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**KEYNOTE SPEAKER:
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FORMER PRESIDENT OF THE UNITED STATES**

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(Applause.)

PRESIDENT BILL CLINTON: Thank you very much. Thank you very much. You know, I was back stage looking at – on the television screen and Debra giving her speech, and I was so caught up in it, and she said she was going to start to tell a story. And she was about three minutes into the story. I thought, my god; she's talking about my mother. (Laughter.) I didn't know in the beginning. (Laughter.) So thank you very much, Debra, Cheryl Mills, Ellen Malcolm, Judy Lichtman, Luke Hade (ph), and all of the supporters of this great organization.

I was actually here 11 years ago in 1996, which seems almost like ancient history now. And the Family Medical Leave Act, as Debra said, was signed in 1993. And then, by the time I had left office, we had already had 35 million Americans claim the benefits of it. After I left office, for the first four years, it was the single thing most mentioned to me by Americans just coming up to me on the street.

I was on an airplane once from New York to Washington, and the flight attendant came up to me and said, you know, a couple of years ago, both my parents were desperately ill, one with Alzheimer's and one with cancer. They have two children, my sister and I. We both work. If it hadn't been for the Family Medical Leave Act, we would not have been able to care for them in their last days. And then she smiled and she said, you know that other party, they always talk about family values, but I think how

your parents die is a big part of family values. And I couldn't breathe. You know, and you hear stories like this all along.

Near the end of my second term, we tried to at least give the states a mechanism within which they could promote paid leave financed out of surpluses in unemployment insurance collections, and a lot of them have it. And I'm sad to say that as soon as I left office, the federal government took away that option from the state for reasons I could never understand since the states could not put the unemployment insurance fund under water in order to finance paid leave.

But I think it shows you kind of the difference in views that exist still in our country about whether it's good economics and good social policy to allow people to succeed at home and at work. I personally believe the tensions that people have in succeeding at home and at work and the growing inequality in our society are directly and indirectly responsible for one of the biggest health problems we have today, and one which I work on now as a private citizen: that is the rising tide of childhood obesity and its attendant consequences, including, for the first time in history, statistically significant numbers of young people who have what we used to call adult-onset diabetes, type 2 diabetes.

Last year in Harlem, where my office is, we had a nine-year-old child diagnosed with type 2 diabetes. Even in the 1990s, diabetes and its attendant consequences accounted for an enormous percentage of the increase in healthcare costs. And it literally threatens not only to overwhelm the healthcare system but to give us the first generation of children that have shorter life spans than their parents. A recent study came predicting that as many as one and three children born in this decade will develop diabetes at some point in their life time.

And this is, by the way, a global problem. The United Kingdom and Ireland both have national campaigns against childhood obesity. It's becoming an enormous problem in India because of their growing prosperity. They are chunking what I think is the most interesting diet in the world in favor of American fast foods with attendant and predictable consequences.

I say all of that to emphasize the importance of what you are here to support. We are living in a globalized economy that has a lot of benefits for a lot of us; otherwise, you couldn't afford to be here today. That is why you're here. (Chuckles.) But we all know that there are limitations on what the market will produce and that there are vast inequities in the world and in our own country which have created adverse consequences for our children and for our families.

The world we live in has been very good for me and, as I said, for most of you, but it is unequal, insecure, and unsustainable. And in seeking to deal with the inequities, the insecurity, and the unsustainability of it, we can lift our children and our families to the point where we ought to all be as a society. So I want to say just a little bit about that.

First, let's look at what has happened to America in this decade. We are now in our sixth year of economic growth. We have an all-time high in the stock market. We

have a 40-year high in corporate profits. We have had six years of increasing productivity in the workplace, which means men and women are doing a better job. They are producing more in the same amount of time.

During that period, average wages have shown pretty good growth, but not quite as much as the economy. But median wages, the ones in the middle, have been totally stagnant. Indeed, in the last three years, they have declined by 2 percent against inflation so that we have this unbelievable situation that we have had a 4-percent increase in the number of people working full time falling below the poverty line while working, and a 4-percent increase in the number of workers and their families who have lost their health insurance while working. Meanwhile, health insurance premiums have gone up 80 percent, 6.5 times as much as average wages, while median wages have remained flat.

Now, there are lots of explanations for why that happened. Part of it is the forces or the climate of the global economy. Part of it is the fact that we haven't found this generation source of new good paying jobs, which was necessary, and an open, rich economy if you want to maintain and expand the middle class. Part of it is government policies, which have not favored the kinds of things that will tend to create the middle class and reduce inequality and help people move out of poverty.

If you just look, for example, – unbelievably, it looks like we're finally about to raise the minimum wage after 10 years. (Applause.) But we have not increased the earned-income tax credit. We have had consistent enforcement policies at the IRS, which investigates more people and devotes more resources to investigating people for defrauding the government on the earned-income tax credit than it does upper-income people like me on defrauding the government on phony tax shelters.

Well, it's a – that is a real problem. Corporate conduct and the pressures that we as stockholders put on corporations is also a part of the problem. In the five previous economic recoveries, 76 percent of net increase in corporate revenues have gone to compensation and benefits, 25 percent to profits. In this recovery, 41 percent to compensation and benefits, 59 percent to profits. That also explains part of the problem that our people are facing.

So what do we do about it? Well, some of the things that need to be done are not within the direct purview of this group, but I want to mention one. You cannot strengthen the middle class in an open, competitive global economy unless the wealthy countries each find a source of new good-paying jobs every five to eight years.

In my second term, for the time in two decades, we had a rise in median wages, and a decline in inequality for the whole time the whole second term because not only because we had good policies – I think we did – but because we had new good jobs as information technology broke out of Silicon Valley and the video game companies in Texas and spread into every aspect of American life. They were 8 percent of our employment, 28 percent of our job growth, and over 30 percent of our wage growth. So it changed the whole structure of opportunity in America.

That has not happened in this decade because we, almost alone among advanced countries, have steadfastly refused to get serious about a clean, independent energy future. If we do that, we'll create millions of jobs, we'll tighten the job market, we'll raise the structure of wages.

If you just look at New York where I work now, the mayor has proposed an ambitious plan for fixing the greenhouse gas emission program in New York, even though we are already more than half as efficient as the average American, mostly because the people who live there are all packed together. (Laughter.)

But in New York – in America, about a third of our emissions come from transportation, a third from manufacturing and electricity generation, and a third from buildings of all kinds. In New York, where there is not much manufacturing anymore, it's 20 percent from transportation and 80 percent from the buildings and the power needed to heat, cool, and light them.

So all of the publicity for those of you who come from New York come from the mayor's proposal for a congestion fee so that we have to pay if we go into midtown Manhattan, another \$8 a car a day. And there is a lot of concerns about it. It's slightly regressive for lower-income working people that have no option but to drive. On the other hand if you've ever waited an hour in New York City traffic, you pay \$80 dollars just to – (laughter) – be able to go another block or two.

But 80 percent of the problem is within buildings. Now you just think of how many jobs would be created. There are 950,000 buildings in the city. Let's just assume 50,000 are maximally efficient, and 50,000 are unfixable. So you had – let's suppose we said within the next three to four years, we're going to green 850,000 buildings in that small piece of land. How many jobs would be created putting in all the lights, fixing the insulation, putting in new windows, greening all the roofs? How many manufacturing jobs would be created doing that? How many new small businesses could we create? And these jobs could not be easily outsourcable. You've got to be on the roof to green it; you can't be in India.

(Laughter, applause.)

As I said, this is not within the direct purview of what you are concerned about as an organization, but it relates to the success of the other policies. I think it is, if we created more jobs, I think we should also look at increasing the wages and the benefits of jobs which cannot be outsourced.

I think it would be a good thing if there were more unionization among public employee workers – (applause) – hotel and restaurant workers, all the service jobs that cannot be outsourced. Many of us who access those jobs are above average income. I think about it every time I give a speech to a charity banquet in New York City. I think about how wealthy those of us are who are there participating in the charity, and I wonder how much money do people make who have to clean up after us after we leave and who serve and prepare the food while we're there. So that's a strategy that we ought to embrace.

And then we need to, finally, get back on this paid leave issue. I think there's more support for it than ever before, and there's lots of evidence that it increases productivity. Any time you can create an environment where people at work are not worried sick about their parents or their kids, they're going to do better at work.

And I was laughing backstage when Debra was making the pitch here and talking about the card. You know, Nicolas Sarkozy just got president of France on what passed for, in France, a conservative platform. Conservative in France is, I think you should work 40 instead of 35 hours a week. (Laughter.) Conservative in France is, if I have to lay you off, I don't think I should have to give you full salary for two whole years. (Laughter.) Maybe a year would do. Now we're laughing, but we are way out of step here, and it's more painful when we're not creating more jobs because the people that have their jobs have downward pressure on their wages and their benefits anyway.

So this is really, really important, and I hope you will continue to support that. There's no question that many, many states have the resources out of which paid leave plans could be financed, and you could start modestly in the most critical areas. But I think it's really important.

The second thing I'd like to say is I'm glad you have embraced this healthcare cause because health care is at the core of not only our attempts to achieve social justice and help people succeed at home and at work but also in the future of our economic competitiveness.

In addition to all those other rather dismal economic statistics I gave you for people whose median incomes have not increased, over half of all the personal bankruptcies filed in America in this decade were filed because of a healthcare emergency. We now spend 60 percent of our income on health care. No other country spends more than 11. Well, I take it back. Switzerland spends 12, but Switzerland has 17.5 percent of the people over 65, and we only have 11.5. And we know that drives cost up.

But if you just take Switzerland, the difference in them and us is \$500 billion. All other wealthy countries in the world – all others – spend between 9.5 percent and 11 percent. The difference in 11 and 16 is \$700 billion. We insure 84 percent; they all insure 100. You say, well surely we're getting better health care since fewer of us get it and we're paying more for it.

Our overall health rating is something like 37th, and our life expectancy is about 34. Interestingly enough, however, in America, if you live to be 65, you enter a group of people with the highest life expectancy in the world. Why? Because we have universal health care with low overhead costs and high quality.

(Applause.)

So we have to address this. Yes, there's a moral imperative for universal coverage, but there's also an economic imperative for reigning in the cost. Otherwise we

won't be able to afford the universal coverage because our economy will continue to sink vis-à-vis others.

And finally, there's an imperative to do more to keep people well as well as treat them when they're sick. Look, I'm exhibit A of the best things about America's medical system; otherwise I wouldn't be here. You'd be asking my daughter to come up here and receive the award for me posthumously if it weren't for – (laughter) – if it weren't for what's good about American health care.

But we do not a very good job of keeping people well in the first place. And I will say again, that's one of the reasons that I think all Americans should support this campaign to make our children healthier because if we keep having these rising rates of obesity, you could make me dictator for a day, I could design a healthcare system. It could be just A-1, and it would, too, would go broke within a decade because we're not keeping people well. And this is a big payoff too.

Safeway last year started covering primary and preventive services for all its employees, and it's the first year in I don't know how long where in spite of the fact that healthcare costs were exploding in America, they had no increase in their premiums because they invested in wellness.

Where does all this money go? Well, McKinsey and Company put out a long study trying to analyze where the money goes, and I actually read it all. I commend it to you if you're interested in this, but they say, and they're very conservative in the savings that could be achieved. A lot of other people believe there's more money in the system, but they bent over backwards to make every allowance possible for the existing system, and they say the following: that about a \$100 billion is wasted compared to what any other country spends in administrative cost by the insurers alone. By the insurers alone. In insurance costs, marketing, promotion, all that. If you look at the insurance, private insurance cost compared to Medicare and Medicaid of the veteran's hospitals, the administrative cost, you'll see that.

Secondly, they say there's about another \$100 billion – and that's a conservative figure – in administrative cost that no other country pays that the healthcare providers and the employers have to undertake to navigate with the insurance companies. I just had an experience about this.

Hillary's brother had the same heart surgery I did, and his wife works for a big hospital and they have a very good healthcare package for the family through her employment. So they get a letter saying, well, maybe they're not going to pay because they think he had a preexisting condition.

Now, they know he didn't have a preexisting condition. That's not what this is about. This is about sending him a letter, telling him he's got to come up with more documentation and then he has to go back to the healthcare providers and back to his previous doctors and get them to do all kinds of stuff, and then they'll fight about it for about four months, and then the insurance company will cut a check and pay them. In the meanwhile, they will earn the interest on that money that they would have paid. And it

doesn't cost them very much to send one letter and receive a few angry phone calls and e-mail and reply to them.

So in this phase, the administrative costs for the providers will be more than for the insurers. But essentially, you're paying – you can make a decision to do this if you want, but the American people are paying 2 million – 2 million people to get up and go to work every day and play tug of war over healthcare money. Nobody else in the world would do this, but we do. It doesn't make anybody well, it doesn't keep anybody from getting sick, it doesn't improve the quality of health care – it does nothing except create friction so that more money can be earned by insurance companies by insuring people in smaller pools. It's not even so good for them anymore, for some of them. But it's an enormous waste.

Then, according to the McKinsey study, even though Americans on average – I found this hard to believe because I have to take so much medicine – but apparently, Americans on average consume 20-percent less medicine, fewer prescription drugs than people in other wealthy countries, but we pay \$66 billion more for it than we would if we were under any other system in the world, including all the other countries that have very successful pharmaceutical industries.

Then they said we pay something on the order of \$300 billion more than we would in any other country for hospital and clinical care, partly because about 70 percent of all costs are incurred by 5 percent of people who get really sick, actual healthcare bills, and we don't manage these cases very well. We have unnecessary procedures, we have overlap, we have – and we don't keep up with it as we should.

Hillary was out in Minnesota the other day at a clinic that is not directly affiliated but works with and on the Mayo Clinic model, and one of the doctors said, you know, if everybody delivered and managed healthcare cases the way the Mayo Clinic does, we'd cut 20 to 25 percent of the cost out of the American healthcare system.

There is a healthcare provider in eastern Pennsylvania now that will give you a warranty with any surgery. You get a 90-day warranty. Now, if you don't survive, it's not worth much. (Laughter.) But if you survive and there are complications, it means you get to go back again and again, and they can't charge you any more money.

So as a result, all the physicians in this group have developed protocols and checklists that they have all agreed to follow. And guess what? The error rate's gone down, the return rate's gone down, and the cost of health care has gone down. So managing the system better would save a lot of money. In other words, there are hundreds of billions of dollars that we could get out of this system.

And people are not just – the people who are talking seriously about savings through prevention and better management of the system are not just looking for a way to avoid saying I have to raise taxes to cover everyone. We may have to put more public money in to get universal coverage because most of the savings in the system would accrue to healthcare providers on the administrative side and to employers and employees in their premium payments.

So most of the savings from all these cost savings would be spread broadly across the society and the tax dollars that would be saved would be primarily among people who are government-insured, who get the benefit of preventive health care and managing the chronic cases better. And there probably won't be enough of that in the short run to insure everyone without some greater infusion of public money.

But I say this just to emphasize that there is a reason that an unbelievable event occurred here just a few weeks ago where a group – one of the endless group press conferences that occur in Washington – stood and said here are our principles for universal coverage and a healthcare system America can afford; here they are, we all agree.

What was amazing was the group included AT&T and its union, the communication workers – (applause) – Intel, the big high-tech company, and Kelly Services, the part-time employment provider, and Wal-Mart, the biggest non-union company in America, and the SEIU, the most liberal public employee union in America. Go figure.

They were all there, why? Because they know we're under a moral imperative to cover everybody and we're under an economic imperative to make our costs more competitive. And we won't be the country we want to be and our children and families won't be stable unless we do a better job of promoting wellness.

So I urge you to stay at this. I have the feeling now that people have a sufficient understanding of this problem that sometime in the next couple of years, we might actually get a significant comprehensive healthcare reform package passed in the United States if you stay at it. (Applause.)

Let me just mention one other issue that I think is quite important, along with the need for better support for child care and for paid leave and for the other obvious things that I tried to support when I was president. Since I left office, I spent a lot of time trying to help families just maximize the income that they have or can get. My foundation runs a big program every year with Acorn and others to try to make sure everybody who's qualified claims the earned-income tax credit. It's about a \$4- billion-income infusion to lower-income working people, mostly with children; single people with modest incomes get a little money, but it mostly is designed to lift families. And most of its beneficiaries are working women and their children.

When I was president, just the doubling of the earned-income tax credit took over 2 million children out of poverty. But still it's shocking how many people don't apply for it. About 20 to 25 percent of the people in every state in America who are eligible do not apply. And frankly, it's too hard to get. All I have to do is pay an accountant to turn in my tax returns and claim the things that whatever it is I'm entitled to claim, the charitable contributions and stuff. You have to fill out a separate form to get the earned-income tax credit. It's a nightmare.

So people like us have to help them. So the one thing I would say is that we need to simplify and make more user friendly the earned-income tax credit or, as Rahm Emanuel and others have suggested, maybe we ought to consolidate it with all the other family tax credit, make them all refundable, and put them on the short form, the IRS short form, so that you don't have to have the help of an accountant to get it. (Applause.) It's a really big issue.

The other big issue that I'm working on now with my foundation that you could help on is making financial services available to people at lower-income levels. There are 28 million people today who get a regular check who are not in the banking system. Let me say that again: 28 million people in America today get a regular check and have no bank account, which means they can't establish a credit rating. They can't therefore qualify for a home mortgage and they're paying out the ears in interest and fee cost to borrow money.

There are more payday loan shops in the United States today than McDonald's franchises. And I always get that kind of response when I say it because you and I don't have to live in that world. The average person who uses one of these things, by the time they pay it back – usually they don't pay back on time. They're charged maximum interest rates and there are all these fees – by the time they get done paying, they average paying back \$792 on a \$325 loan.

More than a billion dollars in tax refund money is lost every year by people taking what are called refund anticipation loans. If you're short of cash and you know you're going to qualify, let's say, for the earned-income tax credit, you can go in and borrow money against the tax refund, normally, a week or two before you get it. But there is an enormous payment: the fees and interest rates can run from net 40 to 500 percent.

In addition to that, the other major source, obviously, of this economic recovery, besides people maxing out on their credit cards and doing things like refund anticipation loans, is second mortgages on homes. In the first five years of this decade, homeowners cashed out \$715 billion worth of home equity. In 1973, homeowners actually owned 68 percent of their homes. Today, they own 55 percent of their homes. So we have more homeowners, but they own less of the home they're in. So we've got to bring more people into the financial mainstream. You want to do something for women and children, get working mothers into the financial mainstream.

When I was president – (applause) – thank you – when I was president, we instituted a vigorous enforcement of the Community Reinvestment Act, a little known law passed when President Carter was in office that requires banks to loan money and invest money in the communities in which they're located. You can't take deposits without making investments. Eight hundred billion dollars in investments were made in those eight years under the Community Reinvestment Act, over 90 percent of all the money that had ever been invested under that law just because we enforced it. But that doesn't get people in the banking system in the first place.

We need both the help of the government and employers and nongovernmental groups with financial education, as well as lobbying banks, to participate. IBM, for

example, recently made a multi-million dollar commitment to do financial education and one-on-one counseling to all their employees. It's hard for you to believe, but there are people that work for IBM that don't have bank accounts. We need to make sure that the banks bend over backwards to serve people.

We just had a bank open in Queens – I think it's called Amalgamated, but they opened banking branches in small businesses that had gone vacant. And there was a fabulous story in The New York Times, and these people that had their first bank accounts and one woman said it was so great because she'd been stashing cash in her house for so long, she couldn't remember where she put all her money – (laughter) – and she had to go find \$50 there and \$100 there and she still wasn't sure she'd found it all, but she did have a bank account. And she loved having an ATM card; it made her feel really important.

Another woman said that her 10-year-old son had done all kinds of odd jobs ever since he was eight and had actually saved over \$100 and he got to open his own bank account and he couldn't believe there was such a thing as interest. It was a real hoot for him to – (laughter) – know that he was earning money without doing anything for a change. (Laughter.)

Now, I want to say again, I'm not talking about a few people. We're talking about 28 million people that don't have bank accounts that have checks and they spend \$10 billion a year on alternative financial transactions. The average person making, like, say, \$21,000 a year loses almost \$1,000 a year in these transactions. You just think what that would do in childcare costs; after-school programs; you name it. So I ask you to do what you can to support that. I will continue to do what I can, but I can think of two or three little things that can be done in federal law that would make it a lot easier for us to bank those 28 million people. And I think it would be immensely helpful.

Finally, let me say that the most important thing I came here to do was to thank you. It took nine years to pass the Family and Medical Leave Act and get a president who would sign it. It passed once before. It's frustrating that it takes so long to do what to us seems self-evidently right, practical, and beneficial to the larger society. But all the things we talked about today are simply specific examples of the general question confronting the whole world today, which is are we going to go forward together or basically use all these forces of modern technology to allow ourselves to be Balkanized and more divided? Will we do better if we go forward together or will we do better if we stay with winner-take-all? Is what we have in common more important, or our interesting differences, are they more important?

Every single question in the world today can basically be boiled down to that. And it's not just economics. I mean, what is the big story in the Middle East today? Hamas has defeated Fatah in Gaza and taken over their security headquarters and killed 90 more people. I've actually been in the headquarters; it ain't no big deal.

And I say that – I'm not demeaning the Palestinians by saying this. But I have several Palestinian friends in America and around the world. I do not know any Palestinian outside the territories who is not a college professor or a millionaire. The

only poor Palestinians in the world are the people stuck in a place where their representatives first wanted to fight Israel instead of taking an honorable peace deal that I offered, and, second, decided fighting each other was an even higher priority, grinding people down because their differences were more important than what they had in common.

Based on my personal experience, I would say that if the Palestinians and the Israelis ever made peace, they're both so brilliant with entrepreneurial skills that within a decade, the whole locus of economic power in the Middle East would shift from the oil kingdoms to Israel and Palestine and they would be the magnet upon which everything else would rise. Failing that, it's the little Gulf states – Dubai, Abu Dhabi, Qatar, all those people that are bringing in Western universities and capital and trying to build a cooperative future.

The same thing is true here. The people who are against paid leave, the people who are against banking everybody, the people who are against comprehensive healthcare reform, they all think that they would be better individually if we didn't do this. But the truth is, over the long run, nobody is better individually unless we're all getting better together. That's the principal argument why all men should support equal pay for women. (Applause.) That's the principal argument – (applause) – that's the principal argument why I hope within this year or next year, every Republican will recant and support restoring all those cuts in the after-school programs for children – (applause) – because everybody's kids are better off if all kids are learning.

That is the central question of the 21st century. There's never been a time with so much knowledge; never been a time with so many opportunities. And for all the perils of weapons of mass destruction and terror, I really think it's unlikely that the 21st century will claim as many innocent lives to terror, to politics, as the 20th century did. I mean, don't forget, we had two World Wars, three purges in the Soviet Union, the Holocaust, the Chinese Cultural Revolution, the Khmer Rouge in Cambodia, countless wars in Africa. I mean, we're going to have really go some to kill as many people in this century as we killed in the last century.

And I say that to say, not that you shouldn't be concerned about security, but this is an interdependent world. We can't kill, jail, or occupy everybody that's against us. We have to make a world with more partners and fewer enemies. And in order to have the support in America – (applause) – and in order to have the support in America for building that kind of world, we have to keep getting better at home. We cannot stay in the Dark Ages when it comes to support for families. The core of the vaunted American middle-class dream that began to become reality with all of its inequities after World War II, the core of it in the 21st century will be the ability of every man and woman to succeed in child rearing and work. And the rest of us should be willing to pay a little more so that everybody can do that. (Applause.)

In the end, the country will go wealthier. In the end, the society will grow richer. In the end, we will all do better if we decide that everybody ought to have what we want for our children because what we have in common is more important than our differences. Tomorrow, when you pick up the paper and you read about any problem in

the world, ask yourself if that is not at the root of it. And then when you come back to health care, to lending practices, to paid leave, to any issue in America, ask yourself again if this is not at the root of our inability to find a common solution. I am immensely optimistic about the future if we can just answer this one question right. Thank you and God bless you. (Applause.) Thank you. Thank you. Thank you. Goodbye, thanks.

DEBRA L. NESS: Thank you again. Thank you Cheryl (sp), Ellen, Lou. See you all here next year.

(Music plays.)

(END)