



## Lessons Learned Oral History Project Interview

<b>Interviewee Name and Crisis Position</b>	Andrew Gray <sup>1</sup> Director, Office of Public Affairs, Federal Deposit Insurance Corporation
<b>Interviewer Name</b>	Mercedes Cardona, Interviewer, Yale Program on Financial Stability
<b>Date of Interview</b>	October 7, 2021
<b>Lessons Learned No.</b>	2021-35

### Introduction:

The Yale Program on Financial Stability (YPFS) reached out to Andrew Gray to request an interview regarding his time as director of the Office of Public Affairs at the Federal Deposit Insurance Corporation (FDIC).<sup>2</sup> The FDIC stepped in during several bank failures triggered by the Global Financial Crisis (GFC) and conducted 489 bank resolutions during 2008–2013. After the crisis, the FDIC also assumed new responsibilities under the Dodd-Frank Act over the winding down of failing banks.

Gray joined the FDIC in 2007, after having been Majority Director of Communications for the US Senate Committee on Banking, Housing, and Urban Affairs since 2002 and Press Secretary for US Senator Richard C. Shelby (AL). In 2012, Gray was appointed Deputy to the Chairman for Communications, responsible internal and external communications at the FDIC. He left the FDIC in 2014 to join JPMorgan Chase & Co., where he is Managing Director and Senior Communications Officer.

*This transcript of a telephone interview has been edited for accuracy and clarity.*

### Transcript

**YPFS:** Let's start with a little narrative since this is an oral history. What were you working on in late 2007, early 2008 as the crisis was taking shape?

Gray: I joined the agency in the spring of 2007, I believe. At the time I was brought in, they needed a director of public affairs. I was a political appointee, so I navigated that process and then was brought in. At least initially, as everyone probably had told you, we were coming from this, what they called “the golden age of banking.” At the FDIC in particular, there hadn't been a bank failure in at least a couple years, if not three years. The biggest issue I believe was

---

<sup>1</sup> The opinions expressed during this interview are those of Mr. Gray, and not those any of the institutions for which the interview subject is affiliated.

<sup>2</sup> A stylized summary of the key observations and insights gleaned from this interview with Mr. Gray is available in the Yale Program on Financial Stability's *Journal of Financial Crises*.

whether Walmart was going to be granted a bank charter through an industrial loan company out of Utah, a charter out of Utah. That was something that the FDIC was focused on.

It really was more of the [bank in Utah] stuff initially, before the crisis started to take shape. And then it seemed that, leading into 2008, it was also incremental. But what we did start to see was a growing number of banks on the troubled bank list. That means that they're on the CAMELS rating of 4 or 5, which is, as you know, on the path to failure. That's a secret list, but it did cause concern within the FDIC, so it was really starting to ramp up in terms of oversight activity and the supervisory part of it.

The other part I was working on was the 75th anniversary of the FDIC and our remembrance. I recall early on—it was probably late 2007, early 2008, I was just presenting some options to our chairman at the time. And in a very prescient way, she said, "You know, this shouldn't be just..." We were talking about a commemorative stamp and some of this basic stuff. We looked at the 50th anniversary and she said: "Well, this should really be a public education campaign—what the FDIC does, what our mission is. It should be around that, as opposed to just celebrating the FDIC itself."

I look back on that and it was really important that we had done that work around really basic messaging: "You know, in our 75-year history, no one has ever lost a penny of insured deposits." Just simple catchy stuff that we developed into various forms of collateral. We took out full-page ads over the summer in the New York Times, in the Wall Street Journal.

She did a number of interviews, and that was the other piece of it for me. I remember her profile growing rapidly as the concern about the financial system started to ramp up as well. It was congressional testimony. It was media interviews. It was a lot of traveling too; at the time, she would just participate in various events and give speeches. Her profile just really was completely high trajectory, and that meant a lot more work for me. We were just drinking out of a fire hose as we approached the middle of 2008 in every part of the public relations piece on a day-to-day basis—like fielding media requests and information about what the FDIC was thinking and what our role was. [FDIC Chair] Sheila [Bair] was really inserting herself into these broad policy debates, both domestically and internationally, and people were listening to her because she had been kind of an early bellwether, seeing problems emerge.

**YPFS: Was there a sense in early 2008 before even Bear Stearns went into crisis mode that there was something brewing in the economy that could be a significant shock to the financial system?**

Gray: I don't think any of us had the appreciation for the magnitude of it, but Sheila was really early on saying: "We need to raise banks' capital levels. We need to be much more stringent in our exams. We need to examine their books for real estate exposures and mortgage exposures in particular." So, yes, I would say that of anyone, because we managed the process of winding down an institution, we'd get an early look and kind of map out banks that are going to fail. We saw more failures of banks in 2008, and we saw why they were failing, and they were all across the country. I think that gave us a pretty unique insight into how widespread the problems were.

That being said, I don't think until it really happened that we had quite the idea of what SIFIs had done to help lever up the issues, in particular as it relates to securitizing and packaging up mortgages and slicing and dicing them. It was the CLOs and CDOs and all the other complex stuff. I remember getting an education on that. There were people in the building that already knew what that was, but a lot of people didn't. So, it was an education for us too.

**YPFS: It sounds like the exercise of putting together the anniversary communications gave you some perspective.**

Gray: Yes, right. Yeah, born out of crisis, it helped us think about what we said in our public messaging, about the resources that we have at our disposal. We went into the crisis with around \$50 billion in the Deposit Insurance Fund, and it went down to basically zero, and even into the red from an accounting standpoint. There was a real fear that, as we ran out of money to pay for these immensely expensive failures—whether it was IndyMac or Colonial, which was pretty expensive; Washington Mutual fortunately didn't cost us anything—we could say: "Well, that's fine. We have the ability to levy the entire financial industry: a special assessment if we need to"—which we ended up doing.

We have some other mechanisms in place too, in addition to being backed by the full faith and credit of the United States Government, so we could borrow from Treasury if we needed to. No one should ever be concerned that that their insured money would not be protected. And in the evolution of that campaign, the anniversary campaign, we did a big, broad public education campaign. We were in six or seven cities: San Francisco, Kansas City, Chicago—these are all cities where we had big FDIC field offices—New York City and a couple more. We would do a public event. We rang the bell at the New York Stock Exchange, and it had our 75th anniversary logo on it. We would invite local crowds and we'd always make sure that we did a lot of media around it to help.

Then that evolved into a partnership with Suze Orman, the financial advice guru, who actually called because of the way that accounts were structured. To be able to qualify for the full amount—at the time I guess it was a \$100,000, and then they upped the limit to \$250,000—it was kind of difficult to have it

structured in a way. You can individually have \$250,000. Your spouse can have \$250,000 separately. You can have a joint account for \$250,000. So, there's ways to structure your accounts so that you can get well above the maximum coverage. Anyway, it's a long way of saying we had this clunky, terrible calculator on our website that was really not user-friendly. It was outdated, and it's been that way forever. Suze Orman called; she either called Sheila or called me, saying: "I want to get more deposit insurance. I can't figure out how to do it. Why isn't it easy just to list who you want to be your qualified beneficiary and then you get that extra insurance?"

Sheila actually said: "Yeah, that makes sense. Let's do that. Hey, by the way: do you want to help us fix our website? Because you have that consumer-facing point of view." We did that and then they ended up doing a public service announcement together; they recorded a couple of videos, and we had it played all over the country. We had billboards and just had a lot of really cool exposure for this campaign. So, it just continued to this cycle of public education.

I really do think that that helped so much, because of what we were all worried about: that trust in financial institutions is so tenuous. In your bank—that trust that your money's going to be safe—if that erodes, then that really would have been something that would've been hard to recover from during the crisis. But somehow it maintained, and we never had an issue with liquidity runs on banks that were otherwise healthy.

**YPFS: Given all of that, did you have a crisis communication plan, or had you considered setting up a crisis communication plan?**

Gray: Not that I know of, no. It was trial-by-fire in a lot of ways.

**YPFS: What were the conversations going on in the FDIC? Because you had a bit of a foretaste, with Fannie Mae and Freddie Mac being put in conservatorship in the summer of 2008 before things really got hairy.**

Gray: Right.

**YPFS: So, when did it become clear that there was a major crisis in the offing, and how did you react to that?**

Gray: I want to get my timeline right. I think IndyMac failed over the course of that summer too. That to me was when we knew that it was really bad. I think it was the largest bank failure or second largest bank failure in FDIC history. Although that was not until July of 2008.

**YPFS: That was about the same time that Fannie and Freddie were put in receivership.**

Gray: That was right close together, and so the IndyMac failure—it was all sort of progressive. That's over the summer, when we knew that it was going to be really dark and could get very ugly. That was a large financial institution. It was really poorly run, and it was never meant to be a big consumer bank, so they had these tiny branches that were inconvenient for people.

You may have heard this before, it's sort of a famous story. We closed it early. We always close the banks at the time that they would regularly close, right? Because the last thing you want is customers to come and see it closed. You want to have the weekend to have an orderly transition, whether it's the FDIC running it through receivership, or you have an acquisition. Generally, if you have an acquirer, you can open the bank again on that Saturday morning and it's a seamless process for customers without any disruption. But in this case, it was on the West Coast and it was some dumb reason why it was more convenient to close it an hour or two early.

So that Friday, we closed the bank early, and that allowed time for customers to go to the bank, hear that it was closed, see the thing that said bank failed, the press release that we put on the window. They're at the doors like this and CNN had a camera out there quickly because they were starting to really cover the bank failures too. These frightened customers whose bank just failed, it's the first time they probably experienced something like that. So, these visuals ran over the course of the weekend and there was this mass hysteria of their customers thinking that they were going to lose their money. The vast majority was fully protected by the FDIC's insurance limits. I think it was that Sunday we held a press conference, because there was so much media interest just to try to understand this. I believe our CFO at the time flew to California, was there on site. He was the temporary CEO in charge. We didn't have an acquirer, so the FDIC was running it.

By Monday morning, we had these massive lines outside of the branches because there wasn't space to accommodate anyone. And those visuals looked even worse because they're thinking they can't get their money. It was just a two-week nightmare. It was 90 degrees out; people were fainting. We learned so much from that experience. One is that we could have just rented a space that was large enough to accommodate all the customers and just have them come through and process them that way. We have ombudsmen who are there on site to interact with the customers, to explain deposit insurance, how it works, what they should expect. And we were insufficiently staffed there, so we just really from then on staffed every failure like it could be a potential media event or circus.

The other part of that, just personally, is that my name was on every failure press release. I'm looking at it right here. It's still up there. I had put my cell phone there for media to call after hours, but I was just getting calls, I don't know, maybe 10 an hour nonstop for months and months, with these worried

depositors—whether it was IndyMac or somewhere else. To me, that was indicative of how scared people were. I viewed it as part of my job to talk to them and tell them who to call.

**YPFS: You probably had a flip phone and a Blackberry, and there wasn't really Twitter at the time. If that were to happen today, the dynamics and the entire process would be much different. Did you learn something back then that could be updated?**

Gray: Oh yes. Yeah. It was funny. I was going to wrap up that little story about IndyMac and the phone calls. I was dating my girlfriend at the time, now my wife, and she was incredibly patient with dinners and lunches getting interrupted constantly because I was dealing with that. I have two young kids now. I couldn't do that now because I was working, like everybody, 16-hour days or sometimes longer. First thing when I would wake up, I'd turn on CNBC, see what the futures look like. You'd know if it was going to be a good day or a bad day. I'd have 20 emails, a number from my boss, you know: "Do this. Do this. Fix this. Call this reporter," whatever else. And that was just my life. Eat, slept, and drank work. It would be hard to do that.

It was nice to have the freedom to completely throw myself into the work at the time because there weren't the efficiencies that we have now. You really had to be in the building or with the boss when she was traveling and available 24/7, and that's just the way it was.

**YPFS: But the dynamics must have been quite different than what they are today. Those bank customers who were fainting outside would've been grist for the social media mill today.**

Gray: I will say we were on the verge of it, on the edge of it because there was a video very creatively produced when we sold IndyMac to OneWest, Steve Mnuchin's group. It was basically alleging that we were subsidizing their acquisition at the expense of the depositors, because people did lose money in IndyMac that were above those [deposit insurance] thresholds. It was really slickly done, and we didn't know what to do. This again was during a snowstorm in DC, so I was out of the office. I think we were closed. It was one of those big snowstorms, and this video kept getting pickup and kept getting forwarded. A member of Congress saw it, and then we'd see that somebody else influential saw it, and they would pass it on. Then we'd get a question from [Capitol] Hill about it or whatever. And we were like: "Well, what do we do? How do you respond to that?" There wasn't really a playbook to combat something that, these days, you'd say it's gone viral, but it was just starting to pick up these views. So, we put together a press release just going down, point by point, why this was inaccurate. We didn't really have any better mechanism to fight back. It didn't really work. It was okay. It actually made it bigger than it was, because more people picked up on it. It was just a lesson that now you would have a

level of sophistication in terms of your response and ability to combat that. It goes both ways. I think with a failure too, you would have so many ways that people would try to either contact us or influence us or whatever else. That I think it would be really difficult.

**YPFS: But as we saw in the rise of the Occupy movement, for example, the crisis left a legacy of distrust in institutions, distrust in regulators and the government itself. How do you go forward after something like that video has put a big dent?**

Gray: Yes. That was really troubling. It didn't reflect the facts. You can't dispute that what took place in terms of public support for a handful of financial institutions, which were saved at the expense of small banks that were allowed to fail. There was an inequity there that's been challenging to recover from.

I think we're maybe just getting out of it in terms of reputational issues, but you still have those in the policy side that hang their hat on bank regulation and "Banks are evil" or whatever else. I was told I was going to the dark side when I left the FDIC to join JPMorgan. I haven't found that to be the case remotely.

The other part of it is that people say that Dodd-Frank codified too-big-to-fail. My boss was really deeply involved in the construction of that legislation and provided a lot of input as to how they should create mechanisms to resolve too-big-to-fail institutions—living wills, in addition to higher capital standards across the board that didn't exist. Prior to that you had just a really semi-simple mechanism; it was extraordinary circumstance or whatever it was. That was triggered when you had a vote of the FDIC Board, the Fed Board, and the Treasury secretary and [in consultation with] the president, and then you could do anything you wanted. Now there really is a mechanism to unwind a too-big-to-fail institution. I think that's just lost on people, and there are a lot of reasons why. Certainly, large banks didn't do themselves any favors through it, though. I would say that.

**YPFS: Dodd-Frank had a lot of implications to the operations of the FDIC, because it had to take on a lot of new responsibilities facilitating bank resolutions. How did that change your work? I mean: did you have new stakeholders and new ways in which you had to communicate with them?**

Gray: I'd say that the one thing that crisis did was really sharpen our focus on our external stakeholders and allowed us to have a broader voice in that public policy debate as Dodd-Frank was being implemented. In us not being overly prepared in terms of being ready to communicate about the financial crisis and going as we went, like all of us were, we did a decent job of mapping out what

it would take to get buy-in by stakeholders as we started to implement some of the key provisions from the regulatory side.

We looked at the legal area as the key part of it. We looked at academics. We looked at the media. We looked at the Hill. We looked at all these various pieces that we knew would be helpful for us to get buy-in from as we started to implement Dodd-Frank. It was a huge lift for us.

Also, through the crisis we were really understaffed, so we added employees, especially in the Division of Resolution and Receiverships, as you would imagine, to help staff bank failures because there were so many of them at the height. We were looking at 10 or 11 every Friday. We had to grow into being able to handle these additional responsibilities too, so we created a whole new division just devoted to it and put a really smart guy in charge. They started that hard work of figuring out what they would have to do. My part of that was developing a crisis communication plan, having a template for how we would communicate one of these failures and being very explicit that it truly was a bankruptcy, a managed bankruptcy process.

That was the best analogy that we could come up with, that shareholders were wiped out, creditors were wiped out, or at least put at the bottom of the stack, so that they understood that the people responsible for the failure were held accountable. That was the other thing that stung people coming out, because they felt like these rich CEOs did all this stuff, basically, with varying degrees of guilt there. There's a lot of reasons behind the crisis, but they were only enhanced. They just got wealthy, and they got to keep their jobs while everyone else really suffered. I totally get that.

**YPFS: It looks like once the banks started failing, you had to create some kind of template. And there was some discussion whether the FDIC would be able to cope with sort of a spiraling series of bank runs. How did you address that narrative that the FDIC could be put out of business itself?**

Gray: I think we pivoted back to the fact that basically our resources were unlimited. And also, the attempt to be as transparent as we could with the work that we were doing on the living wills. There's that public section, and then there's the confidential section. It was just around public education and confidence. That's the motto of the FDIC: confidence and stability in the financial system. That's what we needed to project, and I think did that pretty effectively. I also understood too, that out in 2008 and well, it's even worse today, but was a pretty divisive political environment. There were agendas on every side that had nothing to do with our ability to execute on our remit, that had to do with other people. Understanding that and how we could best combat that was really helpful.



I don't know what the saying is in terms of the moment choosing the person or whatever, but thank God we had my boss, Sheila, at the time at the FDIC. She was just such a strong leader. She worked harder than anybody in the building, and she was incredibly smart. Her ability to go toe-to-toe with anybody intellectually was like I've never seen before. And she was both supported by facts but also the stats and the data and everything else. She just was a machine. People were scared to challenge her, and it was perfect.

When she left the FDIC, it did leave a void in terms of our external visibility. But it brought in Marty Gruenberg, who was the chairman that followed Sheila. He did a lot of the more leg work that needed to be done on the implementation side. And he had—I hate to say it, but it was a much less combative personality. He's more driven toward consensus, and I think that helped us too when he was there, because that was more around whatever regulators were required—whether there was a rule that was the Fed and the OCC and the FDIC, or sometimes the SEC, and sometimes the CFTC, or the Treasury secretary. So, there was a lot of people that had a view, and he was able to drive consensus, which is huge if you're gonna get the view that we can do the work that we're supposed to do.

**YPFS: Speaking of stability and politics, this entire crisis exploded at the peak of a presidential campaign. Did that add to the difficulties in managing communications? How did you manage that transition from the Bush to the Obama years?**

Gray: At least from my perspective, you had some continuity at the regulatory agencies. It just really changed over at Treasury, and then eventually at the heads. But it was more a question if Sheila, my boss at the time, was going to stay there. You're in the middle of the crisis. You had these folks with just a lot of institutional knowledge; it seemed that you really needed that same team to see it through. And Geithner going from the New York Fed to the Treasury Secretary provided that as well.

I have to say, from my perspective, it was pretty seamless from the public messaging side. What we were dealing with transcended politics and parties. It probably helped that my boss was moderate Republican, so she didn't come from this polarizing world view, other than her strong views around certain financial issues. Everyone rallied around the cause of what we needed to do. First, you're putting out fires, and then it's: what do we do structurally to reform the system so that this doesn't happen again? It seemed to me, at least among the people on the front lines doing public affairs, there was just a great deal of cooperation around the need to stay on the same page and have consistent messaging. It was pretty seamless from the public career standpoint.

**YPFS: I guess the career agency people are the backbone of these transitions.**

Gray: Yeah. My office I think had four political appointments in the building. It was the chairman, her chief of staff, the head of the legal department, and then the head of public affairs. Everybody else, at least along and the regulatory agencies, a lot of them are just career people, and they've seen Republicans, Democrats.

**YPFS: It must have helped that before you went to FDIC you were working in Congress on housing and urban affairs. Is that an advantage, that you already knew the people in Congress and how to work both sides of the aisle?**

Gray: Yes, and I worked for a boss who's sort of legendary. He's a partisan, but he gets along with just about everybody and works across the aisle. He had a great relationship with Senator Paul Sarbanes who was the ranking member when I was there. He was from Maryland, and that's actually how I got to know Marty, the next chairman after Sheila, because he was Paul Sarbanes's general counsel on the banking committee when I was the communications director. We did some really good bipartisan work on the committee. Very collaborative. The relationship was really good. I felt I had the background there and just overall background of how the politics would land, how the process works too, legislatively. That was a really big advantage and great opportunity, to even opening doors for people that I know from my Hill days. It's like we talked about, a small community. It's the same way on the Hill, so folks had moved on to various positions, and it was really helpful that way.

**YPFS: Is that possible today? The way that Congress is operating these very divided times, or is that atmosphere gone?**

Gray: I don't know. When I was there, I was told about the golden days of Bob Dole and the George Mitchell and some of the other legendary folks, the real statesmen. You had Daniel Patrick Moynihan and others. I don't know. Maybe there's always some of that, and I would hope so. But it's that much harder. It was part of the reason I wanted to leave, to be frank. More and more of my time was spent around not doing my job and just pure political stuff: letters from the Hill, congressional inquiries, whatever else. It just became exhaustive.

If I'm the American public, and I know that my tax dollars are going just to fund basically dysfunction, I would be really upset. I found the work on the banking committee extremely meaningful, and, going through the crisis, probably a lot of us felt this way. It's like the closest I felt as a government employee to being connected to Main Street and real Americans, people that work hard for their money and want to have a house. They want to have security and, while we were there, generally it's bad news when the government shows up, in this case it's actually good news, because we're there to make sure that you have seamless access to your money and you're fully protected.

One really cool thing we did early on—I don't know what the precise date was, but I think it was either late 2007 or early 2008. We brought a Wall Street Journal reporter to a bank failure, which we had never done before, to demystify what it means when a bank fails. People ask us all the time to do it, and we never would do it. Their idea at the FDIC was: if the community never knows we're here, we've done our job. It was before the Twitter cycle, but you had the 24-hour news cycle. You had CNN. You had all the rest, so there was still a lot of attention and desire for news.

So anyway, we brought this reporter in; he was embedded. The bank failure went fine. It was actually the first one I had gone. It's fascinating what our team did over the course of a weekend. It was this small town in rural Minnesota. The mayor and everybody else were at the high school football game. It was a Friday night. They heard about the news, and they all ran over and had the local newspaper show up. Anyway, it was great. The story was great. And so fast forward to 2009 when *60 Minutes* asked to do basically the same thing; it was part profile of my boss and part anatomy of a bank failure.

This one was just outside of Chicago, Illinois. We were so nervous because they could have anything happen in these things. But they were embedded, they charted it all the way from the Monday when you have these meetings in Dallas. We had a strong acquirer. We handpicked the bank failure and put our A team on it. It couldn't have turned out better. It was incredible how well they treated it.

But there was just this really human moment where you're going in, and this is a CEO that spent his life building his bank. These are employees that worked for him forever. They don't know if they have a job. They don't know what's going happen. So, they were told all that. "Your bank's failed, blah, blah, blah." And then my job was to walk in and tell the employees, the people that are gathered, that not only that happened, but there are camera crews from "60 Minutes" here to film your bank failure. I've had bad looks before, but there were people that would have very happily punched me in the face. And so, I was just: "Please just think about it as this is for the public good, for people to understand it. I know it's intrusive. I'm sorry."

The funny part of it is that an hour later these same people that were mortified at the thought of it were joking around and wanting to be on camera. They're doing the cash count. Because we need the people that work there to work through the night, because we don't have any idea what their systems are, where to find things or whatever else.

Anyway, so the piece ran a couple of weeks later, and it was phenomenal. We used that as a really important educational tool and referred back to it frequently to help explain what it is when a bank fails. I think that helped too.

It goes back to the work that we did around transparency and recognizing that things were different now, where we really need to be open with the public about all aspects of what we do so that people have trust. I think doing that through the crisis helped us on the back end in doing some of the regulatory actions as a result of Dodd-Frank.

**YPFS:** **Given the scope of the crisis and the fact that you were putting out fires everywhere, was it difficult to get your principals, your officials at the FDIC, to focus on communications when they had so many other priorities? Was it a low priority to get them involved in briefing reporters, doing interviews, being accessible?**

Gray: I think initially there was reluctance to do that. It's just not something that people had done a lot of, but my boss was highly visible. We did so much TV and media, and we saw the value. It wasn't about her own persona or whatever. There was strategy behind it, and I think gradually our team came around to that. It was never a challenge when she led to get her to do really anything on the media side. She saw the value, and we did some really meaningful work there. But I think the rest of the folks understood. I had a seat at the management table. I could get anybody I needed to answer any question that I had. That was never a problem, and they were incredibly patient. I mean, these people, for the most part, are career, and they've spent their entire life dedicated to this mission.

They really take a lot of pride in it too. A lot of them you could tell too, they're not going to let something bad happen on their watch to the agency. The other person that comes to mind that's potentially worth talking to is Sandra Thompson, who was our director of supervision at the time, and she's now over at FHFA. She actually may become the next director. She's really good. I thought of her because she did some press sometimes when I asked her to, and she liked it, I think.

**YPFS:** **Anything that was particularly executed well? And also, in retrospect, anything you would have done differently?**

Gray: I think right now, in retrospect, the education piece of it and the message around stability, I would have started that earlier and been more vocal about it—in terms of just the public and transparency side of things. We didn't really know what was coming until we were really in the thick of it. I thought we were lucky, as I said, to have a lot of things prepared, absent a crisis communications plan.

I would have done more tabletop exercises, which we started to do post-crisis around various scenarios. Just take a day or two here or there: here's the scenario, and have it set up in a really structured way. We do a lot of that at my current company, and it's really valuable.

I don't in any way mean to minimize this by making the comparison, but in 9/11, they called it a failure of imagination. We could have done better just thinking, where are we seeing trouble, potential issues in the economy, what could that lead to and are we ahead of it. Really thinking through that and, if we know every piece of the financial structure, to examine the vulnerabilities.

The other part of it—and FDIC got this after in Dodd-Frank but there wasn't a lot of sharing. It was very parochial in terms of how the Fed has the non-state banks that they primarily supervise. The OCC had the national banks. FDIC has the state banks, along with the state bank supervisors. But it was really stovepiped, so we didn't share a lot of information until things were too late. We had a lot of things that were just dumped on our lap on a Thursday. I don't know how you would have improved that, absent a crisis, but that was another thing that needed to be addressed.

**YPFS: And then the next big crisis after 2008 has been what we're living right now with COVID. Can you draw any parallels between your experience with the financial crisis and what we're seeing today managing the pandemic and the effects on the economy? We haven't seen any bank failures of notice during this crisis.**

Gray: We've had them, but they haven't been caused by COVID, and then not anywhere near the magnitude that we saw through the crisis. Well, a couple of things from a positive standpoint and a negative standpoint: I think the lesson that we learned out of the last crisis is that you need to get ahead of the issues, and you have to throw enormous support behind the economy to help support it when you're faced with something like that. The Fed has taken these extraordinary measures: interest rates near down to zero, increased their bond buying, everything else that they're doing. That's a positive, right. We had that early market disruption, and you don't measure it all by that. I think we did a good job there, and on unemployment support, PPP, other programs designed to help small business and Main Street and people that were out of work.

I think that part was done well, although your measure of success—and Trump was terrible about this—is not the Dow or equities in general, because I don't know what percent of the population, but their personal wealth isn't rising and falling with the stock market. It's about asset prices like a home and other pieces that make up their checking account. People see that, and they see that's really unfair—you're helping the rich get richer at the expense of the poor. That's probably why you see some of the divisions we see between the progressives and even the moderate left and then certainly with Republicans. There still is this inequity in society, and that's still a real sore spot for people that started during the crisis. That's the other comparison: You're feeling this raw feeling of the inequities in the society where you're even questioning whether capitalism is good and the best thing to help all people get ahead.

**YPFS: Rounding up our discussion, if you were going to write a memo to your younger public servant self, what do you think would be your top line points? What would you put on that PowerPoint deck?**

Gray: Now it would be: Stay calm. It would be that things always get better, but you have to work, and sometimes it takes longer than you think. I'm trying to think of something larger just to help guide me through it.

I look back at it now, and you don't want a financial crisis to happen, but it was such a unique vantage point in history for the opportunity just to be in a public affairs position at a very unique agency at that time with the talent and the structure around us. Not only in the building, but also in the government by people who really cared. I look back at it now as just an incredible opportunity and really the reason why government service can be so rewarding. I don't know.

Other than that: Get more sleep too. I didn't get very much sleep at that time.

Suggested Citation Form: Gray, Andrew, 2022. "Lessons Learned Interview, October 7, 2021" Interview by Mercedes Cardona. Yale Program on Financial Stability Lessons Learned Oral History Project. Transcript. <https://ypfs.som.yale.edu/library/ypfs-lesson-learned-oral-history-project-interview-andrew-gray>

Copyright 2022 © Yale University. All rights reserved. To order copies of this material or to receive permission to reprint any or all of this document, please contact the Yale Program for Financial Stability at [ypfs@yale.edu](mailto:ypfs@yale.edu).