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Golden years for the Clintons Huge tax payments and more than \$10m to charity

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By Susan Milligan and Matt Negrin, Globe Correspondent | April 5, 2008

WASHINGTON - Hillary and Bill Clinton earned more than \$109 million in the past eight years, with the vast majority coming from the former president's book royalties and speaking fees, according to long-awaited tax returns her presidential campaign released yesterday.

The documents - the most detailed financial information the Clintons have made public since they left the White House and Hillary Clinton entered the US Senate - paint a picture of a prominent political couple whose personal financial fortunes grew exponentially after the former president entered the private sector.

The couple earned \$357,629 in 2000, Clinton's last year in the White House and Hillary Clinton's first year campaigning for public office herself, and their combined income topped \$20.4 million last year, according to the returns filed for 2000 to 2006 and the estimates for 2007.

Over the eight years, the Clintons paid nearly \$34 million in federal taxes and gave more than \$10 million to charity.

"Wow!" Dean Baker, codirector of the Center for Economic and Policy Research, a Washington-based, nonpartisan think tank, said about the figures. The \$3 million the couple contributed to charity last year "would be a lifetime of income for most people," who earn an average of \$30,000 annually, he said.

Jay Carson, a spokesman for the Clinton campaign, said the Clintons have been generous with their new wealth, giving away nearly 10 percent of their income. Further, he said, the Clintons' tax burden was much higher than the typical wealthy taxpayer.

Over the past eight years, the Clintons were hit with a tax bill averaging about 31 percent of their adjusted gross income, compared with the average 21 percent paid by taxpayers earning more than \$10 million in 2005, Carson said.

The returns, released as Hillary Clinton is battling for votes in the crucial April 22 primary in Pennsylvania, reveal a stark contrast between her personal finances and the working-class voters who are her core supporters.

Her newly revealed wealth "certainly doesn't enhance her ability to be able to appeal to working-class Pennsylvanians," said Don Kettl, director of the Fels Institute of Government at the University of Pennsylvania. But her rival, Barack Obama, whose healthy income is nonetheless a fraction of Clinton's, still is struggling to chip away at Clinton's longstanding advantage among that voting bloc, Kettl said.

Senator Clinton, who is locked in a tight race for the Democratic nomination, had been under heavy pressure to release her tax returns, especially after she loaned her campaign \$5 million in January to shore up her finances.

For months, Clinton had said she would release her returns after she became the nominee, but as that prospect appeared less certain, she pledged to make them public before the April 15 filing deadline. Obama posted his returns for 2000 to 2006 online last week and challenged Clinton to do the same, saying voters deserved to know where the Clintons were getting their money.

Clinton posted her returns for those same years on her campaign website after 4 p.m. yesterday, a common tactic by politicians who hope that scrutiny will be diminished if complicated material is kept under wraps until late afternoon on a Friday.

And despite her pledge, it's not certain when she will release her 2007 return. The Clintons have asked for an extension to file last year's return because they are awaiting details of other income, including investments made by trustees of their blind trust, Carson said. He said the couple will not have to pay more than the \$5.1 million they have already sent to the IRS for their 2007 earnings.

Carson said in a statement that "the Clintons have now made public 30 years of tax returns, a record matched by few people in public service. None of Hillary Clinton's presidential opponents have revealed anything close to this amount of personal financial information."

Being a freshman senator has been less lucrative for Obama; he and his wife, Michelle, earned \$3.9 million from 2000 to 2006, according to his returns.

The Obamas also paid far less in taxes, \$1.1 million, and gave away far less in charitable donations, less than \$150,000, than the Clintons did during the same period. The Obamas' tax rate, about 33 percent, was similar to the Clintons', but the percentage of their income they gave to charity, about 4 percent, was less than half the Clintons'.

Obama also has yet to release his 2007 tax returns, but has pledged to do so later this month.

Senator John McCain of Arizona, the presumptive Republican nominee, has not released his tax returns for the past several years, drawing criticism from Democrats who say McCain is not living up to his image as a leader on congressional ethics.

McCain's campaign has said he plans to release his tax records this month. In his Senate financial disclosures, McCain lists his major sources of income as his Senate salary and Navy pension, totaling about \$225,000 a year. His wife, Cindy, is an heiress to a beer distributorship, but the couple have a prenuptial agreement that has kept most of their assets in her name, the Associated Press reported.

The Clintons' returns show that Bill Clinton collected at least \$12.6 million from 2000 to 2006 from his partnership with supermarket mogul Ronald W. Burkle. Clinton, who has served as an adviser to Burkle's Yucaipa Cos., a holding company for Burkle's investments, has pledged to dissolve the financial relationship if his wife gets the Democratic nomination, to avoid conflict-of-interest questions.

After President Bush's tax cuts of 2002, the couple's tax burden, as a percentage of overall income, dropped from about 37 percent in 2001, settling to about 30 percent during the tax years 2003 to 2006. Clinton tells campaign audiences that she did not want the Bush tax cuts, and she has proposed repealing the ones for the wealthy to help pay for programs, including universal healthcare.

The Clintons' day jobs accounted for a small fraction of their earnings; less than \$2.3 million during the eight years came from Senator Clinton's salary and Bill Clinton's presidential pension. The former president, meanwhile, has collected \$51.9 million from speeches and another \$29.6 million in book royalties since 2000. More than \$23 million of that came from his autobiography, "My Life."

Hillary Clinton earned more than \$10 million from her "Living History."

"It's good to be an ex-president. They have incredible stories to tell, and they typically have enormous star power," Kettl said. ■