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Austan Goolsbee
OBAMA
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AUSTAN GOOLSBEE
AUSTAN GOOLSBEE ORIGINAL INTERVIEW
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Interviewed by Peter Kunhardt
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MATT HENDERSON:

Austan Goolsbee interview, take one. Marker. Standby.

ON SCREEN TEXT:

Austan Goolsbee
Economist

First hearing about Obama

01:00:16:09

AUSTAN GOOLSBEE:

Actually, I first heard about Barack Obama in maybe 1995 or '96. Whenever, whenever Obama had written his book *Dream from my Father* and he went on book tour. I had a friend who was a producer at a radio show in town, and he appeared on the show. And my friend called me and said, "Oh, I just met someone who – he's going to be the president of the United States." And I was like, "Is it a governor, who? What?"

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"No, no! His name's Barack Obama. He was the editor of the Harvard Law Review." And I was like, "Nobody named Barack Obama is gonna be president of the United States. What are you talking about?" And a couple of years went by and- and Obama ran for congress, and he lost badly. And then some more years went by, and he was my state senator for a while. But people don't remember, Michelle was way more famous than he was, or at least at the University. And I taught at the University of Chicago where he was also teaching. So, when he decided to run for the US Senate in like 2003, 2004, his policy people called around, and they got my name. They called me, and they said, "Would you be willing to help on some economics?" And, and I was like, "Wait, you're talking about Michelle Obama's husband?" Yeah, of course, of course I'll help. So, I started uh- I started helping out the campaign, writing these memos.

Obama's 2004 Senate run

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The story of that campaign was- it was kind of a strange one. His opponent wins the primary and drops out because of some scandal, and the Republicans in the state can't agree on which of them should be the nominee. So, they collectively agreed to bring in a guy from out of state, Alan Keyes, to run against him. Alan Keyes is kind of a bomb thrower, and he proposed a series of things like replace the income tax with the sales tax but exempt all housing, food, clothing, transportation, senior citizens, and poor people so that it couldn't be called regressive. And so, the campaign, well, said to me, "What would the rate have to be if he did that?" And I'm like, "What? I don't

know even where to begin to tell you how crazy this is," but I would figure them out, and I'd send these memos. And after all the memos, everyone knew me as Professor Goolsbee.

Meeting Obama

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So, the night of the debate between Obama and Keyes, they said, "We need you to come down at the debate and kind of be the weapon. He's going to say what his tax plan is, and you're going to say, this program doesn't work."

And – so, that happens and they say, "Okay, you gotta go up and meet Obama in the green room." So, I go upstairs, I knock on the door. Obama opens it and he says, who are you? I said, "I'm Professor Goolsbee." And he's like, "What?! I thought I had a 65 year old guy with a beard and like a tweed jacket." He said, "You don't look anything like a professor. And what is with Goolsbee?" And I was like, "Look man, you're telling everybody you're the skinny guy with the funny name, and you stole my bit. I've been saying that for 10 years." And, he never called me Professor Goolsbee again, but that was where we first started talking about economics, and we kinda stayed in touch with him for the time after that. Once he won, he went to Washington, and then he decided to run for president. And, you know, it's not that frequently that a guy who lives, you know, three quarters of a mile from you, and you admire decides one day he's going to run for president.

Obama's family

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AUSTAN GOOLSBEE:

His two daughters were at the lab school, and my oldest daughter is in between them. So, I would sometimes see him at birthday parties and, you know, some of his friends are- are common friends with me. Marty Nesbitt's daughter is the same age as my daughter, and they were in school together. So, I would see him around and Michelle around at peoples' birthday parties and that sort of thing, but not more than that.

Michelle Obama

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AUSTAN GOOLSBEE:

The world knows now what she's like. She was always really impressive and she was on the board of the lab school, which is the K through 12 schools run by the university where all of our kids were. She was a very impressive figure, and not just because she's tall. I mean, she's a – she has a commanding presence and, you know, I partly had some bias. I was friends with Valerie Jarrett, who's an old friend of hers. And so, I was prone to find her impressive, but she was – she was a vice president at the university hospital in a very prominent role. And by all accounts, she was doing a great job and professionally she was, she was quite impressive. He was kind of bringing up

the caboose on the power couple. I mean, she was- she was- she was setting the world on fire.

Obama's personality

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AUSTAN GOOLSBEE:

He's very funny in person. Just kind of sitting around. He loved to talk about sports and in meetings his language could be relatively earthy, let's say. I had a friend, fast forward a couple of years, in the campaign. He's running for president. At that time he's still very much perceived by the world to be a long shot. And I had a friend who's an economist expert on the budget come in and kind of brief him about the budget and taxes and stuff like that for the Federal Government. And I remember the Republicans were proposing something that was bogus, and my friend, who's a little more reserved, he said, "And the republicans said this and that is complete bull-oni." You know, and he didn't want to swear in front of Obama because he didn't know him. He didn't know if he would view it as inappropriate. And there was a silence, and Obama looks at him and he goes, "You can say bullshit, that's okay. You can say that in front of me. I've heard that word before." You know, and so he's much--he was at that time less formal than I think the world maybe thought. The world saw the convention speech and the amazing rhetoric and they were like, "Oh, this guy's a natural orator." In many ways he is a natural orator, but in meetings about policies at least, it wasn't like that. You know, it was much more relaxed.

Obama's personality traits described in his book

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AUSTAN GOOLSBEE:

I read the book and then I also at that time was doing a lot of driving, so I listened to the book again on tape and he was the reader of the book. That was – It's quite interesting to hear his autobiography, his memoirs in his own voice. One of the themes that came out of that book, I thought, was I guess I'd call it the betwixt in between worlds point. That he's from Hawaii and he's got a black father and a white mother, and he's with grandparents and he's in a school with people– with a very diverse community. And that theme of how do you communicate with people that are coming from very different backgrounds and different places. I think maybe that's part of why the public perception that he's very even keeled, and even in a crisis he's not usually getting very hot and yelling. That--that--My experience was that's accurate, and I thought maybe some part of that came from the observer status. You're in an environment where you're different than other people that you're around.

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I thought the other thing upon reading the book and getting to know Obama is it's a little surprising that a guy with his personality type ended up becoming a politician, in a way. He sort of has a personality type of a writer in some ways. Kind of a privateness certainly to family life and personal life and wanting to keep that separate. That kind of comes from the book a bit, but--but I definitely, and other people, definitely would notice that. I wasn't in the Clinton White House but a lot of the policy people who were in the Clinton

White House said that in a way, President Clinton didn't really respect the boundaries of, let's call it the residence in the west wing. So, he could be at the residence at night calling people up and saying he has some questions and that sort of thing. Very seldom would President Obama do that. When he left the oval office and walked over to the residence, he turned that off and he would have get-togethers, he would have parties of his friends and that tended to be something separate.

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I can remember a couple of times, you know, 4th of July going up through the residence and there's some older friends sitting on the roof of the White House and the fireworks are blowing up, and thinking like, "Wow, this is amazing." The guy from- from Chicago and with the background he had, now we're sitting on the roof of the White House. It struck me pretty clear that he was a private family guy and he wanted to keep the family, you know, strong family bonds maybe is the way to describe it, and not let the job 100% take over his personal life. I kind of admired that. I mean, I think it's good that we set some boundaries and maybe that the president be a role model to other families that you don't want your job to take over everything.

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AUSTAN GOOLSBEE:

Certainly if you read his book of--his memoir, the first memoir, which is not-- one doesn't get the sense reading that book that it's a guy that's been trying to become the president all his life. It's- it's pretty insightful to the way he thinks about his upbringing, and you get that sense that here's a guy who was an outsider. He was in an environment where both how he looks and how he

thinks and his family background and all of those things, they're just different from the other people he's growing up around, and then when he gets off the island and comes to the mainland, as they say, then it's even more of an unusual background, you know, on top of all those. He's from Hawaii, just being from Hawaii would make you kind of unusual. I think that contributes – – maybe contributes some elements to his ability to be a bit detached when analyzing a problem. That can be for better or for worse. It ultimately was massively for the better in my part of the world, which is economics.

Inheriting the 2008 Economics Crisis

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When we were in the depths of the financial crisis, you know, there were some days that were really scary. The days where you're thinking I don't know if tomorrow morning, you know, some of the biggest companies in the world are even going to exist. They may be liquidated by tomorrow, or the financial system is going to collapse, or everyone's retirement is going to be lost. Millions more people are going to be thrown out of their homes. All of this stuff is swirling and it's all happening at the same time. And the president, he at least had one streak of ability to take a step back and say, "Okay now hold on, let's think through what are the biggest of these issues? We've got 10 fires, what's the biggest fire? Let's deal with that one. Okay, now what's the second biggest fire?" I do think that, in a weird way, that personal background prepared him very well for dealing with- with that kind of environment. And for sure it prepared him well for dealing with the presidential campaign, which in some sense was the try out and America

looks at a skinny guy with a funny name who's from Hawaii and this, and they don't know anything about him.

Obama as an unconventional candidate

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There are a lot of people who have to be convinced that he's for real. You know, who is this guy? And he's able to do that partly because he's all of life, I think partly because all of life he's had to speak multiple languages of multiple communities. And that's pretty powerful, you know if you start--if you take a step back and say, "Look, America is comprised of a lot of different kinds of people and even more so as time goes by." And yeah, you know there is a backlash among some people to that idea, but what are the choices? In a way, we all need to learn to speak multiple languages and find a way to try to find common ground. So, I think that was in his heart of hearts, that always was a starting point.

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The issues of race in American history and especially in American politics are both fraud and there are long standing storylines that people try to plug their candidates into, plug policy views into. And there's no question that as a candidate, Barack Obama was not the typical African-American political candidate. It was certainly not in the spirit that the people at first seemed to be trying to say, "Oh, well he's black and Jesse Jackson was black and ran for president. So, it must be the same candidate." That was both offensive and not- not accurate. I thought through the campaign through 2007, through

2008, candidate Obama did a really good job showing people, "Look, here's what I'm like and you might not have seen somebody like me before."

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And you could see him, you could watch him over a period of a year, two years, here's how I deal with crisis, here's how I deal with adversity, here are my views. I think that was a big part of why he won. That maybe at that moment, a lot of parts of America were trying to get off these old story lines. They didn't want to -- they were happy to have something different than the old black versus white story line, or liberal versus conservative or whatever.

Backlash against Obama

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Once Barack Obama becomes President Obama and once you got a natural set of enemies who from the first step, as I said, it was like they were like the east German judge at the Olympics, and it doesn't matter if he hits he triple lutz or whatever he does, they already got the card filled out, they're giving him a two. Once you get into that environment, that super power or special secret sauce or something that he had from his life experience and from throughout the campaign, suddenly - sometimes the very thing that makes you special can also be transformed into the very thing that your enemies hate the most about you and try to turn into what's wrong with you.

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Sometimes the very things that make you special and that people got excited about, like in the campaign, sometimes the things that make you special can be the very things that your natural born enemies hate the most about you,

and try to turn into your biggest weaknesses. And so, when President Obama comes into office, I mean A, the first job we're dealing with a massive economic crisis, biggest of anyone's lifetime and we're trying to prevent a depression from taking place. And at the same time, you've got the Republicans and the rise of the Tea Party and a- and a huge undercurrent of what they're saying is, "This guy is not one of us, he's really different, and he's not a legitimate American." Then they start and he doesn't have a birth certificate, which the irony of that is complete when we finally fast forward, and you have Republicans running for office who weren't born in the United States, but they can run for office because they have a parent that was a US citizen. So, even if he hadn't had a birth certificate, which he did, even if he hadn't had a birth certificate, he still would be able to run for president. But that very thing that maybe we could break out of this trench warfare of the last several decades of partisan and on race and on all of this stuff, the fact that he was even saying those words kind of contributed to the thing of like, "Ah look, he's not a real American." And I never talked to the president about it in those terms, but that had to hurt in some sense. He came in wanting to do politics a certain way, and we moved by pretty soon. One, two years in, we moved right back to where it felt like we always were, where whatever he did they're going to say is terrible and whatever they did, there's going to be a battle.

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AUSTAN GOOLSBEE:

I can--I'm not emotionally intelligent enough to be able to read everybody's motives. I don't know if that's what it was among senators, but for sure there

were people who viewed this whole thing through the lens of race. You could see that in things like they tried to show a video of an African-American woman saying that she got her Obama phone, and they would spin into what's really an old narrative, an old battle about welfare dependency and race and all of this. And for sure, there were people trying to plug into that, and it's obvious that they were -- sufficiently obvious that people who had never set foot in America, Russians sitting on computers in Moldova, wherever they were spouting out fake news were precisely doing so based on this in large measure. Try to inflame racial conflict and racial tension in the United States. Because they knew this is an old storyline and look, maybe we can play into it. I hope that we can -- that there's still a chance that we get away from that, but I think part of the- part of the experience from candidate Obama to Senator Obama, to presidential candidate Obama to President Obama was learning there are some places where you can dream a different dream, and then sometimes you're just back in the grubby reality of people punching each other, you know, the way they have for a long time.

Obama as Illinois State Senator

01:22:18:04

AUSTAN GOOLSBEE:

Mostly, I didn't know President Obama that well when he was in the state senate. Some things to note about the Illinois state senate, however. It doesn't pay very much for the how much work you got to be doing, and a lot of the people who are in it have a job elsewhere. So, they're commuting back and forth to Springfield from Chicago. Most of the population of the state

lives in the Chicago area, the capital is down the Springfield, a few hours' drive each way. So, partly I think Obama had a Spartan lifestyle because he had to have a Spartan lifestyle. You know, it gets expensive real quick if you don't have a Spartan lifestyle and you're going down there. He's written about, and it should be obvious to anybody who looks at Illinois politics in general, that it's a mix bag in the state senate and the state government. There are some people who care a lot about issues and they're down there for the right reasons.

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Historically, there have also been quite a number of people who engage in kind of the grubby politics of corruption and everybody knows that the motto of Illinois politics is, "Where's mine?" And uh, he had exposure to all sides of the state government. One of the things he did as a state senator was -- up to that time Illinois was the last state where anyone could give an unlimited amount of money with no disclosure of any kind. They changed that law and he was part of changing the law and it was good, it was a good reform. It also made some of the- the- the machine politicians upset at him because they were like, "Look, you're threatening my bread and butter." But he did a pretty notable job, the state of Illinois' pretty partisan divide, divided on partisan lines a lot like the US government is. He explicitly was trying to, and did, work with Republicans in state legislator and that's pretty unusual.

Obama's 2004 DNC speech

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AUSTAN GOOLSBEE:

So, I remember in the first maybe it was like 30 seconds of the speech thinking like, "Oh no, what if this goes terrible? This could be a disaster." Now, fortunately, I was nervous nelly, it went amazing. By the end, I was already on his side but I was like, "Yeah, what he said. I'm with that guy, I totally agree with that." And I think for most people watching, that's what they thought. They were like, "Whoa, wait, yes. He's talking about trying to get out of- trying to get our of these ruts. Let's try to get out of this -- these storylines that we've been fighting."

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And so he's trying to get out of that and the whole speech was about that, and that really resonated. And then, what I distinctly remember, is everybody who kind of laughed or made fun of me when I'd say, "Oh, I've been helping out this guy, Barack Obama. He's running." They're like, "Oh man." Then he gives a speech, everybody's like, "Oh, who is this young whipper snapper? Maybe I should come in and help out. You need some more help?" So, that speech made a big difference for sure. Outside the state of Illinois, he was a totally unknown candidate coming out of nowhere. But inside the state of Illinois, that wasn't really true. When people began to question, "Well who is this guy and should we take him seriously? When they called the people here and said, "What do you know about him?" Virtually everyone here was like, "This guy is 100% the real deal, and you should pay attention because he's really impressive and good."

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I think that everybody should remember that because his victory led thousands of politicians around the country to ask the politicians favorite

question, "why not me?" You know, "hey, Barack Obama came out of nowhere. I'm nowhere, so I could be the president." It might be true but like I say, for the people who knew him, it wasn't- it wasn't a surprise that when the world got to see what he was like and what he believed that they were impressed. And look, the commentators went berserk, it was a great speech, it had a great theme that resonated with a lot of people, and still does. But he wasn't a flash in the pan. That's what I try to explain to people at the time. They say, "Who is this flash in the pan? Is this just all sizzle and no steak?" It wasn't. You know, and it was the steak houses of Chicago, if it had been filled for years with people saying this guy is really legit. I didn't know if he was going to be the president or ... I didn't think to dream that big. But it was clear this was an impressive guy who was going to be doing important things.

Obama's decision making and policy

01:27:56:06

AUSTAN GOOLSBEE

When it comes to modesty, is the president modest or is the president immodest? Kind of a bit of both. There is a certain immodesty of the president that I- that I admired him for. It wasn't about, "Am I -- look at me, I'm so great or aren't I pretty?" Or whatever. It would be in my world of policy to the question, what's the best? Here's five different ways to- to address the healthcare problem. Some people would say aim low, aim for a little nugget that we could definitely do rather than aspire to some grander something because that would be really hard. For sure, President Obama's view is, if all of the experts would tell him and prove to him that it was right,

and the only thing was well, but that's not popular. He absolutely believed, "Well, if this is where--I'll go out and I'll convince people, I'll sell it, I could do it." That requires a certain level of immodesty to think that.

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But we also kind of loved him for that because in a way it meant he was taking the content more seriously than a politician normally takes it. Because he was saying, "Look, if you're telling me this is the best thing and we should do it, then my job is to go out and show people this is what we got to do." And that ambition, in a way, leads to some of his highest highs on the policy side as president, but also some of the lowest lows. So, they pass Obama Care that for sure there were lots of policies advisors before Obamacare who were saying, "Don't try for something that's going to expand coverage by tens of millions or more because Republicans will oppose it, it will be controversial. Let's expand the children's health insurance program, or let's do something and we can be proud of that. We can get up and say, We expanded coverage by 20% for this group." And Obama's view was, "Look, we're not saving up our political capital just to sit there and look at them and be like, look at that. This matters. This matters to millions of people." I have heard from millions of people throughout the campaign of how important this is. We got to aim big.

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You can't really run for president if you are too much of a shrinking violet. Now that said, I virtually never saw ... he had an immodesty of ambition, I very seldom saw a personal arrogance. That's not- that's not his demeanor. I know he has a bunch of critics who want to plug him and oh, he's super

arrogant. That wasn't my experience and I knew him decently well in a policy environment, and he wasn't like that. He did not believe that he was better than other people or looked down on other people. And if anything, it was always a source of frustration to him once he became the president. When you're on the campaign trail, you're out talking to thousands of people and you're having town halls and you're hearing from them. They're saying like, what's on your mind? And he hears what--they're asking questions, "What are you going to do about this? I lost my job. My mom has a preexisting condition and they dropped her insurance." He loved getting that input. He thrived on the trail partly because of the interaction, but also he's getting ideas, he's hearing what's important to people.

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And once you get to be the president, it's not like that anymore. Now to go to a town hall with the President, they got to do a background check. They got to get your social security number, and they're going to look through all of your background stuff to make sure you're not a security threat. And a bunch of people who might be critical in the campaign they might say, "I disagree with you for a, b, and c reasons." Once it's the president of the United States sitting there at the table, a lot of times in person they don't do that anymore. You know, so I have these meetings with business people. I mean, "I hate this regulation, I hate something. I'm going to just give him a piece of my mind." I would say to them, "That's great. That's great, he wants it. You tell him that, 100%. You tell him all those criticism." Then he gets in and there's, "Well, Mr. President, I know it's a tough job and you're doing the best you can." What happened to giving him a piece of your mind? So, once you're the president,

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it's different and he's chomping at the bit about that because he wanted that. So, he would try to replace that with the letters and he would read, I forget if it was like five letters or 10 letters or something a day that people would send to the White House. And he would mark them up because he's trying to get that input. All of that is--those are not the actions of somebody who's really arrogant. He actively wanted that touch to regular people. And just as a side note if you ever work in the White House, or if you ever become president just remember, if you write on something, that becomes an official record and there's like three or four people's job it is to make sure that whatever the president wrote, somebody is doing it. So, if he got a letter and the persons like, "Oh my mortgage payment is too high," and if he writes in the mortgage, "Why is this?" Some jerk like me is going to get this letter then they're going to be like, "The President wants you to answer why is this person have this." So, we did have- we did have a policy interface to those letters.

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AUSTAN GOOLSBEE:

My view was on economics, if it cost more than five billion dollars and the economists don't agree, then the president at least has to know what the dispute is. I don't know if it was because of his own personality type or because he had been a law school professor and that's Socratic method or something. But candidate Obama was remarkably good at the following skill; bring in a group of experts, talking about some topics that might even be technical and that there's no reason that a political leader would have any background on it, and start asking questions. Wait a minute. Now you said

this, but I thought he just said this other. Why? What is that? How do you reconcile? And get them debating one another and distill from that something broad thing. That was really one of his policy's superpowers and that was a good one to have. If you're going to have one, you want that one. The only thing I will say is that there is an addendum that in a way the Obama method of policy changed over the time when he was president. Partly by necessity but partly, I don't fully know why and that is.

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Whereas through the campaign he would love nothing more than to bring in some experts on, you know, if we have a summit on competitiveness, here's some engineers and here's some business people and here's some economists and they're not people who have anything to do with politics, they're just arguing about- about ideas. He would love to get them and question them and almost like a seminar type environment. Once he becomes a president, and especially once we get into really time pressed crisis and dealing with stuff like that and then the epic political battles, there's just either not time or something, the idle argument where we hear from all sides and, you know, try to distill. That just happens less and less and it becomes a much more formal policy process as time goes by. And you lose some--you gain some things that way, but you definitely lose some things and you could always tell in the President's heart of heart, he missed that and a lot of times where you could tell that is they finally get him out on the road to some town hall I can remember going to. It was an event in the upper peninsula of Michigan and it was about training and it was at a community college and

they ... He was just, you know-- he was wallowing -- he was a pig wallowing in mud. You know, he was loving talking to the people, getting all these ideas.

Reverend Wright and “A More Perfect Union”

01:37:25:10

AUSTAN GOOLSBEE:

Reverend Wright was a minister in Chicago that, you know, if you were following things. In Chicago, he was- he was a prominent minister on the Southside, just little south of Hyde Park. But he was controversial. I mean, he was always a controversial figure. The opposition research of somebody went back to find the sermons of this minister, and find the most controversial things that he'd said and they found them. So, that was a kind of ... not a crisis moment, but maybe a crisis moment of the campaign where it threatened to descend maybe into just the old story lines of race, of black versus white or liberal, conservative, whatever. So, Obama was kind of taking this route that people hadn't seen before, and now at this moment it threatens to just get kind of pulled into just an old story line.

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He gives two speeches, really but- but he gives a speech that was very thoughtful and it was nuanced. I remember once hearing ... the comedy actor Will Smith talk about being in high school. He was in a high school with--a mixed raced high school. He always wanted to be the class clown and he developed the ability to give what he called, what Will Smith called the perfect answer which was to say something that all the white students would start laughing because they thought it was funny. And all the African-

American students would laugh, too, but for a completely different reason, and it wasn't -- the two groups did not necessarily realize why the other thought it was that funny, and that's what he called the perfect answer. So, I remember when President-- when candidate Obama gave the speech about race. It had ambiguity and it was about he was sorry for one, but other things that made him uncomfortable. I remember talking to my neighbors in Hyde Park that are African-American and them saying this was such a good speech, they loved the speech. And at that time, Paul Volcker, the old central banker, had endorsed Obama a few months before that, and I was in regular touch with him. And this guy, he's a white guy, he's about 80 years old. So, you wouldn't necessarily think that a guy like Paul Volcker, you wouldn't know what his reaction would be.

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Volcker calls me in the campaign and says, "Did you see this, what Obama said about this Reverend Wright?" And I said, "Yes, I did." I said, "But before you say anything, I was really proud of it, and I thought it was great. And you can say whatever you want, but I just want you to know." And he said, "Actually I thought it was really moving, and it made me really proud that this was the guy I endorsed some months ago." And I remember thinking at the time, "Whoa, if 80 year old Paul Volcker and my neighbor both agree that this was an important speech and they're proud of him for giving it, he kind of hit the perfect answer." And I think if it was anybody else and even him, if he had said something different, I think it probably would have been the end of the campaign.

The passing of Obama's grandmother

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AUSTAN GOOLSBEE:

In many ways, his grandmother was central to raising him, was almost like a parent to him and she passed away right at the- right at the tail end. I think maybe a day or two before he- he ends up winning. If you had read his first book, which talked about his childhood, you could see why he would pull out of ... I mean it was a critical moment in the campaign, but you could see how he wasn't gonna ... you could see why he would get on a plane and go somewhere. I'm sure it will always be- be sad for him that in a way he couldn't share the night of Grant Park and the victory and all that stuff with his grandmother. But other than that, I don't know much about it.

Obama's competitiveness

01:42:21:12

AUSTAN GOOLSBEE:

President Obama is definitely a competitive guy and his view, he's probably not wrong about this view, but I could deal with it as an economist.

Economists are used to thinking of what we call comparative advantage, which means even if somebody's better than you at everything, that doesn't mean that they should do everything. You should focus on what you are comparatively have an advantage in.

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I believe that- that- that candidate Obama thought he's probably better than everybody else at whatever they did. The policy people, he probably thought

maybe not wrongly that he knows as much about policy as they know, and he's--as a writer, he's a really good writer. So, you know, compared to the speech writers, he could probably write better than them. So, in a lot of those spaces that put so much pressure on--you know, if you were a speech writer for Barack Obama when he wrote, you know, the famous speech at the convention, and he wrote these best-selling books, you better come with your A-game or he's going to be like "Yeah, it's not that good. Go back and rewrite it." So there's a -- In a way, there's a certain level of competitiveness to that. The other just personally, he loves sports and he loves sports competition. There was a--maybe it was the NFC championship, and the Bears were playing the Packers. The dreaded, hated, awful Packers and their quarterback, Aaron Rodgers was a very young man and this was after the famous quarterback has left, and they bring in this young guy. And so they had in the White House theater all the Chicago people come down there to watch the game. And I remember saying, "Yes, the Bears (Inaudible) it's 1985 again, we're going to go to the Super bowl."

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And I remember Obama kind of shaking his head and saying, "They're not going to win." And I was like, "What? How can you say that?" And he's like, "Have you seen Aaron Rodgers? They're not going to win." And of course they lose and I still was like, "I can't believe he said that." So, I think he loves competition, sports competition. He can be kind of competitive in the sense of on the policy ground, everybody needs to keep up and bring their best stuff. But at least in the NFL, objectively, he was right and I wouldn't want to be in fantasy league football with him because I'd be one of the guys like,

"Let's have a bear at every position on the team," and he'd be the guy trading me players that I shouldn't be trading for.

Navigating the 2008 financial crisis

01:45:35:04

AUSTAN GOOLSBEE:

In my part of the world there were some very stressful meetings. Meetings about the collapse of the auto industry and was the government going to step in and save it? Meetings about the financial crisis, about the housing foreclosure crisis, and healthcare and a bunch of other things. Many times I thought, "Wow, thank God it's him and not one of us having to make these decisions." 'Cause it's all on him. Are they going to rescue Chrysler when half the advisors are saying, "It's not gonna work. We're gonna spend billions of dollars and it's gonna bring down GM and Ford and Chrysler. Because there's not enough demand in the world." In December of 2008, you know, we're into the worst financial crisis and the beginnings of what's gonna become the worst downturn of our lifetimes. They have the first meeting of the economists in Chicago, and it takes place over at the GSA building where they were running transition out of Chicago. All the Geithners, Summers, Romer, Volcker, everybody comes in. We have a snow storm so they can't really get there. There's Paul Volcker, he's six foot nine, he's taking the subway. He's walking through the snow to get to this meeting, and they go through the meeting and it's awful. It's- it's, you know, the first thing ... I'm talking about the housing market.

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And I'm saying there's more people underwater on their mortgages than has ever existed in U.S. history. We have no idea what's going to happen. Millions of people may just mail in the keys and walk away. And if it does there's going to be a collapse and the hit on household's wealth, the household balance sheet. This is the biggest ever. It's bigger than 1929 and house prices may go down another 10%. We just have no idea. Christy Romer says that the GDP's gonna ... we're gonna need the biggest stimulus of all times. Geithner says half the major financial institutions of the country may be insolvent so we're fighting over the TARP. We may need another 700 billion dollars of TARP to prevent the whole thing from collapsing. So I mean it was epically awful. The meeting ends and I walk up to the President elect who I've known for some time and I say, "Mr. President, I gotta tell you that's the worst briefing the incoming president's had in the United States history except maybe 1932, Franklin Roosevelt or maybe Abraham Lincoln in 1860." And he turns and he was not even joking and he just says, "Goolsbee, that's not my worst briefing this week." And at that moment it was like, "Wow. You don't want this job. You really don't want this job." So I never saw him afraid. And that included times when he probably should have been afraid. We were afraid. But he always had a pretty even keel and I was happy about that.

Obama's race in regards to his safety

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AUSTAN GOOLSBEE:

I don't know the statistics from the Secret Service or anything like that. They obviously keep that very private. For sure, the feeling in the campaign and

the fact that there had to be Secret Service protection pretty early in the campaign for where we thought made most of us in the campaign think that there probably was some- some racial component or something that it was a flash point -- had the potential to be a flash point for hatred. And when you went to the inauguration, the first inauguration, that was definitely on people's mind. I mean inaugurations are always kinda lock down mode. You're going along you're hoping everything's going to be fine, but you're a little nervous. It was a freezing, freezing bitterly cold day. So, you couldn't think too much about it.

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Interestingly, Obama himself never talked about that would never say... when they started the secret service protection of him as a candidate, pretty early, he for sure didn't complain about it. But he didn't say, "Oh we have to do this because we're under threat" or anything. He tried not to make that a newsworthy issue. I think that's probably for the best. You know, it tends to be that crazy criminals, a lot of times, seek out the attention or copy cats things that they see on TV or whatever. I wonder if that was part of it. It might have been.

The early days of work at the White House

01:51:09:10

AUSTAN GOOLSBEE:

There were many senses of feeling overwhelmed in the run up to the White House. So all the transition. The financial crisis is really playing out over that period and the outgoing Bush administration is calling -- first both of the

candidates and then when Obama wins they're calling Obama and the policy people and saying, "Here's what we're thinking of doing. What do you think about that? Do you want us to do something different?" You know, and they're reaching agreements on things let's say.

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Personally, we get into the White House and my first -- there's a rule that you can't go to a meeting with the President in the oval office. You're not supposed to if you're in a -- named to a senate confirmed job until you get confirmed. Once you get confirmed, and Republicans were holding up a bunch of nominations and trying to slow walk a bunch of things. So everybody's there and if you'd been confirmed you're kinda doing three people's jobs. And you're like, "Call the Under Secretary of whatever." "There is none." "Call the Deputy Secretary." "Not confirmed." "Well, call the Secretary of the Treasury." You know, and so the first meeting that I remember of going into the oval office, I go in, and it was a very contentious meeting where people are mad and it was about autos where they were having an argument about it. One of the people's kinda mad at me. Chewing me out a little bit. And I turned this way and there on the wall of the oval office is the original emancipation proclamation signed by Abraham Lincoln. And I'm looking at it and I'm thinking like, this is unbelievable, this is the first Black president and that's the emancipation proclamation right there. And I'm sitting right here. And then I kinda fade back in. Oh boy, so emotionally for me, that first meeting was a little--it was both good and bad.

Obama's stimulus package

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AUSTAN GOOLSBEE:

In the case of Ronald Reagan and of Bill Clinton, who were the two presidents in modern memory who were perceived to have come in during an economic crisis. They both passed their economic package in the fall of their first year. So they spent really the whole of the first year in office saying, "Look at how bad it is. You've got to pass my package." And they were just kind of pointing. Obama passes the stimulus right out of the gate. And so, as a result, even though the economy is slow moving, there's this backlash of "well, you said you were going to fix it and it's not fixed."

Obama's sense of humor

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So the President's humor was often -- he was often funniest, I thought, in his reactions to things. Or at least you could see that. More traditional sense of humor you could see every White House Correspondents Dinner. The guy's really funny. He knows how to deliver a joke. He can think up jokes. But he's pretty funny just in a room, you know, when things happen. And so at one point in one of the ultimate meetings, they're arguing about the- about the auto industry. It's mostly done, the President has decided what he's gonna do or something and one of the guys who was a big advocate of the rescue of Chrysler said, "I would just like to say, a lot of people are treating this like it's just the lesser of evils, you know, we have to do this because we can't afford not to. But I would just like to put out there that..." and one of the things at that time was that the big three automakers had gas guzzling cars. They had

not invested in fuel efficiency ... And he said, "I for one believe that if Fiat takes over Chrysler, they might be able to bring their small car expertise to Chrysler, and Chrysler, using Fiat could create a 50 mile per hour engine for their cars." Now he meant to say 50 miles per gallon and he said a 50 mile per hour car.

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And everybody pauses for a second, and then they all start laughing and the President goes ... and I guess the President when he was in law school and didn't have very much money, had a Fiat and he said, "I'm pretty sure, I thought you were talking about my car in law school, I'm pretty sure I could hit 50 miles per hour even then." And then everybody starts laughing. So, that's kind of the style of some of the stuff.

Obama and young people

0156:35:16

AUSTAN GOOLSBEE:

The President's always had this thing for the next generation, and he's always loved kids and being around kids. And those are tied, but they're not exactly the same thing. He was always extremely gracious and generous with his time to staffer's kids. That they'd come in and would want to meet them. And uh, and when people would leave the administration he would always meet with their families. They could come in with their families and meet them and my kids wrote these--they were very young and they wrote these letters to him and he signed the letters for them and gave it back and we still have those.

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The thing was there's a very famous picture that Pete Sousa took of an African American kid that asked him, "Can I feel your hair and see if it's the same as mine?" But that-- it wasn't just one photo. It wasn't just a photo op. He was always really into kids. As was Vice President Joe Biden, another lover of kids. Then there's a second thing, which partly motivates that; The President absolutely believed in -- the most important thing we can do is motivate and set up the next generation and their impact will be greater than anything that we do. And I know that when he set up the Obama Foundation that's what he said to David Simas the head of the foundation. He said, "I intend for the next chapter to be more important, more influential, than the years that I spent as president."

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Simas said, "No offense Mr. President, but how is that even possible?" And his idea, which once you start thinking about it, it's not wrong, if you could motivate young leaders all over the place to get involved and start doing things, the magnified impact of that is far greater than even what the president could do. And I don't know if it's his background as a community organizer that he in a way kind of lived that. But he's always had that deep abiding thing about, we gotta get the next generation on the field. That, in a way, is a key component of how he became the president. If you remember, throughout 2007 and going into 2008, there were a lot of people that said, "He cannot win, because he is relying on big turnout from groups that don't vote, like young people." He's got a bunch of college kids yelling, "Oh, we love Barack Obama." Well, the thing is actually, they did turn out to vote. So all of

that is a kind of a hub probably in his gut that his own background says that motivating the next generation can be powerful. As community organizers it motivated a different campaign, you know, with expanding the electorate. And it kinda played into that he likes kids to begin with. So that's what I always figured it was.

Connection between the Obama and Trump presidencies

02:00:18:13

AUSTAN GOOLSBEE:

I do think that, you know, to the extent that the- that the conservative media says that Obama created Trump, you can see that there's a grain of- of- of truth to that. I don't think if Obama had been the president that Trump would be the president. I remember in 2007 sharing an office with David Axelrod, and expressing some worries about the election and what's going to happen. And I remember David Axelrod saying, "When American votes for president, usually they vote for the remedy of what problems they see with who's in office. Not the replica of what's good."

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And at that time he was saying, "And that's going to be good for us. Because the Bush presidency and the wars and the economic crisis and all these things, we're in many ways the opposite." I kind of think that's partly true that the--you know, for at least some voters they seem to be saying, "We're tired of nuance, and we're tired of some other way. Let's just go back to a recognizable partisan combat. We don't like your guys, and you don't like our guys and we're stronger than you so we're gonna beat you."

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And part of that, you know, there's some component of the Trump phenomenon; some part of it's a celebrity type thing. And you could say Obama was certainly in this sphere of the celebrity presidents. But another component was the racial resentment. Those were the same people who were the most agitated that Obama was the president. Those were the same people who were out saying, "I don't think he's a legitimate American citizen." We can respect each other and we can even get mad at each other, but it doesn't have to be- it doesn't have to be a battle of identity. As they say, conflicts over interests are a lot easier than conflicts over identity. You can decide, "Hey I can give you what you need, and we can do this together." Can't really do that with identity.

Obama's evolution from presidential candidate to the end of his term

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AUSTAN GOOLSBEE:

He got a lot more gray hair than I remember when I first met him. But on the- I'm just a policy guy. On policy grounds I think A, he knows 100x more about every policy issue, having been the president and confronted some really massive stuff than he did back when he was a state senator obviously. I think his temperament seems pretty similar. Feels pretty similar. One way he changed is being the president for sure makes the policy process more formal and his time or inclination to kinda sit and talk about the grand ideas.

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The other thing, I think, maybe it comes from being the guy who has to order the taking out of Osama Bin Laden or something, there's a certain formality that came in where before he was running people would call him Barack. Once he became the president, for policy people, no matter how much you knew him, they called him Mr. President. And it wasn't hard---you know, you didn't slip up and be like, "Oh, Bara-- I mean, Mr. President." That didn't happen. Partly because he evolved into the job. He had the weight of the world on his shoulders, as they say, and so I guess he got a little more distant, a little more formal. When he was a state senator you might be like, "Oh, this is my friend and he's great. He's gonna be something." You wouldn't necessarily be like, "Oh this is my friend. He happens to be President of the United States." I think it was healthy, but you kinda saw an evolution that way.

"Did Barack Obama enjoy being President of the United States?"

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AUSTAN GOOLSBEE:

Sometimes. The President enjoys the job sometimes. I think President Trump ... I said this about President Trump and the reason I said it is because watching Obama I said, "I don't understand why President Trump is fighting over some things, some ... whatever he's fighting about in the first two weeks." I said, "I get the sense that this guy doesn't realize that the first six months you're on the job is the most fun you're ever gonna have as president of the United States."

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Every single thing about the job gets worse. The press treats you worse, the grid lock is worse, your own party is treating you worse, the other guy's treating you worse, everything is worse. It gets more sour day after day until finally you've been there 8 years and you leave. And then they start saying, "Oh what a great job you did. We miss that guy." But that's the American system. I know there were some days when the President was feeling great. And sometimes those would be as simple as you know when you're the president you can have ... if you like some kind of music you can get the person who played that music to come down there and play music for you, you know what I mean? Including whatever ... just the Beatles, Paul McCarty come play. You like the Hamilton musical, fine he'll come sing it.

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The times when I would see the President enjoying the job most were more than quiet festivals or whatever. It was often when they'd have events and a group of veterans or a group of students or championship team come to the White House. For sure he liked that. But at the same time, as I used to always say, just as the low level policy guy, they'd be like, "Oh was it fun?" I said, "Well, I didn't really come here for the fun and I haven't been disappointed." I think the president's job got that even more.

Obama's legacy

02:07:18:22

AUSTAN GOOLSBEE:

You know, It's always a dicey proposition thinking about what's the legacy of any president. And that's because there are big forces at work in presidencies

and in history that it's very hard to recognize when they're happening and you've got to have a little perspective and look back and be like, "Oh, it's obvious what was going on." I think for sure the economic historians are going to view the fact that we did not have a depression, despite having a hit to household wealth that was bigger than 1929. And despite having a financial system that was more integrated into the economy than existed in 1929. We didn't have a depression. They're gonna look back and view that was a major, major accomplishment.

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That's not solely Obama, by any means. The Fed's actions were important, some of the actions taken by the Bush administration were important. But a major component of important stuff was done by President Obama and that's gonna be remembered. The legacy of healthcare is a contested legacy. Donald Trump is trying to reverse Obamacare. Let's say he doesn't, then for sure the expansion of healthcare covering millions more people is gonna be a key component of the legacy. And then, I guess, we could either talk about smaller policy things, which probably only people like me are gonna remember. But then there's the definitional who we are, who was this person? And he's the first non-white president. It mattered a lot.

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It was -- Yes, it was a moment in history, but it opened the door, I think, to millions more kids looking and saying, "Well, I want to grow up and be president." And believes that maybe they could be the president. And so that that America still remains a dream, but maybe we took a couple of steps toward enabling it. What probably won't be in the legacy and I know he

wishes it were, is it didn't end the partisan divide. If there's one regret it's that through the campaign that was what he really wanted to change that. And we can argue about who's fault it was but nobody can argue by the end of the time we're still back in that same old us versus them and, you know, Washington's fighting about stuff.

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