

FOIA MARKER

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Subgroup/Office of Origin: National Economic Council
Series/Staff Member: Gene Sperling
Subseries:

OA/ID Number: 9251
FolderID:

Folder Title:
State of the Union Statistics [January 23, 1996] [binder] [2]

Stack:	Row:	Section:	Shelf:	Position:
S	16	3	3	3

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This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: _____

- The United States has had the highest rate of growth of any major economy in 1995, and the highest rate of growth of any major economy over the period since 1992.

(Source: CEA; see attached sheet).

Get CEA
back-up

⊗ Get back-up from CEA.

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 Report¹,

"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.

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STOCK MARKET

- In real terms, the market has grown faster under President Clinton than under any President in at least 40 years.

(Source: Treasury Department analysis; see attached sheet)

Annualized Growth of the Dow Jones Industrials Over Presidencies

President	Time Period	Monthly Average of Dow Jones Industrial Average		Real Annualized Percent Growth *
		Beginning	End	
Truman II	January, 1949 to January, 1953	179.75	288.44	9.7
Eisenhower	January, 1953 to January, 1961	288.44	632.20	8.8
Kennedy	January, 1961 to November, 1963	632.20	743.24	4.7
Johnson	November, 1963 to January, 1969	743.24	934.99	1.6
Nixon	January, 1969 to August, 1974	934.99	651.28	-14.4
Ford	August, 1974 to January, 1977	651.28	970.62	11.3
Carler	January, 1977 to January, 1981	970.62	962.13	-9.6
Reagan	January, 1981 to January, 1989	962.13	2234.68	6.6
Bush	January, 1989 to January, 1993	2234.68	3277.72	5.7
Clinton	January, 1993 to December, 1995	3277.72	5136.10	13.7
* Deflated by CPI-U 1982-84=100, December 1995 CPI Estimated				

Office of Economic Policy
05-Jan-96

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- The stock market has increased by more than 50% from the start of the Clinton Administration through the end of 1995.

(Source: Nexis/Lexis. See attached sheet)

STOCK MARKET CLOSING PRICES
Dow Jones Industrials

	<u>1/20/81</u>	<u>1/20/89</u>	<u>1/20/91</u>	<u>1/20/93</u>	<u>1/20/95</u>	<u>12/31/95</u>
Dow	950.68	2,235.36	2646.78	3,241.95	3869.43	5,117.12

(Source: Lexis/Nexis)

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POVERTY

- Between 1993 and 1994, the poverty rate dropped from 15.1 percent to 14.5 percent -- resulting in 1.2 million fewer poor people.

(Source: U. S. Department of Commerce, Bureau of Census; see attached)

- There was a significant decrease in both the poverty rate -- from 12.3% to 11.6% -- and the number of poor families -- from 8.39 million to 8.05 million -- between 1993 and 1994.

(Source: U.S. Department of Commerce, Bureau of Census; see attached press released)

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, DC 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

BUREAU OF THE
CENSUS

EMBARGOED UNTIL: OCT. 5, 1995 (THURSDAY) 10:30 a.m.

Public Information Office
301-457-3030
301-457-5668 (TDD)

CB95-185

Income, Poverty and Labor Force
301-763-8576

CENSUS BUREAU RELEASES INFORMATION ON INCOME, POVERTY,
AND HEALTH INSURANCE COVERAGE IN 1994

EMBARGOED UNTIL: OCT. 5, 1995 (THURSDAY) 10:30 a.m. - The number of Americans living below the poverty level dropped between 1993 and 1994 after four straight years of increases, while median household income after adjusting for inflation did not change significantly. This is according to excerpts from a Commerce Department's Census Bureau report entitled, Income, Poverty, and Valuation of Noncash Benefits: 1994 (P60-189) that will be published later this year.

"There were 38.1 million Americans in poverty in 1994 or 1.2 million fewer than in 1993," according to Dr. Daniel Weinberg, chief of the Census Bureau's Housing and Household Economic Statistics Division. "Also, in 1994, 14.5 percent of the population was poor, a rate that was significantly lower than the 15.1 percent from the previous year."

The real median income of households in 1994 was \$32,264, virtually unchanged from 1993 levels. Although the most recent recessionary period ended in March 1991, household income in 1994 has not yet recovered to its 1989 pre-recessionary peak of \$34,445.

On the health care front, preliminary estimates show that the number of persons without health insurance coverage in 1994 was 39.7 million, or 15.2 percent of the total population. The majority of the nation's population (70.3 percent) was covered by a private insurance plan for some or all of 1994. The remaining insured persons had Government coverage which included Medicaid (12.1 percent or 31.6 million), Medicare (12.9 percent or 33.9 million), and military health care coverage (4.3 percent or 11.2 million).

(more)

-2-

EMBARGOED UNTIL: OCT. 5, 1995 (THURSDAY) 10:30 a.m.

In addition to the official income and poverty data released today, the Census Bureau also released income and poverty estimates based upon 18 other definitions of income. Using these alternative definitions of income, the poverty rate ranges from 8.7 percentage points above the official definition (14.5 percent) to 4.1 percentage points below it, resulting in poverty rates of between 23.2 and 10.4 percent.

Other highlights on poverty, income, and health insurance coverage follow:

Poverty

- While the poverty rate for persons under 18 remained higher than that of other age groups, there was a significant decline in their level of poverty between 1993 (22.7 percent) and 1994 (21.8 percent).
- There was a significant decrease in both the poverty rate (from 12.3 percent to 11.6 percent) and the number of poor families in the U.S. (from 8,393,000 to 8,053,000) between 1993 and 1994.
- Poverty rates dropped between 1993 and 1994 for Whites (from 12.2 percent to 11.7 percent) and African Americans (from 33.1 percent to 30.6 percent) but showed no change for persons of Hispanic origin (30.7 percent) or Asians and Pacific Islanders (14.6 percent). The differences between the poverty rates of African Americans and persons of Hispanic origin were not statistically significant.
- While the number of poor African Americans dropped significantly between 1993 and 1994 (from 10.9 million to 10.2 million), the number of poor Hispanics showed a significant increase (from 8.1 million to 8.4 million). The number of poor Whites (25.4 million) and poor Asians and Pacific Islanders (974,000) showed no change.
- In 1994, 40.8 percent of poor persons aged 16 and over worked, and 10.5 percent worked year round, full-time. The number of poor persons in these categories remained unchanged between 1993 and 1994.
- The South was the only region with a statistically significant decline in its poverty rate, from 17.1 percent in 1993 to 16.1 percent in 1994. Unlike previous years in which the South had the highest regional poverty rate, the West, with a poverty rate of 15.3 percent in 1994, was not significantly different from the South.

(more)

-3-

EMBARGOED UNTIL: OCT. 5, 1995 (THURSDAY) 10:30 a.m.

- Based on a three-year average covering 1992 to 1994, the poverty rate for Louisiana (25.5 percent), although not statistically different from that in Mississippi and the District of Columbia, was higher than the rate in the other 48 states. Because different samples could have led to different poverty estimates and rank, we advise strongly against using state estimates to rank the states.
- None of the states showed an increase in their poverty rates between 1993 and 1994. However, based on comparisons of two-year moving averages (1992-93 versus 1993-94), Illinois, Maine, and South Carolina showed a decrease in their poverty rates.

Income

- Family households experienced an increase of 2.5 percent (from \$38,444 to \$39,390) in real median income between 1993 and 1994, while nonfamily households experienced a decline of 2.1 percent (from \$19,363 to \$18,947).
- Between 1993 and 1994, married-couple family households experienced a 1.8 percent increase (from \$44,233 to \$45,041) in real median income, the first significant annual increase since 1989.
- Family households maintained by women with no husband present experienced a 4.5 percent increase (from \$19,020 to \$19,872) in real income between 1993 and 1994, the first significant annual increase since 1987.
- Households in the South experienced a 2.9 percent increase (from \$29,169 to \$30,021) in median household income, in real terms, between 1993 and 1994. Southern households had not experienced a significant annual increase in median household income since 1986. The median household incomes of the other three regions did not change significantly between 1993 and 1994.
- African American households were the only race or ethnic group to experience an increase in real median income between 1993 and 1994. Their median rose from \$20,032 to \$21,027, an increase of 5.0 percent, the first significant annual increase in income since 1989.
- For the second consecutive year, the real median earnings of male year-round, full-time workers declined, going from \$31,186 in 1993, to \$30,854 in 1994, a drop of 1.1 percent. The median for

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WAGES AND INCOME

- In 1994--the first year following the Clinton Economic Plan--every family income group, from the richest to the poorest, experienced a real increase in their incomes.

(Source: U.S. Department of Commerce, Bureau of Census; Orszag analysis; see CBPP chart attached)

how does
this compare to
Nichi's
from both
you-part chart

Jon -

. give Gene key points on this.

- ① 79-94 still growing apart, just slightly less
- ② '94 is better than '88 b/c bottom grew more in '94 compared to top.

AVERAGE HOUSEHOLD INCOME, BY QUINTILES
(in 1994 CPI-X dollars)

Year	LOWEST fifth	SECOND fifth	MIDDLE fifth	FOURTH fifth	HIGHEST fifth	TOP 5%
1994	\$7,762	\$19,224	\$32,385	\$50,395	\$105,945	\$183,044
1993	7,602	19,134	32,073	49,843	103,846	178,234
1992r	7,698	19,205	32,356	49,669	96,240	152,751
1991	7,903	19,748	32,803	50,006	95,895	149,649
1990	8,158	20,444	33,769	50,913	98,804	157,335
1989	8,391	20,797	34,570	52,292	102,221	165,153
1988r	8,099	20,441	34,189	51,681	98,665	155,610
1987rr	8,000	20,331	33,991	51,378	97,709	153,940
1986	7,808	20,084	33,609	50,630	95,831	150,126
1985	7,732	19,595	32,525	48,925	91,390	140,975
1984	7,754	19,313	32,005	48,189	88,608	133,757
1983r	7,519	18,887	31,226	46,859	86,032	129,986
1982	7,426	18,790	31,103	46,258	84,841	128,198
1981	7,570	18,856	31,237	46,564	83,176	123,600
1980	7,761	19,316	31,875	46,959	83,728	125,122
1979r	8,023	19,955	32,900	48,281	86,647	132,146
1978	8,091	19,870	32,808	48,061	85,805	130,605
1977	7,820	19,250	31,842	46,655	83,198	127,276
1976	7,864	19,254	31,663	45,982	81,383	123,999
1975	7,671	18,844	30,916	44,924	79,316	120,364
1974	7,947	19,751	31,830	45,971	81,447	123,800
1973	7,981	19,988	32,661	46,953	83,271	126,903
1972	7,620	19,687	32,127	46,119	82,798	128,330
1971	7,193	19,012	30,826	43,824	77,652	119,100
1970	7,148	19,359	31,176	43,947	77,810	119,432
1969	7,263	19,620	31,351	43,911	77,184	118,808
1968	7,099	19,034	30,186	42,113	73,754	114,189
1967	6,532	18,098	28,897	40,430	73,267	116,784

Change:

1989/94*	-7.5%	-7.6%	-6.3%	-3.6%	3.6%	10.8%
1989/94*	(\$629)	(\$1,573)	(\$2,185)	(\$1,897)	\$3,724	\$17,891

Source: U.S. Bureau of the Census

*Part of the large jump in incomes for the top five percent of households and the top twenty percent of households from 1992 to 1993 reflects a change in Census methodology. As a result, a portion of the increase between 1989 and 1994 for these two income groups also reflects the methodological change.

INCOME.WB1: AVGINC_7

Source: Carter

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- ^{Families} Family households ^d experience an increase of 2.5% in real median income between 1993 and 1994 (while non-family households experienced a decline of 2.1%)
- Median family income of ^{Asian Am} black families increased by 5% between 1993 and 1994, the first significant annual increase in income since 1989. ^{in 5 years}
- ¹⁰ Married-couple family households experienced a 1.8% increase between 1993 and 1994, the first significant annual increase since 1989. ^{in 5 years}

(Source: U.S. Department of Commerce, Bureau of Census; see attached press release)

-3-

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UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, DC 20230

ECONOMICS
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BUREAU OF THE
CENSUS

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Public Information Office
301-457-3030
301-457-5668 (TDD)

CB95-185

Income, Poverty and Labor Force
301-763-8576

CENSUS BUREAU RELEASES INFORMATION ON INCOME, POVERTY, AND HEALTH INSURANCE COVERAGE IN 1994

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The real median income of households in 1994 was \$32,264, virtually unchanged from 1993 levels. Although the most recent recessionary period ended in March 1991, household income in 1994 has not yet recovered to its 1989 pre-recessionary peak of \$34,445.

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MINIMUM WAGE

- Nearly 11 million hourly workers would directly benefit from a minimum wage increase from \$4.25 to \$5.15 per hour.

(Source: Bureau of Labor Statistics; Bureau of the Census, Current Population Survey; Labor Department analysis; see attached material)

- 39% of those workers directly affected by an increase in the minimum wage from \$4.25 to \$5.15 are the sole breadwinners of their family.

(Source: Bureau of the Census, Current Population Survey; analysis by Economic Policy Institute; see attached material)

Add:

Aug. minimum wage worker brings home
half of his or her family's earnings.

Wages and the American Workforce - 1995

[Unless otherwise noted, all earnings and income data are adjusted for inflation. All earnings data are before taxes, while income data are before taxes and take all cash benefits and other cash transfer payments into account. The most current data available are used. Due to a redesign of the Current Population Survey, data from this survey in 1994 and 1995 are not directly comparable to data from the years prior to 1994.]

From the third quarter of 1994 to the third quarter of 1995, productivity--output per hour--grew 3.4 percent in the nonfarm business sector.

Source: Bureau of Labor Statistics, Office of Productivity and Technology

The after-tax profit rate in the first quarter of 1995 (7.2 percent) was at its highest level in 25 years.

Source: Based on data from the Bureau of Economic Analysis, National Income and Product Accounts. Analysis by the Economic Policy Institute.

The Employment Cost index for private industry workers rose just 2.6 percent over the twelve months ending in September 1995. This is the smallest 12-month gain since the data were collected (beginning in 1981).

Source: Bureau of Labor Statistics

The median full-time worker now earns \$479 per week. This is one percent more than a year ago, but still 2.0 less than in 1979. The median female full-time worker now earns \$405, up 8.7 percent from 1979. The median male full-time worker now earns \$536, down 9.2 percent from 1979.

Source: Bureau of Labor Statistics, Current Population Survey. Data refer to third quarter both periods.

Between 1979 and 1994, average household income in the United States grew 10.1 percent from \$39,161 to \$43,133 (in 1994 dollars).

Source: Bureau of the Census, Current Population Survey.

97% of the gains in the average household income between 1979 and 1994 went to the richest fifth of households.

Source: Based on data from the Bureau of the Census, Current Population Survey.

The average annual income of the top 20 percent of families was \$115,608 and the average annual income of the bottom 20 percent of families was \$10,387 in 1994.

Source: Bureau of the Census, Current Population Survey.

In 1993, 1.6 million families (3.4 percent) with at least one year-round full-time worker were in poverty, for a family of four the poverty line was \$14,763. In 1987, 1.2 million working families (2.7 percent) were in poverty.

Source: Bureau of the Census, Current Population Survey.

In 1979 the average full-time male(female) worker with a college degree earned 49(44) percent more than the average full time male(female) worker with only a high school degree. In 1994 the gap widened to 96(84) percent.

Source: Bureau of the Census, Current Population Survey.

A study for the Organization for Economic Cooperation and Development concluded that the gap in incomes between the incomes of the rich and poor is wider in the United States than in 15 other industrial countries. The study used data from various years in the 1980s.

Source: Income Distribution in OECD Countries, Social Policy Studies no. 18, OECD, Paris, Oct. 1995

Nearly 11 million hourly workers would directly benefit from a minimum wage increase from \$4.25 to \$5.15 per hour.

Source: Based on data from the Bureau of Labor Statistics, Current Population Survey

39 percent of those workers directly affected by an increase in the minimum wage from \$4.25 to \$5.15 are the sole breadwinner in their family

Source: Based on data from the Current Population Survey. Analysis by Economic Policy Institute.

In 1994, the Earned Income Tax Credit brought 2.1 million Americans and their families out of poverty.

Source: Bureau of the Census, Current Population Survey, using alternative measure of the poverty rate incorporating taxes paid and any capital gains(losses)

MEMORANDUM TO GENE SPERLING

FROM: Lisa Lynch, Chief Economist, DOL

DATE: Dec. 4, 1995

RE: Updated "fact pack on wages"

Here is an updated version of our fact pack on wages that I thought you might be interested in, if you hadn't already gotten a copy. Let me know if you have any questions on this.

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SMALL BUSINESSES

- There have been about 2 million new small businesses formed since the start of the Clinton Administration, a record rate of business formation.

Source: Small Business Administration (verification needed)

get this

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Divider Title: _____

COMPETITIVENESS -- U.S. DECLARED WORLD LEADER AGAIN:

- The World Economic Forum has declared the U.S. to have the world's most competitive economy. This is the second consecutive year that the U.S. has been selected for this honor.

(Source: World Economic Forum, "The World Competitiveness Report 1995")

EXECUTIVE SUMMARY

by Professor Stéphane Garelli
and
Madeleine Linard de Guertechin

THE US FORGES AHEAD, JAPAN SLIPS AWAY, AND EUROPE DIVERGES!

The world of competitiveness is changing very quickly. In 1994, after a very long time, the US regained the top rank in the World Competitiveness Report, a place occupied by Japan for nine years. This year, in 1995, the gap is widening even more between the US, which is still in the lead, and Japan, now in 4th position and continuing to slide...

Two winners are ahead of the pack

The US and Singapore are not only ahead of every other nation this year, but they are also increasing their lead in competitiveness.

The US ranks first in *Domestic Economic Strength*, *Internationali-*

sation and Management, a unique position which reflects the US's ability to thrive on 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*. On the other hand, the devaluation of the dollar continues to increase the attractiveness of the US as a location for both investment and procurement activities. Some weaker points do remain, however: *Government* (6th position) and especially *People* (9th position). The question that arises is: how high will the social cost of such a remarkable comeback be?

Singapore continues its outstanding performance. It ranks first in *Government*, *Finance* and especially *People*, thus providing a blueprint for the development of competitiveness in the industrializing

world. Singapore is also 2nd in *Domestic Economic Strength* and *Internationalization*, thereby underlining a pattern found in most Asian countries, where a strong growth in the local economy is combined with a significant orientation toward the outside world. Singapore also emerges with a formidable level of self confidence, as shown by its 1st position in the *Executive Opinion Survey*, another trend commonly found in East Asia.

Japan is also struggling with itself

Japan, which dominated the competitiveness league so strongly in the past, has still not been able to solve its problems. Being only in 4th position this year is certainly disappointing. The unprecedented economic crisis of the past two years explains the country's 4th ranking in *Domestic Economic Strength* and 6th in *Finance*. But the confidence

The World Competitiveness Scoreboard

The World Competitiveness Scoreboard presents the final consolidated ranking of national competitiveness in 1995. It combines two primary components of the Report:

1. the statistical indicators of competitiveness as recorded by international organisations and national institutes;
2. the perceptions of business executives on the competitiveness of their countries drawn from the yearly Executive Opinion Survey.

This year, the ranking covers 49 countries/economies. The rankings are calculated according to the standard deviation method. This method assesses a country's performance relative to other countries. Only criteria marked with the word "ranking" in the statistical tables are taken into the consolidation of data for the scoreboards.

THE WORLD COMPETITIVENESS REPORT





IMD, International Institute for Management Development, is a not-for-profit foundation located in Lausanne.

IMD is one of the leading international management development institutes. It has a solid reputation for pioneering the development of executive education, bringing a truly international perspective to management development in cooperation with some of the most successful companies around the globe.

**WORLD
ECONOMIC
FORUM**

The **World Economic Forum** is today the foremost international membership organization integrating leaders from business, government and academia into partnership committed to improving the state of the world.

It provides a platform for interaction that is direct, efficient, global, personalized and on the highest level.

The **World Economic Forum** is a foundation serving the global public interest. It is independent, impartial and not-for-profit, tied to no political, partisan or regional interests. It is self-financed through annual membership fees and cost contributions from participants in specific events.

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Divider Title: _____

CAR MANUFACTURING

- In 1995, for the second year in a row, the United States surpassed Japan as the world leader in automobile production. The last previous time the United States was number one was back in 1979.

(Source: *The Daily Yomiuri*, December 26, 1995)

Exellent

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Divider Title: _____

BUSINESS INCORPORATIONS

- Entrepreneurial activity has flourished under President Clinton's leadership. New business incorporations have increased by 730,000 per year since President Clinton took office, the highest rate of increase since the Second World War.

(Source: Dunn & Bradstreet; seasonally adjusted)

BUSINESS INCORPORATIONS
Comparison of Administrations
(thousands)

	<u>CLINTON</u>	<u>BUSH</u>	<u>REAGAN/BUSH</u>
Avg. Annual Incorporations	730	656	645
Annual Rate of Increase	5.0%	-0.5%	1.9%

(Source: Dunn & Bradstreet, seasonally adjusted: Treasury analysis)

This isn't
possible

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Divider Title: YZ

- Based on the most recent data, the number of new business incorporations in 1995 is on pace to break the all-time record of 741,000 business incorporations in 1994.

(Source: Dunn & Bradstreet; seasonally adjusted)

Note:

Gene, you asked how solid this is, and if there was anything more recent than April. The answer is:

① April is the latest. It just came out (~~the~~ Jan 5, '96)

^{It's}
② Not all that solid. While we are on track to beat '94 (see attached), the April data shows a marked drop. If that trend continues, we probably would not beat '94. For that reason, this bullet has been removed from the "Economy Under Clinton" talking points.

New Business Incorporations
Vol. 37, No. 4
April 1995

For Immediate Release

**APRIL NEW INCORPORATIONS DROP 3.1 PERCENT;
CUMULATIVE POSTINGS REMAIN UP FROM 1994**

WILTON, CONN., December 28, 1995--New business incorporations for April 1995 declined from the year-ago period by 3.1 percent. According to The Dun & Bradstreet Corporation, 60,417 businesses incorporated in April 1995, down from 62,355 in April 1994. Through the first four months of 1995, new incorporations remained on the rise from the year-ago period, up 3.9 percent to 269,625, from 259,556.

April Results

During the fourth month of 1995, 26 states reported decreases in new incorporations, with four posting decreases greater than 20 percent. Mississippi logged the largest decline, down 49.8 percent to 212 from 422 in April 1994. Louisiana also reported a sharp drop in April 1995 incorporations, down 47 percent to 553 from 1,044 in April 1994. Montana was down 36.8 percent in April to 122 from 193.

-MORE-

NEW BUSINESS INCORPORATIONS BY STATES AND GEOGRAPHIC REGIONS
(Not Seasonally Adjusted)

	Apr 1995	Mar 1995	% Change Mar 1995 Apr 1995	Apr 1994	% Change Apr 1994 Apr 1995	Total Four Month(s) 1995	4 Month(s) 1994	% Change 95-94
EAST SOUTH CENTRAL	2,052	2,895	-29.1	2,385	-14.0	10,426	10,643	-2.0
Kentucky	601	821	-26.8	639	-5.9	2,863	2,741	4.5
Tennessee	640	849	-24.6	758	-15.6	2,957	3,115	-5.1
Alabama	599	727	-17.6	566	5.8	2,996	2,858	4.8
Mississippi	212	498	-57.4	422	-49.8	1,610	1,929	-16.5
WEST SOUTH CENTRAL	4,535	5,968	-24.0	4,980	-8.9	21,601	21,568	0.2
Arkansas	554	710	-22.0	418	32.5	2,502	2,094	19.5
Louisiana	553	973	-43.2	1,044	-47.0	3,516	4,177	-15.8
Oklahoma	616	765	-19.5	598	3.0	2,766	2,787	-0.8
Texas	2,812	3,520	-20.1	2,920	-3.7	12,817	12,510	2.5
MOUNTAIN	5,011	5,658	-11.4	4,989	0.4	20,559	21,224	-3.1
Montana	122	131	-6.9	193	-36.8	687	816	-15.8
Idaho	240	274	-12.4	233	3.0	1,031	1,022	0.9
Wyoming	168	217	-22.6	185	-9.2	743	649	14.5
Colorado	1,496	1,410	6.1	1,406	6.4	5,465	6,003	-9.0
New Mexico	239	284	-15.8	219	9.1	1,094	1,101	-0.6
Arizona	811	1,128	-28.1	924	-12.2	3,760	4,043	-7.0
Nevada	1,410	1,700	-17.1	1,377	2.4	5,680	5,570	2.0
Utah	525	514	2.1	452	16.2	2,099	2,020	3.9
PACIFIC	5,912 E	6,994 E	-15.5	6,115 E	-3.3	26,141 E	25,942	0.8
Alaska	119 E	119 E	0.0	119 E	0.0	476 E	476	0.0
Washington	1,411	1,485	-5.0	1,173	20.3	5,257	5,163	1.8
Oregon	737	1,008	-26.9	924	-20.2	3,533	3,585	-1.5
California	3,329	4,066	-18.1	3,583	-7.1	15,611	15,454	1.0
Hawaii	316 E	316 E	0.0	316 E	0.0	1,264 E	1,264	0.0
TOTAL U.S. (unadjusted)	60,417 E	75,455 E	-19.9	62,355 E	-3.1	269,625 E	259,556	3.9
TOTAL U.S. (seasonally adjusted)	58,261 E	65,386 E	-10.9	58,992 E	-1.2			

(E) - Estimated

(R) - Revised

Source: Economic Analysis Department, The Dun & Bradstreet Corporation.
Copyright The Dun & Bradstreet Corporation 1995

BUSINESS INCORPORATIONS
1994 vs. 1995 latest
(thousands)

	<u>First 4 months of 1994</u>	<u>First 4 months of 1995</u>
Incorporations	246	254

(Source: Dunn & Bradstreet)

BUSINESS INCORPORATIONS

Yearly Totals

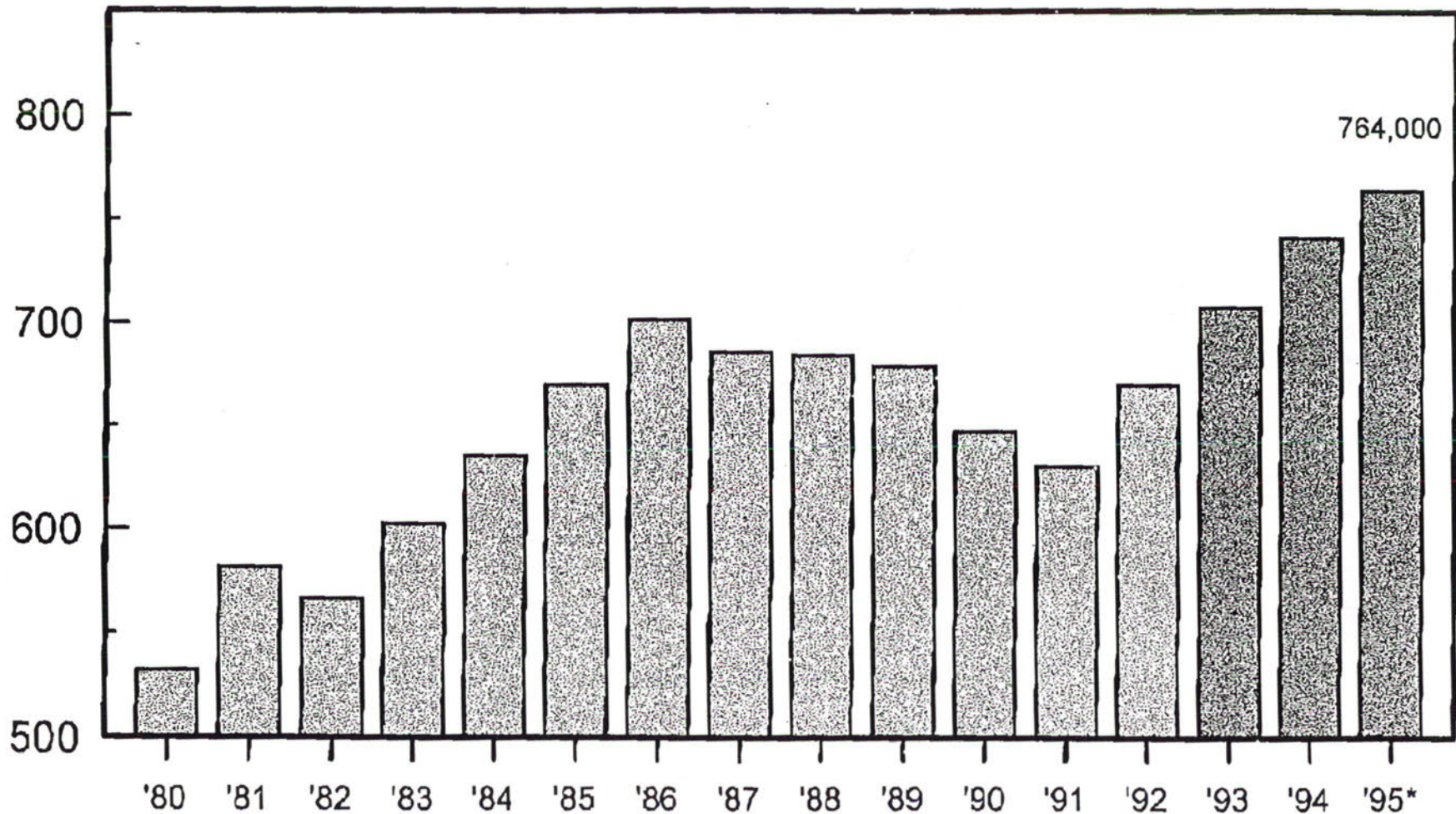
(thousands)

	5 YRS AGO <u>1990</u>	3 YRS AGO <u>1992</u>	LAST YR <u>1994</u>
Incorporations	648	670	741

(Source: Dunn & Bradstreet)

NEW BUSINESS INCORPORATIONS HAVE REACHED A NEW PEAK

Thousands



*Through April, annualized

Source: Treasury Dept.

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Divider Title: _____ A

BUSINESS FAILURES

- Since President Clinton took office, business failures have dropped 10% per year -- after increasing 19% per year during the previous 12 years.

(Source: Dunn & Bradstreet; Treasury Analysis)

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Divider Title: _____ **B**

- Business failures dropped 17% during 1994 , as the benefits of the Clinton economic plan spread.

(Source: Dunn & Bradstreet)

BUSINESS FAILURES
Comparison of Administration Performance

	<u>CLINTON</u>	<u>BUSH</u>	<u>REAGAN/BUSH</u>
Avg. Annual Number	76.5	74.1	54.9
Annual growth	-10.2%	14.2%	19.2%

(Source: Dunn & Bradstreet; Treasury Analysis)

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Divider Title: _____ C

BANK LENDING

- Bank lending has increased by 5.3% per year during the Clinton Administration, compared to a drop of 2.3% per year during the prior four years (and an increase of 1.7% per year during the prior 12)

(Source: FDIC; Treasury Analysis)

BANKRUPTCY FILINGS

- Bankruptcy filings fell 3% per year during the Clinton Administration, while filings increased 12% per year during the prior four years (and 9% per year during the prior 12 years)

(Source: Administrative Office of the U.S. Courts Statistics Division; Treasury Analysis)

BUSINESS INVESTMENT

- Investment in producer's durable equipment -- shown to be closely associated with productivity gains -- has soared at an 17.5% annual growth rate since the Administration took office, hitting a postwar high relative to GDP. By comparison, business investment growth averaged only 2.1% over the four years prior to the Administration.

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

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Divider Title: _____ **D**

HOME OWNERSHIP

- In 1995, the home ownership rate reached its highest level since 1981. Nearly one million citizens became homeowners in the first eleven months of the year alone.

(Source: Department of Housing and Urban Development, Office of Policy Development and Research, Department of Commerce, Bureau of the Census; HUD analysis, see attached)

12/15/95 10:38 OF 307 202 430 2223 NO. 225 1002

**Reinventing HUD
Summary of Key Administration Accomplishments
December 1995**

-- The Compendium --

Reduce Homelessness

From Disparate Federal and Local Programs to a Continuum of Care

Transform Public Housing

Transforming the Nation's Worst Public Housing -- 23,000 Units to Be Demolished

From 19 "Troubled" Housing Authorities to 12: Reversing Years of Public Housing Mismanagement

Expand Housing Production, Preserve the Supply of Affordable Housing, and Increase Homeownership Opportunities

From Six Weeks to One Day: FHA Reduces Processing Time of FHA Single Family Mortgages (Denver Processing Center)

Homeownership Rate Is the Highest in 15 Years -- President's National Homeownership Strategy

HUD Streamlines FHA Section 203(k) Loan Program, Making Homeownership a Reality to 183 Percent More Families in 1995 than in 1994

From Four Months to Seven Days: FHA Automates Premium Refunds, Returning Dollars to Consumers Faster

HUD Reduces the Number of Federally-Held Multifamily Properties and Mortgage Notes by 60 Percent and Single Family Mortgage Notes by 15 Percent, Saving Billions for Taxpayers

Streamlining of Home Mortgage Escrow Accounts Returns Billions to Consumers

SWAT Teams Review and Assist 250 Failing HUD-Assisted Apartments

Pension Funds Will Produce Affordable Housing for 2,000 Families

Empower Communities and Create Safe, Liveable Communities

From Twelve Applications to One: The Consolidated Plan

Streamlined HOME Program Accelerates Housing Construction for Low- and Moderate Income Families

Federal, State and Local Law Enforcement Agencies Team Up: Operation Safe Home Leads to Thousands of Arrests and Hundreds of Drugs and Weapons Confiscated



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY

WASHINGTON, D.C. 20410-0001

November 6, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are making dramatic progress in 1995 on your commitment to a record-breaking expansion of homeownership opportunities for America's families. The nation's homeownership rate has now reached 65 percent, up from 64.2 percent at the beginning of the year. The 1995 performance to date represents the most rapid (annualized) increase in homeownership in 16 years.

On June 5th you announced the National Homeownership Strategy, a public-private partnership to expand the American Dream by achieving an all-time high level of homeownership in America by the end of the century. The National Partners in Homeownership, now consisting of 56 nationwide organizations representing private industry, community groups, and Federal, State, and local governments, was formed after you directed me last November to lead a partnership effort.

By January, 1995, we had produced a report calling for the partnership to carry out 100 strategic actions to generate up to 8 million homeowners by the end of the year 2000, which will bring the national homeownership rate to 67.5 percent, up from 64.2 percent at the end of 1994. This new all-time high national homeownership rate will exceed the previous 1980 peak of 65.6 percent. The 21st Century will start with -- for the first time ever -- more than two-thirds of America's families owning their own home.

I am pleased to report that the partnership has gotten off to an excellent start in moving toward the goals you have articulated. During the first nine months of 1995, the number of homeowners has increased by 938,000; this year's total will soon exceed one million.

In addition to the higher overall homeownership rate, an increase was reported for young families (up one percent), for modest-income families (up .4 percent), and for minority families (up .3 percent). This demonstrates that your National Homeownership Strategy is working for every American, including those groups that traditionally have lower rates of ownership.

**Home Ownership Rate
(1, 3, and 5 Year Results)**

	5 YRS AGO <u>(4Q/90)</u>	3 YRS AGO <u>(4Q/92)</u>	1 YR AGO <u>(4Q/94)</u>	LAST <u>(3Q/95)</u>
Rate	64.1	64.4	64.2	65

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Divider Title: _____ E

BUILDING PERMITS (NEW HOUSING)

- Low rates and strong economic growth have spurred home building, which has grown by 7% per year during the Clinton Administration, after falling 7% per year during the prior 4 years (and falling 1% per year during the prior 12).

(Source: U.S. Department of Commerce, Bureau of the Census; seasonally Adjusted)

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Divider Title: _____ **F**

HOME AFFORDABILITY

- As a result of low mortgage rates and other factors, home affordability during this Administration has been the most favorable since the Nixon Administration.

(Source: National Association of Realtors; CEA analysis, see attached)

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.)

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Divider Title: _____ **G**

- The number of new homeowners has increased by almost 2.6 million from the end of 1992 through the third quarter of this year.

(Source: U.S. Commerce Department press release:
Census Bureau Reports on Residential Vacancies and
Homeownership, October 24, 1995 and previous
releases; see attached analysis by Treasury Department)

HOMEOWNERSHIP

The number of new homeowners has increased by almost 2.6 million from the end of 1992 through the third quarter of this year. The homeownership rate hit 65 percent in the third quarter for the first time since 1981.

Number of homeowners
(thousands)

91-QIV	61,214
92-QIV	62,306
93-QIV	63,647
94-QIV	63,947
95-QIII	64,885

Source: U.S. Commerce Department press release: Census Bureau Reports on Residential Vacancies and Homeownership, October 24, 1995 and previous releases.

Office of Economic Policy
January 11, 1996

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Divider Title: _____ **H**

MILLIONAIRES

- Since the President took office, there have been a record number of new self-made millionaires.

(Source: **Unknown**; see attached article.)

LEVEL 1 - 3 OF 6 STORIES

Copyright 1995 Chicago Tribune Company
Chicago Tribune

September 4, 1995 Monday, NORTH SPORTS FINAL EDITION

SECTION: PERSPECTIVE; Pg. 11; ZONE: N

LENGTH: 912 words

HEADLINE: DAYS OF UNREST?;

WITH FALLING WAGES, THE UNION OF PINCHED WORKERS MAY CALL A STRIKE ON CORPORATE
BOTTOM-LINERS

BYLINE: John McCarron.

BODY:

Labor Day--an opportunity to relax and revel in the promise of

American life. And to catch up on newspapers and magazines that have gone
unread during the dog days of late summer. Let's see.

- From last week's Wall Street Journal: The merger of Chase Manhattan and
Chemical Bank will produce a \$300 billion financial colossus . . . and layoffs
for about 12,000 employees as redundant branches are closed and other
efficiencies achieved.

- From the Chicago Tribune: The city's public schools are expected to open on
time Thursday . . . without the services of some 1,700 employees who are being
let go, most of them janitors and tradesmen whose jobs are being "privatized."

- From The New York Times: Since President Clinton's plans for universal
health care coverage collapsed a year ago, another 1 million Americans--most of
them working people--have lost their health insurance, raising the number of
uncovered to 43.3 million.

- From Business Week: The average U.S. corporate CEO now earns about 53 times
as much as the average factory worker, up from 42 times in 1980.

- From Crain's Chicago Business: Negotiations resumed last week between
striking United Auto Workers and Caterpillar Inc., the largest manufacturing
employer in Illinois. Since the walkout began in June, 1994, Caterpillar has
used temporary replacements, many of whom get no fringe benefits. The company
also has posted record profits.

Ah, the life of the American worker in the '90s.

And times are good, according to the standard ways such things are measured.

Elsewhere in the above-mentioned publications you might have read recently
that: the U.S. unemployment rate is down to 5.6 percent, a level some call
"full" employment; the annual rate of inflation remains under 3 percent; and the
national economic recovery, now in its fourth year, is cranking along at about a



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Chicago Tribune, September 4, 1995

steady, if unspectacular, 2 percent rate of growth.

For those fortunate enough to own a piece of the Fortune 500--and that includes a lot of us thanks to the proliferation of Individual Retirement Accounts, Keoghs and 401k's--corporate profits have been spectacular and the Dow Jones industrial average has moved within a rally or two of the 5000 mark.

So which is it? Is our economic cup brimming over with opportunity, as radio rightist Rush Limbaugh and his ditto-devotees claim; or has it sprung a leak, as my fellow Tribuner, R.C. Longworth, argued recently in a sobering series of stories about the growing anxiety of the middle class.

I suppose it depends.

There's no question that opportunities abound. Consider the rags-to-riches story of those University of Illinois grad students who developed the software nearly everyone wants in order to browse the World Wide Web. One of the outfits they helped start, Netscape Inc., recently went public and was valued by the investing public at \$2.7 billion, even though it has yet to earn a dollar of profit. High-tech entrepreneurs like Microsoft's Bill Gates, America's richest man, have made so much, so fast, that they make yesterday's Edisons and Rockefellers look like pluggers.

The problem, of course, is that most of us are not Bill Gates, and that only about 20 percent of the workforce appears to be benefiting from the profound changes sweeping the labor marketplace.

If you're the kind of worker, say, who can oversee the conversion of your company's computer systems to Windows 95, you are sitting pretty. If you're the kind of worker who performs repetitive tasks that can be done more cheaply by automation, or by somebody overseas, you are in trouble. And it doesn't make any difference whether you're stamping bulldozer parts for Caterpillar or cashing checks for First Chicago-NBD.

The new standard governing employment and wages is the extent to which a worker "adds value" that cannot be added more cheaply someplace else or in some other way.

Because only a highly-educated minority are in a position to do that, the majority is seeing their labor devalued in a marketplace where "shareholder value" is the only value that counts.

So the big squeeze is on. America's product and productivity have been growing even as its average wage, corrected for inflation, has been trending downward. The lion's share of the nation's income growth is being captured by the top 20 percent of the labor force, which now makes more money in real terms than the middle 60 percent.

The Limbaugh-lovers like to point out that record numbers of Americans are moving into that upper bracket and that we have more self-made millionaires than at any time in our history. And they are right. The problem is not that we have too many rich people. It's rich people and their investments, after all, that put poor people to work.

The problem is that the Great Middle has begun to lose ground, that this is

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Chicago Tribune, September 4, 1995

occurring during an economic recovery and that the political and economic consequences of the trend have yet to be reckoned with.

One economic fallout is that pinched workers make stingy consumers. Today's corporate bottom-liners may learn the hard way why Henry Ford said his workers should be paid enough so they could buy his cars.

The political impacts are harder to predict. For now the Rush Right has focused popular discontent on affirmative action and big government. A few more Labor Days with falling wages, however, and working folks will start looking for more fundamental answers.

LANGUAGE: ENGLISH

LOAD-DATE: September 7, 1995



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Divider Title: J

CHURCH MEMBERSHIP

- Church membership is at record levels -- 65% of Americans belonged to a church in 1995.

(Source: Washington Post, 11/26/9, citing "The Churching of America: 1776-1990 by Roger Finke and Rodney Stark and Gallup Organization data)

The Washington Post, November 26, 1995

FOCUS

Actually, America today is one of the most church-going countries in the Western world. Only about 20 percent of the British are members of the Church of England, Stark reports. In Scandinavia, church membership is measured in the single digits.

In those countries, state and religion have merged -- much to the detriment of religion. In many European countries, the clergy are bureaucrats paid by the federal government, Stark said, and many citizens have precisely the same low regard for the state church that Newt Gingrich has, say, for the Department of Commerce.

The result, according to Stark: A dominant but stagnant state church that stifles the growth of other denominations. "It's like South America: Everybody's Catholic but nobody goes to church."

In contrast, Stark said, America is a veritable smorgasbord of religious denominations, and competition among these faiths for adherents keeps church membership here high and rising.

Church Membership

In America

Percentage of

population that belongs to a church:

1776 17%

1850 34

1860 37

1870 35

1890 45

1906 51

1916 53

1926 56

1952 59

1980 62

1995 65*

*Estimated. Source: "The Churching of America: 1776-1990" by Roger Finke and Rodney Stark and Gallup Organization data.

Don't Call Me Raoul

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