

Posted February 13, 2014

Ex-White House Welfare Kings: Business Bonanzas and Taxpayer Swag for Former Presidents

NEW YORK ([MainStreet](#)) — Having been president of the U.S. means being famous, and fame means opportunities to make **money**. But on top of what they can wrangle through lucrative speeches and book deals, former occupants of the Oval Office enjoy generous government subsidies, totaling millions of dollars a year. Is it right for taxpayers to pick up the tab for our rich ex-presidents' travel, support staff, "mailing privileges" and more, when [public assistance to impoverished citizens is being cut back](#)?

Ahead of the federal holiday for Washington's Birthday, here's a look at contemporary post-presidential finances by some of the numbers. Expenses are from [fiscal year 2012](#), when pensions and costs excluding Secret Service protection -- the budget for which is kept secret -- added up to nearly \$3.7 million.



George W. Bush (#43)

Post-White House windfalls: \$7 million advance for his memoir, *Decision Points*; about \$15 million in speaking fees as of May 2011 ("[a conservative estimate](#)") Spending leader in: telephone bills, \$85,000



Bill Clinton (#42)

Post-White House windfalls: [\\$106 million in speaking fees](#) since leaving office; \$15 million advance for 2004 autobiography *My Life* (a then-record) Spending leader in: office space, \$442,000



George H. W. Bush (#41)

Post-White House windfall: \$100,000 for a 1993 address to a convention of Amway distributors in Atlanta ([a then-record](#) for post-presidential speeches; his typical fee back then was \$60,000 to \$80,000) Big expense: travel, \$56,000



Jimmy Carter (#39)

Post-White House windfalls: \$1.2 million for his family peanut warehouse -- said to be significantly more than the [business](#) was worth -- bought by Archer Daniels Midland in 1981. Carter and his wife also "[signed generous contracts to write their memoirs.](#)" *Big expense:* "other services," \$70,000 (category includes "cable television, HVAC services, and consulting services—among other items")



Nancy Reagan (widow of #40)

Post-White House windfall: \$2 million over eight days of appearances by Ronald Reagan in Japan in 1981, a tour sponsored by the media giant Fujisankei Communications Group. [The LA Times reported](#) in 1990 that the Gipper's going rate would have him "grossing as much as \$1.8 million a year" in speaking fees, and that the Reagans received \$7 million in advances for three books.

Big expense: \$14,000 in postage (Mrs. Reagan's only outlay; the former first lady waived the \$20,000 federal pension to which she is entitled by law)

Ex-presidents have their predecessor Harry Truman to thank for the handsome benefits they enjoy. The thirty-third president, who denounced "wild greed" in the Senate chamber, tried to set a good example out of office. He claimed to have received an "unbelievable" number of corporate proposals, "many and varied," starting before he left the White House -- sinecures with six-figure salaries. He turned them all down.

"I knew that they were not interested in hiring Harry Truman, the person," he wrote, "but what they wanted to hire was the former President of the United States. I could never lend myself to any transaction, however respectable, that would commercialize on the prestige and the dignity of the office of the Presidency."

Despite the sale of his family farm and the publication of his memoirs, Truman felt financially burdened as an ex-president with only an army pension (\$112.56 per month). So in 1957 he wrote to the House Majority leader, complaining that "after 18 years in [government](#) service" he "should have to go broke to tell the people what really happened. It seems to me that in all justice a part of this tremendous overhead should be met by the public" -- say, 70%. (He was not, he stipulated, asking for a pension.)

Truman must have still known how to get things done in D.C., because the next year Congress passed the Former Presidents Act, establishing lifetime benefits for U.S. heads of state: a pension; seven months of post-White House "transition funding"; money for staff, office expenses and travel; and free mailing privileges. Initially set at \$25,000, the annual pension is now \$199,700 -- \$300 less than one-half of what presidents make in their White House years, and nearly four times the median household income in 2012 (\$51,017, according to the Census Bureau).

The stated purpose of the FPA was to "maintain the dignity" of the Office of the President and to help with the costs of being a public figure for the rest of one's life. As the Congressional Research Service explains, "The act provides the former president -- and his or her spouse -- certain benefits to help him respond to post-presidency mail and speaking requests, among other informal public duties often required of a former President." But the conduct of today's ex-presidents is hard to square with the notion of civic duty: when Bill Clinton or George Bush gives a paid speech to a company, more often than not it's closed to the public. And the amount of private sector compensation an ex-president can currently expect dwarfs the rewards that Truman described.

Prominent literary agent [Andrew Wylie recently estimated](#) that Obama's post-presidential memoir will sell for a \$17 to \$20 million advance, which would be a world record for non-fiction. (Wylie guessed a publisher would pay around \$12 million for Michelle Obama's memoirs as well.) And though Truman's sentiments haven't disappeared entirely, his successors have been less conscientious. In 1998 George H. W. Bush became a senior advisor to The Carlyle Group, a private equity firm, in return for stakes in investments. Bill Clinton reportedly turned down myriad job offers after leaving the White House, but he did [sign on as an advisor to billionaire Ron Burkle's investment funds](#).

Clinton summarized an erstwhile president's **earning** power in 2010: "I never had any money until I got out of the White House, you know, but I've done reasonably well since then" -- a comment which perhaps demonstrates the phenomenon of "upward comparison," whereby people judge their earnings against those of richer friends and acquaintances. The pre-White House Clintons in fact had several sources of income aside from his government salary, including a law firm partnership, corporate board seats and investments. George W. Bush made a similar remark in late 2006, when [he mused to a reporter](#) about life after Washington: "I'll give some speeches, just to replenish the ol' coffers." Bush's net worth at this time of purported depletion was something between \$6.5 million and \$20 million. ("I don't know what my dad gets," Bush continued, "it's more than 50-75 [thousand dollars a speech]... Clinton's making a lot of money." Upward comparison again.)

Not every recent ex-president has so publicly embraced the profit motive. "The day after I was defeated in November of 1980," [Jimmy Carter recalled in 2000](#), "I met with the press and told them I was disappointed, that I was not going to utilize my having been president to make money for myself. It was a kind of naive but sincere commitment that I have honored." Carter's books have been bestsellers, but his focus has been on humanitarian work, rather than personal enrichment. He has donated his lecture **fees** to the Carter Center and been unafraid to take controversial positions on issues such as U.S. policy toward the Middle East, in contrast to the largely anodyne (and much more marketable) pronouncements of other ex-statesmen. (Compare the titles of Carter's *Palestine: Peace Not Apartheid* and Clinton's *Back to Work: Why We Need Smart Government for a Strong Economy*.)

Carter is, in short, the exception; his misgivings are simply not shared by the rest. "I don't know if I'd call it cashing in," said George H. W. Bush, [during his first press conference](#) as president, when a reporter asked about Reagan's "\$5 million book deal" and \$50,000 speeches. "I expect every President has written his memoirs and received money for it," Bush continued. "Indeed, I read that a former President -- was it Grant? -- Grant got half a million bucks. That's when half a million bucks really meant something. So I think there's plenty of tradition that goes with presidents writing memoirs and being paid for it."

The reporter followed up: "Is there a perception problem here?" Bush didn't see one: "No. Because I think there's been a long history of that. And I don't think it's ever been challenged as inappropriate."

In fact, the post-White House memoir is a recent development: only 13 former presidents published autobiographies about their time in office, including just one before the 20th century -- James Buchanan. Grant's book concerns his military career, not his administration, and was written in the last months of his life, when he was broke and sick with cancer; the royalties -- between \$420,000 and \$450,000 -- went to his widow. *The Personal Memoirs of Ulysses S. Grant* is noteworthy as the one autobiography by an ex-president that anyone really remembers; it's now considered a significant monument of U.S. literature -- unlike, for instance, *All the Best, George Bush: My Life in Letters and Other Writings* (1999).

Though Bush saw no evidence of a challenge to the status quo, less than one year later an Oregon Democratic congressman introduced a bill that would means-test an ex-president's pension, eliminating it for a year if he

earned more than \$400,000 the year before. "Presidential pensions were originally granted to spare a former President the indignity of job seeking," [Rep. Peter DeFazio explained](#), but Reagan's Japanese bonanza indicated that times had changed: "It's unseemly, to say the least, when a former President cashes in on his prestige this way, and doubly so when he continues to receive his full presidential pension." The bill died in committee, as did similar legislation in 2012 (the [Presidential Allowance Modernization Act](#)).

But the problem might not be ex-presidents' pensions so much as the private sector opportunities that they find so irresistible. As [Matt Stoller has argued](#), the massive sums of money to be made on the corporate lecture circuit amount to a conflict of interest for sitting presidents, who can influence the fortunes of the very same companies they might soon hope will hire them as high-priced speakers. More than keeping ex-presidents out of the poorhouse, taxpayer subsidies eliminate the need for them to cater to businesses and wealthy individuals (as the rest of us generally must do, to some extent, in order to support ourselves). Perhaps the law should concern itself with not just the dignity of the office, but the integrity as well.

--Written by Eamon Murphy for MainStreet

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