three-month certificates of deposit; for Germany, three-month interbank deposits; for LIBOR, London interbank offered rate on six-month U.S. dollar deposits.
7 Due to country differences in definition and coverage, the estimates for this group of countries should be interpreted only as indicative of broad orders of magnitude. In particular, estimates for several countries apply to a wider concept of government.

June 1995 OECD Economic Outlook

6/20/95

Annex Table 30. **General government financial balances**

Surplus (+) or deficit (–) as a percentage of nominal GDP

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Projections 1995	Projections 1996
United States[a]	0.1	0.4	-1.3	-1.0	-3.4	-4.1	-2.9	-3.1	-3.4	-2.5	-2.0	-1.5	-2.5	-3.2	-4.3	-3.4	-2.0	-1.8	-2.0
Japan	-5.5	-4.7	-4.4	-3.8	-3.6	-3.6	-2.1	-0.8	-0.9	0.5	1.5	2.5	2.9	3.0	1.5	-1.4	-3.5	-4.1	-4.2
Germany[b]	-2.4	-2.6	-2.9	-3.7	-3.3	-2.6	-1.9	-1.2	-1.3	-1.9	-2.2	0.1	-2.1	-3.3	-2.9	-3.3	-2.5	-2.3	-2.2
France	-2.1	-0.8	0.0	-1.9	-2.8	-3.2	-2.8	-2.9	-2.7	-1.9	-1.7	-1.2	-1.6	-2.2	-4.0	-6.1	-6.0	-5.0	-4.1
Italy	-10.4	-10.2	-8.6	-11.6	-11.3	-10.7	-11.6	-12.6	-11.6	-11.0	-10.7	-9.9	-10.9	-10.2	-9.5	-9.6	-9.0	-7.8	-6.9
United Kingdom	-4.4	-3.3	-3.4	-2.6	-2.5	-3.3	-3.9	-2.8	-2.4	-1.4	1.0	0.9	-1.2	-2.6	-6.1	-7.9	-6.5	-4.2	-2.6
Canada	-3.2	-2.0	-2.8	-1.5	-5.9	-6.9	-6.5	-6.8	-5.4	-3.8	-2.5	-2.9	-4.1	-6.6	-7.1	-7.1	-5.3	-3.7	-2.4
Total of above countries	-2.6	-2.1	-2.7	-2.8	-4.0	-4.3	-3.5	-3.3	-3.3	-2.4	-1.8	-1.1	-2.0	-2.7	-3.7	-4.2	-3.6	-3.2	-3.0
Australia	-2.7	-2.2	-1.5	-0.6	-0.4	-4.0	-3.0	-2.7	-2.8	-0.1	1.2	1.1	0.5	-2.9	-4.0	-3.7	-4.6	-2.9	-1.0
Austria	-2.8	-2.4	-1.7	-1.8	-3.4	-4.0	-2.6	-2.5	-3.7	-4.3	-3.0	-2.8	-2.2	-2.4	-2.0	-4.1	-4.0	-4.5	-3.9
Belgium[c]	-6.8	-7.5	-9.3	-13.0	-11.0	-11.5	-9.2	-8.7	-9.2	-7.4	-6.6	-6.3	-5.4	-6.5	-6.6	-6.6	-5.3	-4.3	-4.0
Denmark	-0.4	-1.7	-3.3	-6.9	-9.1	-7.2	-4.1	-2.0	3.4	2.4	0.6	-0.5	-1.5	-2.1	-2.9	-4.5	-3.9	-2.1	-1.6
Finland	4.0	3.0	2.9	3.6	2.0	0.6	3.0	3.0	3.5	1.1	4.1	6.3	5.4	-1.5	-5.8	-7.9	-5.5	-5.0	-3.3
Greece	-1.8	-2.4	-2.6	-8.6	-6.5	-7.3	-8.7	-11.8	-10.5	-9.8	-11.9	-14.8	-14.0	-11.5	-12.3	-13.2	-12.5	-11.4	-10.0
Ireland	-9.2	-10.9	-12.1	-12.7	-13.1	-11.2	-9.4	-10.8	-10.9	-8.5	-4.5	-1.7	-2.2	-2.1	-2.2	-2.3	-2.2	-2.5	-2.4
Netherlands	-2.5	-3.6	-3.9	-5.1	-6.6	-5.9	-5.9	-3.9	-3.5	-5.1	-4.2	-4.7	-5.0	-2.8	-3.8	-3.2	-3.0	-3.3	-2.7
Norway	-0.1	1.3	5.7	4.7	4.4	4.2	7.5	10.2	5.8	4.7	2.6	1.4	2.5	-0.2	-2.3	-2.1	-0.2	1.4	2.7
Portugal	-7.0	-6.3	5.6	-10.8	-7.7	-10.3	-7.1	-7.5	-6.5	-5.6	-3.6	-2.3	-5.5	-6.5	-3.3	-7.1	-5.7	-5.4	-5.0
Spain	-2.0	-1.8	-2.2	-3.7	-5.4	-4.6	-5.2	-6.9	-6.0	-3.1	-3.3	-2.8	-4.1	-4.9	-4.2	-7.5	-6.6	-6.2	-5.5
Sweden	-0.5	-2.9	-4.0	-5.3	-7.0	-5.0	-2.9	-3.8	-1.2	4.2	3.5	5.4	4.2	-1.1	-7.5	-13.4	-10.4	-9.2	-6.4
Total of above smaller countries	-2.6	-2.9	-2.4	-4.6	-5.2	-5.4	-4.5	-4.7	-4.1	-2.7	-2.3	-2.1	-2.7	-4.0	-4.7	-6.4	-5.6	-4.9	-3.9
Total of above European countries	-4.0	-3.7	-3.3	-5.0	-5.2	-5.0	-4.8	-4.7	-4.3	-3.7	-3.2	-2.5	-3.6	-4.4	-5.2	-6.5	-5.7	-4.8	-4.0
Total of above OECD countries	-2.6	-2.2	-2.7	-3.0	-4.2	-4.5	-3.6	-3.5	-3.4	-2.5	-1.9	-1.2	-2.1	-2.8	-3.8	-4.5	-3.9	-3.4	-3.1
General government financial balances excluding social security																			
United States[a,d,e]	0.3	0.5	-1.2	-0.8	-3.3	-4.1	-3.0	-3.4	-3.8	-3.0	-2.9	-2.5	-3.5	-4.2	-5.1	-4.2	-2.9	-2.8	-3.0
Japan[d]	-7.9	-7.3	-7.0	-6.6	-6.3	-6.3	-4.8	-3.9	-3.9	-2.3	-1.6	-0.8	-0.6	-0.8	-2.0	-4.9	-7.0	-7.6	-7.7

a) Excludes deposit insurance outlays.
b) Includes balances of the German Railways Fund from 1994 on and of the Inherited Debt Fund from 1995 on.
c) Includes proceeds of privatisations and sales of other assets (BF 32.2 billion in 1993 and BF 12.7 billion in 1994).
d) OECD Secretariat estimates, derived from fiscal year data converted to a calendar year basis. The coverage of the social security systems is not the same in the United States and Japan.
e) Includes the surplus of state and local government pension schemes.

Clinton Presidential Records
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Divider Title: **3**

mostly

- The budget would be balanced today if we were not still paying interest on the debt accumulated during the Reagan and Bush Presidencies.

  (Source: Barry Anderson analysis; see attached sheet -- **but note Anderson's concerns).**

Ben a night of will run ty

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 27, 1995

MEMORANDUM FOR PAULINE ABERNATHY

FROM: Barry Anderson Barry

SUBJECT: Responsibility for Budget Deficits

Attached are two tables showing Clinton Administration deficits without certain interest payments. Table 1 shows that after deleting the interest used to pay all of the debt incurred during the Reagan/Bush Administrations (including the debt incurred to pay interest on the debt they inherited), the 1995 budget would have a surplus of $13.8 billion. Table 2 is the same as Table 1, except it does not delete interest on Reagan/Bush debt incurred to pay for inherited debt. In this case, deficits are reduced, but balance is not reached by 2000.

I have the following concerns with this approach, especially Table 1:

1. The approach assumes that the President has sole responsibility for deficits. The analysis does not reflect that budgets are largely controlled by Congress, which was mostly in Democratic hands between 1981-1992.

2. Table 1 blames the current deficit in part on interest used to finance debt inherited by Reagan/Bush, which included such things as the New Deal and World War II.

3. Both tables assume that all deficit spending from 1981-92 was bad, even though much of it was for Democratic initiatives.

Given the potential problems with this analysis, I do not recommend using this information. I understand that it has been previously used by the President and others in the Administration. Nevertheless, the Administration's critics may highlight the flaws in the information if it is used again in the future.

Attachments

cc: Alice Rivlin
Jack Lew
Joe Minarik
Larry Haas
Jill Blickstein

27-[illegible]95
10:06 AM

Table 2.--Clinton Administration Deficits, Adjusted for Interest on Debt Incurred During Reagan-Bush Administrations for Purposes other than Paying Interest on their Inherited Debt (Policy)

(Billions of Dollars)

Fiscal Year	Debt held by the public (end of fiscal year)			Net interest on the public debt			Deficits	
	Total	incurred before 1982 and during current Administration (see note 1)	incurred during previous Reagan-Bush Administrations (see note 1)	Total (see note 2)	on debt incurred before 1982 and during current Administration (see note 3)	on debt incurred during previous Reagan-Bush Administrations (see note 3)	Unadjusted Deficit	Deficit Adjusted for inherited debt costs (see note 4)
1981	784.8							
1993	3,247.2							
1994	3,432.2	2,335.9	1,096.3	210.6	146.3	64.3	203.4	139.1
1995	3,598.0	2,427.3	1,170.7	240.2	165.8	74.4	163.8	89.4
1996	3,793.3	2,542.8	1,250.5	254.2	174.4	79.8	162.8	83.0
1997	4,006.7	2,672.6	1,334.1	263.6	180.0	83.6	179.1	95.5
1998	4,207.1	2,784.9	1,422.2	273.4	185.3	88.1	160.9	72.8
1999	4,392.9	2,877.9	1,515.0	282.1	189.3	92.8	145.6	52.8
2000	4,560.8	2,948.9	1,611.9	287.3	190.3	96.9	125.4	28.5

Sources: Mid-Session Review of the 1996 Budget and the final Monthly Treasury Statement for FY 1995

1. Debt incurred during fiscal years 1982 through 1993 was $2,462 billion, of which $1,430 was accumulated interest on debt incurred before FY 1982, leaving $1,032 attributable to the Reagan-Bush years. Because the interest paid on this debt requires further borrowing, the debt grows by the amount of these interest costs. The remaining debt is by subtraction.
2. These are gross interest on the public debt, less interest paid to trust funds. It is close to interest on debt held by the public.
3. Interest on debt incurred during 1982-1993 is estimated from the effective rate on the debt held by the public, compounded semiannually. Interest costs on pre-1982 debt and debt incurred during the current administration are by subtraction.
4. The adjusted deficit is the total deficit, less the interest on debt incurred during 1982-1993.
5. Year-to-year changes in debt outstanding differ from deficits because of means of financing other than borrowing.

Table 1.--Clinton Administration Deficits, Adjusted for Interest on All Debt Incurred during Reagan-Bush Administrations
(Policy)
(Billions of Dollars)

Fiscal Year	Debt held by the public (end of fiscal year): Total	Debt held by the public: incurred before 1982 and during current Administration (see note 1)	Debt held by the public: incurred during previous Reagan-Bush Administrations (see note 1)	Net interest on the public debt: Total (see note 2)	Net interest: on debt incurred before 1982 and during current Administration (see note 3)	Net interest: on debt incurred during previous Reagan-Bush Administrations (see note 3)	Deficits: Unadjusted Deficit	Deficits: Deficit Adjusted for inherited debt costs (see note 4)
1981	784.8	[redacted]						
1993	3,247.2							
1994	3,432.2	816.4	2,615.8	210.6	57.2	153.4	203.4	50.0
1995	3,598.0	804.6	2,793.4	240.2	62.7	177.6	163.8	-13.8
1996	3,793.3	809.6	2,983.7	254.2	63.9	190.3	162.8	-27.5
1997	4,006.7	823.5	3,183.2	263.6	64.1	199.5	179.1	-20.4
1998	4,207.1	813.7	3,393.4	273.4	63.2	210.2	160.9	-49.3
1999	4,392.9	778.1	3,614.8	282.1	60.7	221.4	145.6	-75.8
2000	4,560.8	714.7	3,846.1	287.3	56.0	231.3	125.4	-105.9

Sources: Mid-Session Review of the 1996 Budget and the final Monthly Treasury Statement for FY 1995

1. Debt incurred during fiscal years 1982 through 1993 was $2,462 billion. Because the interest paid on this debt requires further borrowing, the debt grows by the amount of these interest costs. The remaining debt is by subtraction.

2. These are gross interest on the public debt, less interest paid to trust funds. It is close to interest on debt held by the public.

3. Interest on debt incurred during 1982-1993 is estimated from the effective rate on the debt held by the public, compounded semiannually. Interest costs on pre-1982 debt and debt incurred during the current administration are by subtraction.

4. The adjusted deficit is the total deficit, less the interest on debt incurred during 1982-1993.

5. Year-to-year changes in debt outstanding differ from deficits because of means of financing other than borrowing.

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Divider Title: **4**

- The deficit will be more than $1 trillion less over seven years because of the Clinton deficit plan.

  (Source: Barry Anderson; see attached sheet -- but this needs confirmation).

DEFICIT REDUCTION HAS EXCEEDED CLINTON PROJECTIONS
(Fiscal Years; Billions of Current Dollars)

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY94-98	FY94-00
February 1993 Baseline	319.2	301.3	295.9	297.0	346.3	389.7	428.0	476.0	526.0		
April 1993 Baseline	309.7	305.3	301.8	298.0	347.1	387.7	428.0	476.0	526.0		
February 1993 Plan	331.9	262.5	241.7	205.3	206.5	241.4	265.0	N.A.	N.A.		
September 1993 Estimate	285.3	259.4	200.4	179.0	184.3	181.0	N.A.	N.A.	N.A.		
February 1994 Estimate	254.7	234.8	176.1	173.1	180.8	187.4	201.2	N.A.			
July 1994 Estimate	254.7	203.4	167.1	179.2	190.0	191.8	207.4	N.A.			
February 1995 Estimate	254.7	203.4	192.5	196.7	213.1	196.4	197.4	194.4			
July 1995 Estimate	254.7	203.4	160	163	179	161	146	125	91		
July Deficit Reduction (from April 1993 Baseline)	55.0	101.9	141.8	135.0	168.1	226.7	282.0	351.0	435.0	773.5	1,406.5
February Deficit Reduction (from April 1993 Baseline)	55.0	101.9	109.3	101.3	134.0	191.3	230.6	281.6	526.0	637.8	1,150.0

Source: Barry Andersen 10/95

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Divider Title: **5**

CONSUMER SENTIMENT

- Consumers have been more optimistic about their future economic prospects under President Clinton than during any other Administration since Lyndon B. Johnson was President.

(Source: Survey Research Center of the University of Michigan; Orszag analysis and my confirmation; see attached summary sheet)

AVERAGE CONSUMER SENTIMENT DURING ADMINISTRATION

Johnson	96.0
Nixon	80.8
Ford	75.8
Carter	74.3
Reagan	87.0
Bush	82.4
Clinton (- 11/95)	89.1

(Source: Based on data from Survey Research Center of the University of Michigan)

What other ways to slice

92.2 is best year since?

Possible addition:

- Consumer sentiment has increased 19% between 1992 and 1995. (this needs verification).

AVERAGE CONSUMER SENTIMENT
(Average over year)

	5 YRS AGO (1990)	**3 YRS AGO (1992)**	**LAST YR 1995**
Average Sentiment	81.6	77.3	92.2

(Source: Survey Research Center of the University of Michigan; staff analysis -- **verify before using**).

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Divider Title: **6**

- Consumer Sentiment in January 1995 was the highest in six years.

(Source: Survey Research Center of the University of Michigan; see attached sheet).

upd 12/22/95

		U MICH (NOT SEAS ADJ) (1966QI=100)				CONF BOARD (SEAS ADJ) (1985=100)	
		Consumer Senti-ment	point chg	Consumer Expecta-tions 1/	point chg	Consumer Confid-ence	point chg
JAN 91	9101	66.8	1.3	55.2	1.5	55.1	-6.1
FEB 91	9102	70.4	3.6	62.0	6.8	59.4	4.3
MAR 91	9103	87.7	17.3	84.5	22.5	81.1	21.7
APR 91	9104	81.8	-5.9	74.7	-9.8	79.4	-1.7
MAY 91	9105	78.3	-3.5	71.5	-3.2	76.4	-3.0
JUN 91	9106	82.1	3.8	75.9	4.4	78.0	1.6
JUL 91	9107	82.9	0.8	74.4	-1.5	77.7	-0.3
AUG 91	9108	82.0	-0.9	75.3	0.9	76.1	-1.6
SEP 91	9109	83.0	1.0	76.4	1.1	72.9	-3.2
OCT 91	9110	78.3	-4.7	70.5	-5.9	60.1	-12.8
NOV 91	9111	69.1	-9.2	61.9	-8.6	52.7	-7.4
DEC 91	9112	68.2	-0.9	61.5	-0.4	52.5	-0.2
JAN 92	9201	67.5	-0.7	59.1	-2.4	50.2	-2.3
FEB 92	9202	68.8	1.3	61.8	2.7	47.3	-2.9
MAR 92	9203	76.0	7.2	70.3	8.5	56.5	9.2
APR 92	9204	77.2	1.2	70.5	0.2	65.1	8.6
MAY 92	9205	79.2	2.0	71.2	0.7	71.9	6.8
JUN 92	9206	80.4	1.2	70.7	-0.5	72.6	0.7
JUL 92	9207	76.6	-3.8	67.6	-3.1	61.2	-11.4
AUG 92	9208	76.1	-0.5	69.5	1.9	59.0	-2.2
SEP 92	9209	75.6	-0.5	67.4	-2.1	57.3	-1.7
OCT 92	9210	73.3	-2.3	67.5	0.1	54.6	-2.7
NOV 92	9211	85.3	12.0	78.2	10.7	65.6	11.0
DEC 92	9212	91.0	5.7	89.5	11.3	78.1	12.5
JAN 93	9301	89.3	-1.7	83.4	-6.1	76.7	-1.4
FEB 93	9302	86.6	-2.7	80.6	-2.8	68.5	-8.2
MAR 93	9303	85.9	-0.7	75.8	-4.8	63.2	-5.3
APR 93	9304	85.6	-0.3	76.4	0.6	67.6	4.4
MAY 93	9305	80.3	-5.3	68.5	-7.9	61.9	-5.7
JUN 93	9306	81.5	1.2	70.4	1.9	58.6	-3.3
JUL 93	9307	77.0	-4.5	64.7	-5.7	59.2	0.6
AUG 93	9308	77.3	0.3	65.8	1.1	59.3	0.1
SEP 93	9309	77.9	0.6	66.8	1.0	63.8	4.5
OCT 93	9310	82.7	4.8	72.5	5.7	60.5	-3.3
NOV 93	9311	81.2	-1.5	70.3	-2.2	71.9	11.4
DEC 93	9312	88.2	7.0	78.8	8.5	79.8	7.9
JAN 94	9401	94.3	6.1	86.4	7.6	82.6	2.8
FEB 94	9402	93.2	-1.1	83.5	-2.9	79.9	-2.7
MAR 94	9403	91.5	-1.7	85.1	1.6	86.7	6.8
APR 94	9404	92.6	1.1	82.6	-2.5	92.1	5.4
MAY 94	9405	92.8	0.2	84.2	1.6	88.9	-3.2
JUN 94	9406	91.2	-1.6	82.7	-1.5	92.5	3.6
JUL 94	9407	89.0	-2.2	78.5	-4.2	91.3	-1.2
AUG 94	9408	91.7	2.7	80.8	2.3	90.4	-0.9
SEP 94	9409	91.5	-0.2	83.5	2.7	89.5	-0.9
OCT 94	9410	92.7	1.2	85.1	1.6	89.1	-0.4
NOV 94	9411	91.6	-1.1	84.8	-0.3	100.4	11.3
DEC 94	9412	95.1	3.5	88.8	4.0	103.4	3.0
JAN 95	> 9501	97.6	2.5	88.4	-0.4	101.4	-2.0
FEB 95	9502	95.1	-2.5	85.9	-2.5	99.4	-2.0
MAR 95	9503	90.3	-4.8	79.8	-6.1	100.2	0.8
APR 95	< 9504	92.5	2.2	83.8	4.0	104.6	4.4
MAY 95	9505	89.8	-2.7	80.1	-3.7	102.0	-2.6
JUN 95	9506	92.7	2.9	84.1	4.0	94.6	-7.4
JUL 95	9507	94.4	1.7	87.4	3.3	101.4	6.8
AUG 95	9508	96.2	1.8	86.1	-1.3	102.4	1.0
SEP 95	9509	88.9	-7.3	78.8	-7.3	97.3	-5.1
OCT 95	9510	90.2	1.3	80.8	2.0	96.3	-1.0
NOV 95	9511 *	88.2	-2.0	79.7	-1.1	101.4	5.1
DEC 95	9512 *	91.0	2.8	83.7	4.0		

> UMich 1/95 (97.6) highest since 1/89 (97.9).
< ConfBd 4/95 (104.6) highest since 5/90 (107.3).

*Dec UMich data received 12/22/95; NOT FOR PUBLIC RELEASE until 1/31/96.
*Nov UMich data received 11/22/95; NOT FOR PUBLIC RELEASE until 12/29/95.
*Nov ConfBd data for release 11/28/95.

1/ A subset of Consumer Sentiment and part of Leading Indicators index.

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Divider Title: 7

INTEREST RATES

- Mortgage rates have remained low, averaging 7.9% during the Clinton Administration -- compared to 9.5% during the Bush Administration and 12.9% during the Reagan years.

  (Source: Federal Home Loan Mortgage Corp.; CEA analysis)

- The average 30-year Treasury rate has been lower during the Clinton Administration than under any Administration in history. (NOTE: The 30-year bond was created in 1978).

  (Source: Federal Reserve; CEA analysis)

— Check:

- Compare mortgage rate avg. under Clinton to all other administrations (as far back as possible)

INTEREST RATES
Monthly Average and
Average over Administration

	/MONTHLY AVERAGE \				Clinton	Bush	Reagan
	1/91	1/93	1/95	12/95	1/93-12/95	1/89-1/93	1/81-1/96
Mortgage	9.6	8.0	9.2	7.2	**7.9**	**9.5**	**12.9**
3-Year T-note	7.3	4.8	7.7	5.4	**5.6**	**7.2**	**10.3**
30-Year T-bill	8.3	7.3	7.9	6.1	**7.0**	**8.2**	**10.7**

(Source: Federal Home Loan Mortgage Corp., Federal Reserve; CEA analysis; staff analysis -- **verify before using**)

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Divider Title: **8**

UNEMPLOYMENT

- The unemployment rate is at 5.6%, down from over 7% at the start of the Administration.

- For fifteen straight months, the unemployment rate has remained below 6%.

- The number of unemployed has fallen by 1.6 million since the President took office, a drop of 18%.

(Source: U.S. Department of Labor; Bureau of Labor Statistics; Labor Department analysis; see attached fact sheet)

How long since 15 str8 months? Nothing here...

36 months straight between 11/87 and 10/90 - under 6%

THOUGHTS ON THE NOVEMBER EMPLOYMENT SITUATION

The November employment situation shows a gain of 166 thousand net payroll jobs in November an increase of 174 thousand in the private sector. The unemployment rate in November was 5.6 percent.

TOTAL EMPLOYMENT GROWTH:

MORE THAN 7 MILLION NEW JOBS SINCE JANUARY 1993. 7.687 million net new jobs over the last 34 months. 92.7 percent of the new jobs have been in the private sector.

1994 was the best year of job growth in a decade.

So far in 1995, 1.540 million net new jobs have been created; 95.0 percent in the private-sector.

Since the President's economic plan was passed in August 1993, employment has expanded by 6.173 million (229 thousand per month), 93.0 percent in the private sector.

3.2 times as many jobs in the first 34 months of the current Administration than in the previous 4 years (7.687 million in 34 months vs.2.431 million in the previous 4 years).

PRIVATE SECTOR EMPLOYMENT GROWTH:

7.127 million net new jobs in the private sector. The number of jobs created in the private sector is 7.127 million since January 1993.

■ **1994 was the best year of private-sector job growth in a decade.**

So far in 1995, 1.463 million net new private-sector jobs have been created.

Since the President's economic plan was passed in August 1993, private-sector employment has increased by 5.742 million (213 thousand per month).

1.9 times as many private sector jobs per month than in the previous two Administration (previous 12 years): 210 thousand vs. 111 thousand per month.

■ **During the current Administration, 92.7 percent of all net new jobs have been created by the private sector--that's higher than the average during any other administration since Warren G. Harding.**

UNEMPLOYMENT RATE:

The unemployment rate in November was 5.6%. The unemployment rate has declined from over 7% in January 1993 to 5.6% in November 1995.

The unemployment rate has fallen from 6.7% in January 1994 to 5.6% last month.

For 15 consecutive months, the unemployment rate has been below 6.0 percent.

The unemployment rate has declined from well over 7% in August 1993 (on a comparable basis)--before the passage of the President's economic plan--to 5.6% now.

There are 1.614 million fewer people unemployed today than were unemployed just 34 months ago--a 17.8% drop in the number of unemployed.

JOB QUALITY:

Since January 1994, 83.8% of the net increase in total employment has been in managerial and professional occupations. Many of these jobs tend to pay relatively high wages, as the median wage in full-time managerial and professional jobs in the third quarter of 1995 was $704 per week – some 47% higher than the median wage paid to all full-time workers.

Manufacturing employment has rebounded since the passage of the economic plan: 232 thousand jobs since the economic plan passed in August 1993.

- **Construction jobs are up 771 thousand since January 1993 -- after losing 665 thousand construction jobs during the previous 4 years.**

More construction jobs in 1994 than in the previous nine years combined!

Auto employment has increased by 79 thousand during the current Administration--after declining by 49 thousand during the previous 4 years.

UNEMPLOYMENT RATE
Average Rate over Time Period

	5 Yrs Ago (1/91)	3 Yrs Ago (1/93)	Last (11/95)	Reag/Bush	Bush	Clint
RATE	6.3%	7.1%	5.6%	7.1%	6.2%	6.2%

(Source: U.S. Bureau of Labor; Bureau of Labor Statistics; my analysis -- verify before using)

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Divider Title: 9

EMPLOYMENT -- GENERAL

- Nearly 7.7 million jobs have been created in less than three years of the Clinton Administration -- 3 times as many new jobs as during the previous four years combined.

- Since the President was inaugurated, the private sector has created 210,000 jobs per month, 8 times more jobs per month than were created under the previous administration (26,900).

- 92.7% of all new jobs during the Clinton Administration have been created by the private sector -- higher than the average during any administration since Harding.

- Jobs have grown at a faster annual rate during the Clinton Administration than during any Republican Administration since the 1920s.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; my analysis based on attached employment data sheet and historical table).

JOBS DATA, in thousands -- December Release, thru November 1995

10:59 AM
08-Jan-96

		total	private sect	manu	construc	autos	
	Nov. 95	117,164	97,868	18,271	5,289	920	
in Administration	Jan 93	109,477	90,741	18,086	4,518	841	
92.7150% in private sector	increase	7,687	7,127	185	771	79	acheived:
months: 34	rate	226	210	5	23	2	goal:
	times Bush rate:	4.464	7.806				% over:
since budget plan	Aug 93	110,991	92,126	18,039	4,696	834	
93.0180% in private sector	increase	6,173	5,742	232	593	86	
months: 27	rate	229	213	9	22	3	
	times Bush rate:	4.514	7.919				
last 12 months	Nov. 94	115,427	96,152	18,439	5,144	924	total number
98.7910% in private sector	increase	1,737	1,716	(168)	145	(4)	
months: 12	rate	145	143	(14)	12	(0)	average mon
	times Bush rate:	2.858	5.325				
Last 6 Months	May 95	116,264	97,015	18,461	5,191	937	
94.7778% in private sector	increase	900	853	(190)	98	(17)	
months: 6	rate	150	142.1667	-31.6667	16.33333	-2.83333	
	times Bush rate:	2.962	5.294				
in 1995	Dec 94	115,624	96,405	18,472	5,166	926	
95.0000% in private sector	increase	1,540	1,463	(201)	123	(6)	
months: 11	rate	140	133	(18)	11	(1)	
	times Bush rate:	2.764	4.953				
last month	Oct. 95	116,998	97,694	18,303	5,285	934	
104.8193% in private sector	increase	166	174	(32)	4	(14)	
months: 1	rate	166	174	-32	4	-14	
	times Bush rate:	3.278	6.479				
Bush Numbers	Jan. 89	107,046	89,452	19484	5183	890	
	Jan. 93	109,477	90,741	18,086	4,518	841	
	Total:	2431	1289	-1398	-665	-49	
months: 48	Monthly:	51	27	(29)	(14)	(1)	

unemp. rate	5.6%	Nov.

JOB GROWTH BY ADMINISTRATION

Now: 117164 2.35%

	TOTAL		Per Year	Total	Per Year	PRIVATE		Per Year	Total	Per Year	% Private
~~Clinton~~	~~109477~~	~~117004~~	~~2.61%~~	~~7527~~	~~2914~~	~~90741~~	~~97706~~	~~2.90%~~	~~6965~~	~~2696~~	~~92.534%~~
Bush	107046	109477	0.56%	2431	608	89452	90741	0.36%	1289	322	53.023%
Reagan	91003	107046	2.05%	16043	2005	74805	89452	2.26%	14647	1831	91.298%
Carter	80517	91003	3.11%	10486	2622	65596	74805	3.34%	9209	2302	87.822%
Ford	78478	80517	1.07%	2039	844	64268	65596	0.85%	1328	550	65.130%
Nixon	69272	78478	2.26%	9206	1649	57218	64268	2.10%	7050	1263	76.580%
Johnson	57126	69272	3.80%	12146	2351	47767	57218	3.56%	9451	1829	77.812%
Kennedy	53534	57126	2.32%	3592	1268	45100	47767	2.05%	2667	941	74.248%
Eisenhower	50045	53534	0.85%	3489	436	43370	45100	0.49%	1730	216	49.584%
Truman	41276	50045	2.52%	8769	1131	35241	43370	2.71%	8129	1049	92.702%
Roosevelt	23699	41276	5.86%	17577	1850	20533	35241	5.70%	14708	1548	83.678%
Hoover	31324	23699	-6.74%	-7625	-1906	28259	20533	-7.67%	-7726	-1932	na
Coolidge	28382	31324	2.50%	2942	736	25775	28259	2.33%	2484	621	84.432%
Harding	24372	28382	7.91%	4010	2005	21844	25775	8.63%	3931	1966	98.030%
Clinton (34 months)	109477	117164	2.35%	7687	2716	90,741	97,868		7127	2518	92.715%

Source: Labor Dept.

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Divider Title: **10**

JOB QUALITY -- MANUFACTURING, AUTOS, CONSTRUCTION

- After losing more than 2.2 million manufacturing jobs over the 12 years prior to the Clinton Administration, the economy has added 232,000 manufacturing jobs since the Clinton budget plan was passed.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; my analysis)

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Divider Title: **11**

- Auto jobs have increased by 79,000 during the Clinton Administration -- after declining by 49,000 during the previous 4 years -- and recently hit their highest level since 1979.

- Construction jobs are up 771,000 since January 1993 -- after declining by 665,000 during the prior 4 years -- and recently hit their highest level in more than 5 years.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; my analysis; see attached sheets)

THOUGHTS ON THE NOVEMBER EMPLOYMENT SITUATION

The November employment situation shows a gain of 166 thousand net payroll jobs in November an increase of 174 thousand in the private sector. The unemployment rate in November was 5.6 percent.

TOTAL EMPLOYMENT GROWTH:

MORE THAN 7 MILLION NEW JOBS SINCE JANUARY 1993. 7.687 million net new jobs over the last 34 months. 92.7 percent of the new jobs have been in the private sector.

1994 was the best year of job growth in a decade.

So far in 1995, 1.540 million net new jobs have been created; 95.0 percent in the private-sector.

Since the President's economic plan was passed in August 1993, employment has expanded by 6.173 million (229 thousand per month), 93.0 percent in the private sector.

3.2 times as many jobs in the first 34 months of the current Administration than in the previous 4 years (7.687 million in 34 months vs.2.431 million in the previous 4 years).

PRIVATE SECTOR EMPLOYMENT GROWTH:

7.127 million net new jobs in the private sector. The number of jobs created in the private sector is 7.127 million since January 1993.

1994 was the best year of private-sector job growth in a decade.

So far in 1995, 1.463 million net new private-sector jobs have been created.

Since the President's economic plan was passed in August 1993, private-sector employment has increased by 5.742 million (213 thousand per month).

1.9 times as many private sector jobs per month than in the previous two Administration (previous 12 years): 210 thousand vs. 111 thousand per month.

During the current Administration, 92.7 percent of all net new jobs have been created by the private sector--that's higher than the average during any other administration since Warren G. Harding.

UNEMPLOYMENT RATE:

The unemployment rate in November was 5.6%. The unemployment rate has declined from over 7% in January 1993 to 5.6% in November 1995.

- The unemployment rate has fallen from 6.7% in January 1994 to 5.6% last month.

For 15 consecutive months, the unemployment rate has been below 6.0 percent.

The unemployment rate has declined from well over 7% in August 1993 (on a comparable basis)--before the passage of the President's economic plan--to 5.6% now.

There are 1.614 million fewer people unemployed today than were unemployed just 34 months ago--a 17.8% drop in the number of unemployed.

JOB QUALITY:

- **Since January 1994, 83.8% of the net increase in total employment has been in managerial and professional occupations. Many of these jobs tend to pay relatively high wages, as the median wage in full-time managerial and professional jobs in the third quarter of 1995 was $704 per week – some 47% higher than the median wage paid to all full-time workers.**

Manufacturing employment has rebounded since the passage of the economic plan: 232 thousand jobs since the economic plan passed in August 1993.

- **Construction jobs are up 771 thousand since January 1993 -- after losing 665 thousand construction jobs during the previous 4 years.**

- **More construction jobs in 1994 than in the previous nine years combined!**

Auto employment has increased by 79 thousand during the current Administration--after declining by 49 thousand during the previous 4 years.

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Divider Title: **12**

- More construction jobs were added in 1994 than in the previous nine years combined.

(Source: U.S. Department of Labor; Bureau of Labor Statisticsl Labor Department analysis; see fact sheet on previous tab)

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Divider Title: **13**

- In 1994 more jobs were created in high wage industries than in the previous 5 years combined.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; Orszag analysis)

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Divider Title: **14**

- Managerial and professional jobs make up more than three-quarters of the net new jobs since January 1994.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; Labor Department analysis; Lisa Lynch signed off on this wording on January 3 or 4, 1995).

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Divider Title: 15

- A recent survey projects a 4.7% increase in the hiring rate for new college graduates during 1995-96 -- the third year in a row surveyed employers predicted an increase. Computer literacy continued to be a much-sought after attribute.

  (Source: Career Services and Placement Department at Michigan State University, cited in WEB, December 15, 1995, attached)

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Divider Title: **17**

INFLATION

- CPI inflation during the Clinton Administration has averaged just 2.6% per year -- that's the lowest it has been for any Administration since John F. Kennedy was President.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; Treasury Analysis).

INFLATION -- CONSUMER PRICE INDEX
(Average over year or over Administration)

	5 Yrs Ago (1990)	3 Yrs Ago (1992)	Past Yr (11/94-11/95)	Reag/Bush	Bush	Clint
CPI	5.4%	3.0%	2.6%	4.2%	4.2%	2.6%

(Source: U.S. Department of Labor, Bureau of Labor Statistics; Treasury Analysis; verify before using).

Where is rest

Nixon? Ford? Johnson?

→ Check inflation numbers —

· Is Clinton avg. 2.6 or 2.7%?

TO: AARON RAPPAPORT

INFLATION RATE BY ADMINISTRATION
(CPI-U)

			Average Annual Rate	
Clinton	142.6	153.6	2.657%	
Bush	121.1	142.6	4.170%	
Reagan	87	121.1	4.220%	
Carter	58.5	87	10.431%	
Ford	50	58.5	~~11.720%~~	6.712%
Nixon	35.6	50	6.273%	
Johnson	30.8	35.6	2.843%	
Kennedy	29.8	30.8	1.172%	
Eisenhower	26.6	29.8	1.430%	
Truman	17.8	26.6	3.380%	
Roosevelt	12.6	17.8	2.901%	
Hoover	17	12.6	-7.214%	
Coolidge	17.1	17	-0.073%	
Harding	18.3	17.1	-2.767%	
Wilson	9.8	18.3	8.119%	

DRAFT.....DRAFT.....DRAFT.....DRAFT.....DRAFT.....DRAFT....

Source: Orszag
(Needs fact-checking)

NEARLY THREE YEARS OF ECONOMIC PROGRESS

	Then	Now
The Deficit Has Been Cut Sharply as a Share of GDP FY-1992 vs. FY-1995	4.9%	2.3%
Economic Growth Has Returned to a Healthy Pace Annual rate of real GDP growth: 1989-92 vs. 1993 to present	1.4%	3.4%
93 Percent of the 7.7 Million New Jobs Have Been in the Private Sector Total payroll job growth: January '89 to January '93 vs. since January '93	2.4 Million (four years)	7.7 Million (thirty-four months)
Eight Times More Private Sector Jobs per Month than in the Previous Four Years Average monthly increase: January '89 to January '93 vs. since January '93	27,000	210,000
Unemployment Has Fallen Civilian unemployment rate: January '93 (old survey basis) vs. November '95	7.1%	5.6%
Inflation Has Fallen to a Near 30-Year Low CPI growth at an annual rate: January '89 to January '93 vs. since January '93	4.2%	2.6%
Misery Index Continues to Fall Unemployment Rate plus Growth in CPI: 1992 vs. 1995 year-to-date	10.3%	8.2%
Consumer Confidence Has Rebounded University of Michigan index: 1992 vs. 1995 year-to-date	77.3	92.2
Mortgage Rates Are Still Low by Historical Standards Average conventional fixed mortgage: February '89 to January '93 vs. since January '93	9.5%	7.9%
Interest-Sensitive Sectors Are Revitalized:		
Housing Starts Average annual rate: February '89 to January '93 vs. since January '93	1.19 Million	1.36 Million
Sales of Cars and Light Trucks Average annual rate: February '89 to January '93 vs. since January '93	13.35 Million	14.55 Million
Industrial Production Is Growing Again Annual rate of growth: January '89 to January '93 vs. since January '93	0.9%	3.8%
Business Investment Has Surged Annual rate of growth in real equipment investment: 1989-1992 vs. 1993 to present	2.1%	17.5%
Business Incorporations Have Reached a New Peak 1992 vs. 1994-1995 to-date at an annual rate	670,000	746,000
Bank Lending Is Strengthening Annual rate of growth in commercial bank loans: January '89 to January '93 vs. since January '93	2.9%	7.4%

January 3, 1996

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Divider Title: **18**

MISERY INDEX

- The Misery Index is at its lowest level since 1968. (The Misery Index is the sum of unemployment and inflation -- lower numbers indicate better performing economies.)
- The Misery index has fallen by nearly two and a half points over the last five years and more than two points over the last three.

(Source: U.S. Department of Labor, Bureau of Labor Statistics; CEA analysis; see attached data sheet with my update)

Update 1995 numbers on next page!

Year	Misery Index	Inflation	Unemploym
1965	6.1	1.6	4.5
1966	6.7	2.9	3.8
1967	6.9	3.1	3.8
1968	7.8	4.2	3.6
1969	9	5.5	3.5
1970	10.6	5.7	4.9
1971	10.3	4.4	5.9
1972	8.8	3.2	5.6
1973	11.1	6.2	4.9
1974	16.6	11	5.6
1975	17.6	9.1	8.5
1976	13.5	5.8	7.7
1977	13.6	6.5	7.1
1978	13.7	7.6	6.1
1979	17.1	11.3	5.8
1980	20.6	13.5	7.1
1981	17.9	10.3	7.6
1982	15.9	6.2	9.7
1983	12.8	3.2	9.6
1984	11.8	4.3	7.5
1985	10.8	3.6	7.2
1986	8.9	1.9	7
1987	9.8	3.6	6.2
1988	9.6	4.1	5.5
1989	10.1	4.8	5.3
1990	10.9	5.4	5.5
1991	10.9	4.2	6.7
1992	10.4	3	7.4
1993	9.8	3	6.8
1994	8.64388696	2.561	6.083333
~~1995~~	~~8.422222~~	~~2.8~~	~~5.622222~~
1995	8.2%	2.6	5.6% (through November releases)

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Divider Title: **19**

ECONOMIC GROWTH:

- The economy has grown an average of 3.5% per year since President Clinton took office -- compared to only 1.4% during the previous 4 years (and 2.3% for the prior 12 years).

(Source: U.S. Department of Commerce; Bureau of Economic Analysis; Treasury Department analysis; see attached sheets for both year-to-year and quarter-to-quarter results).

Year-to-Year Analysis

01-Nov-95

Measures of Growth

		Real GDP		Nonfarm Productivity	
		As Published	Chain Weighted	As Published	Chain Weighted
		GADPC	QAHDPC		
	1980	3776.3	82.000	99.0	0.7918
	1981	3843.1	84.047	99.9	0.8030
	1982	3760.3	82.160	100.0	0.7964
	1983	3906.6	85.292	102.5	0.8230
	1984	4148.5	91.295	104.7	0.8403
	1985	4279.8	94.252	105.6	0.8461
	1986	4404.5	96.974	107.7	0.8674
	1987	4539.9	100.000	108.6	0.8686
	1988	4718.6	103.914	109.6	0.8764
	1989	4838.0	106.623	108.6	0.8757
	1990	4897.3	107.941	109.1	0.8802
	1991	4867.6	107.161	110.7	0.8908
	1992	4979.3	109.413	113.7	0.9137
	1993	5134.5	112.151	115.2	0.9178
	1994	5344.0	116.150	117.4	0.9248
	1995	5500.8	118.752	120.0	0.9344
		Growth at an Annual Rate			
Reagan	80-88	2.8	3.0	1.3	1.3
Bush	88-92	1.4	1.3	0.9	1.0
Reag/Bsh	80-92	2.3	2.4	1.2	1.2
Clinton	92-95:3*	3.5	2.9	2.0	0.8

* thru 1995:2 for productivity

ANNUAL GROWTH RATES:

	1990	1991	1992	1993	1994	1995 (3Q)
Rate	1.2%	-.6%	2.3%	3.1%	4.1%	2.7%

(Source: U.S. Department of Commerce; Bureau of Economic Analysis; 1995 growth rate is the annualized rate of the first three quarters -- **verify before using**)

ADMINISTRATION GROWTH RATE (YEAR-TO-YEAR)

	Clinton (92-95/3Q)	**Bush (88-92)**	**Reagan (80-88)**	**Bush/Reagan (80-92)**
Growth (published)	3.5%	1.4	2.8	2.3
Growth (chain-weighted)	2.9%	1.3	3.0	2.4

(Source: U.S. Department of Commerce; Bureau of Economic Analysis; Treasury Department analysis)