Yale SCHOOL OF MANAGEMENT
*Program on Financial Stability*

# Lessons Learned Oral History Project Interview

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| **Interviewee Name and Crisis Position** | Richard L. (Jake) Siewert [1]<br>Counselor to US Treasury Secretary, US Treasury |
| **Interviewer Name** | Mercedes Cardona (Contractor)<br>Yale Program on Financial Stability |
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**Introduction:**

The Yale Program on Financial Stability (YPFS) reached out to Jake Siewert via email to request an interview regarding his time as Counselor to U.S. Treasury Secretary Timothy Geithner during and after the Global Financial Crisis (GFC) from 2009 to 2011. [2] As part of his duties, Siewert was Geithner's liaison with the business community during the process of reacting to the GFC.

Siewert had held several positions during Bill Clinton's presidency, including White House Press Secretary and as Special Assistant to the President for Economic Affairs, working at the National Economic Council. In 2001, he joined Alcoa as head of Global Communications and Public Strategy and held several posts including Vice President for Business Development, before leaving in 2009 to join the Treasury Department. After leaving Treasury in 2011, Siewert returned to the private sector, joining Goldman Sachs in 2012 as a Managing Director.

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

**Transcript**

**YPFS: I believe you were an advisor to Treasure Secretary, Tim Geithner, during the GFC?**

Siewert: Yes, I was hired as a Counselor to the Treasury Secretary.

**YPFS: And you joined the Geithner team mid-stream, it was in 2009 after the Obama administration had established itself in the White House. How did that happen? Can you tell me a little bit of history there about what was your arrangement there and how you came to work with them?**

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[1] The opinions expressed during this interview are those of Mr. Siewert, and not those any of the institutions for which the interview subject is affiliated.
[2] A stylized summary of the key observations and insights gleamed from this interview with Mr. Siewert is available in the Yale Program on Financial Stability's *Journal of Financial Crises*.

Siewert: I knew most of that team from my years in the Clinton White House. I worked in the press office and the National Economic Council during the second term--first and second term--but got to know a lot of the treasury folks during the second term when we were working on the Asia financial crisis in the late 90s. And I knew Tim from that period and Larry Summers and Lael Brainard and some of the rest of the team because we worked very closely together on Thailand, South Korea, and the like. I was overseeing communication strategy at the White House around international economic issues at that time, later became the press secretary at the White House. So, I knew them from that period.

When President Obama was elected and appointed Tim Geithner, Tim reached out to me at first through a mutual friend, and then directly to ask me if I'd come work for him. That was in November or December of 2008. But I had a new job in the private sector and wanted to see that out. I was running M&A for a big global multinational company, ALCOA. We were in the middle of a couple big, big deals in China that I'd been overseeing, and I didn't really want to leave at that point. Obviously, the deal environment was very fraught because of the financial crisis and the resulting impact on commodity prices. I also had a new baby and my wife, and I were quite busy with that. I think the baby came November 12th of 2008.

So, I said "No", and then as the administration kicked off, we did go down for the inauguration and I saw some people then. In particular, Rahm Emmanuel, who was Chief of Staff at the White House asked me again if I would help, that was in January. I said "No", but Rahm was very persistent over the course of the next couple months and as the Treasury Department had some trouble getting a team in place both Rahm and Secretary Geithner at that point reached out to me again and asked to help.

So, I finally agreed to go down and see Rahm at the White House, and I think I must've seen him in April of 2009. In the interim Neil Wolin, who was an old friend had gone over to help out, eventually became Deputy Treasury Secretary, but at the time he was just in the White House counsel's office and assisting. So, between Rahm, and Tim, and Neil, three people whom I was pretty close to who were desperate for me to help out, I finally agreed to go down. I started in May of 2009. At the time I thought it would be for a short-term assignment just to help them through setting up the department, communicating with Wall Street and with businesses. But it turned into a two-year stint. I commuted down from New York Monday's and came back on Thursdays and Fridays. It was a busy time for all of us.

**YPFS: It sounds like an exhausting situation. But you mentioned the Treasury Department was having trouble setting a team in place. Why? What was going on?**

Siewert: I think it was really a matter of finding someone who would take a job. In peace time you might've been able to spend your time focusing on recruiting and filling out the team, but in the Treasury Department during this time every job necessitated getting to work very quickly, and I think they just were very busy. The second you landed you had to work, whether it was Herb Allison coming in to run TARP, or Lee Sachs who came in to stand up the Office of Financial Stability. All these people really had enormous amount of work to do because every day there was something crisis-related happening with the car companies, with AIG, or with the banks. You didn't have the luxury. Unlike the private sector, there's not a substantial permanent hiring department at Treasury. The people who are in those enormous jobs, also have to do the hiring themselves and they don't have huge departments to help them vet people.

Also, the process to get confirmed jobs had gotten much more complicated. Many of the people who were appointed to confirmed jobs, like Lael Brainard and Jeffrey Goldstein, undersecretaries for international and domestic respectively, ended up sitting in limbo for more than a year. The confirmation process was cumbersome. Senator Grassley (U.S. Senator, Iowa) was not helpful; he wasn't facilitating these appointments in any expedited way, shape, or form. So, it just took a while to get staffed up. As a result, I think a lot of the early work ended up being delegated to counselors, you had Gene Sperling whom I'd worked with at the White House as a counselor, myself, Lee Sachs. Steve Rattner was essentially a counselor. There were a bunch of us who were brought in in non-Senate-confirmed jobs to work on a host of different issues.

**YPFS: What was the issue getting people confirmed? Was this a partisan thing? We remember the bit of gridlock that happened in Congress during the Obama administration. Was that what was going on?**

Siewert: I don't think that was the issue with the people who were doing the confirmation. The confirmation was being done by Senator Grassley; I don't think he really raised issues with private-sector people. There might've been some noise in the press, but I don't think that was the real issue. Senator Grassley was a bit more than just the usual partisan wrangling over who got what jobs and he didn't feel compelled to move as quickly. So, there was a move to bring in more people, as I said, in non-Senate confirmed jobs. I ended up sitting in the Undersecretary for Domestic Finance's office for probably more than a year because he wasn't confirmed and wasn't able to sit in that office.

**YPFS**: **During that time there were also some questions concerning why they were hiring so many people from the private sector, like Goldman Sachs for example. What was going on?**

Before I started Tim asked me to go talk to a bunch of people in New York to get their view of how it was going. And so, I made the rounds in New York with the heads of a bunch of the hedge funds and the heads of a bunch of the big banks. You know, this is three or four months in, but Tim thought it would be valuable for me to hear directly from them how they thought the administration was going, and I knew that community pretty well. I worked with a lot of the banks in my job at ALCOA. So that was a good chance to get an unvarnished view of how some of the big financial sector players thought of what the administration was doing. And that was useful advice going into it.

There was already a little bit of a disconnect within the financial sector had been pretty enthusiastic about the President's appointment of Geithner and the market had come back quite a bit. But there was still a sense that with the government was being heavy handed in how they approached crisis management in those industries, with it now owning these big stakes in the banks, the auto companies,  and insurance companies like AIG.

Whether that's fair or not, that was their perception. I think it showed how this country is not used to government having ownership stakes in companies. Unlike some democratic socialist countries in Europe, we just don't have the same level of familiarity with managing equity stakes in large private sector employers, which is what we had at the time. That was really new at that point; most of those stakes were picked up in the wake of the injection of capital into the banks in the fall of 2008, AIG and the car companies came later, but all of a sudden, we had the U.S. Treasury Department with substantial ownership stakes in some of the biggest private sector institutions in this country. And that was something that everyone was struggling with.

**YPFS:** **So, what was the biggest challenge you faced? So far, you've mentioned staffing, perceptions by business, perceptions by the public, partisanship in getting some of the appointments through Congress. So, were they the biggest challenges that you faced?**

Siewert: Well I don't think staffing was as huge an issue, it was just that there was a lot of work. And actually, I think Geithner was able to assemble a pretty solid team pretty early on, with deep experience in both the government and the private sector. So, I think any team that had Herb Allison, Steve Rattner, Ron Bloom, Lee Sachs, Neil Wolin, Lael Brainard, all these people had deep experience and were well suited. Jim Millstein was on AIG. Really good, solid people. And there were some folks who stayed over from Paulson's staff too. So, I don't think staffing was the issue. I mean we needed people because it was busy and there was a lot to do, but I think that was not the biggest challenge.

I think Congress's kind of heavy-handed oversight of the Treasury Department was a problem because at the time that we were trying to do the work they insisted upon having extensive hearings. I think Geithner ended up testifying probably close to 100 times before Congress. Not a lot of that was particularly valuable oversight, it was oversight for the sake of oversight. The Congressional Oversight Panel did a lot of very showy hearings about what they perceived as the flaws of the response, so we spent way too much time on these. There were more overseers than there were people doing the work. There really were, because the members of Congress, the Congressional Oversight Panel and Special Inspector General for TARP had a significant amount of staff. SIGTARP for example eventually had a staff that approximated 200 people. And TARP itself had its own staff of about 2000-250 people.

The people who were working on the financial rescue were outnumbered by the critics of financial rescue who used their legitimate congressional powers to demand a lot of hearings. We spent as much time answering questions about what we were doing as much as we did what we needed to do. So that was a big challenge: very meddlesome, very heavy-handed oversight by a number of different players. It wasn't clear exactly who had primary responsibility but ever committee in Congress wanted it.

But the biggest challenge was just the novelty of the situation. There was a severe economic contraction, bigger than most economists had modeled at the time. The stimulus package was put in place pretty quickly by the White House and Congress, which broke the immediate fall. But the management of the government's response to its intervention in the financial system, which had happened in the previous administration, was a completely unprecedented case for the U.S. government.

But this was very different than anything the U.S. government had ever done before. The previous administration under President Bush and Secretary Paulson had injected a huge amount of capital into the financial system, put more capital to bear on it. Navigating through the added oversight for the institutions facing trouble as a result of the crisis was completely unprecedented. And, you have a somewhat dysfunctional regulatory scheme in the U.S. where you have to work with a whole bunch of regulators. So, you had a huge problem in the economy, disconnections in the financial systems, and a novel public policy that had to be forged on-the-go with a massive amount of duplicative and in some cases, not particularly useful, oversight by Congress and a bunch of other agencies.

**YPFS:** **Now, you mentioned the Bush administration. And this basically exploded in the middle of an election cycle, and the transfer power from**

**two very different administrations. How did that effect the communication staff? I mean, understanding that you came on board after the transfer.**

Siewert: I think actually that was pretty well managed in some ways. This became a very partisan issue over time, but President Bush and Hank Paulson did a good job of running the initial stage of the response. And there was a pretty seamless handoff because Paulson, Bernanke, Geithner, were the three people who were primarily dealing with the crisis in the fall. Therefore, when Paulson left, and Geithner took over Treasury that was relatively seamless.

The issue on the communication side was that the President was a lame duck. He was doing his best to stay out of the election at some level. I mean he supported the Republican candidate, but he wasn't particularly popular and wasn't able to help Senator McCain out that much. So, Senator McCain really ran his own election, President Bush wasn't in the middle of that election. But as a result, you had a little bit of a vacuum around the initial roll out of the financial rescue. So, I think a lot of people did not understand, and also the mission changed a little bit in the fall of '08 from buying distressed assets to injecting capital into the banks, and eventually the car companies.

Since he was on his way out, I think President Bush wasn't spending an enormous amount of time explaining what they were doing. And the press wasn't that interested in his point of view at that point. They were much more interested in the campaign between Obama and McCain. And then I also think that he wasn't using his bully pulpit to make the case for the financial rescue in a way you might've if you'd had two or three more terms or another election coming up. After the initial vote on TARP failed, he definitely worked the Hill, as did Secretary Paulson. And they got the second vote through, barely. But again, I don't think most Americans in the fall of '08 could articulate why TARP was necessary and what TARP was designed to do because it was a moving target and they spent more time on trying to get it passed than on communicating what it was all about. Which was understandable given the circumstances but had long-term effects.

Before President Obama became President, I remember being up in Massachusetts which is hardly the most Tea Party or conservative state, but there were already bumper stickers up in November saying, "Where's my bailout?" So, the idea that this was a bailout for the banks, rather than the understanding that it was necessary to save the country, was pretty deeply ingrained in the fall of '08. Unlike say, FDR in the Great Depression, there wasn't a huge effort made by the President Bush at that time to explain exactly why it was necessary. And that wasn't really Hank Paulson's job or natural expertise. He was more running at the problem itself rather than thinking about a grand communication strategy.

So, by the time Obama comes in you have a deeply unpopular bailout, which he hadn't put in place, but because he was President during the most severe impact of the financial crisis became associated with him and with Secretary Geithner. In part by selecting Geithner to run Treasury President Obama was inheriting that bailout. As a communications matter, this was probably a negative. But as a matter of policy and continuity and maintaining a coordinated team and response and not blow up the whole response, it is probably the wisest decision he could've made. But it had some consequences from a communications perspective.

**YPFS:** **Now you were Press Secretary for two presidents with very different styles--Bill "I feel your pain" Clinton and "No-Drama" Obama. Did the White House talk enough about the global financial crisis? Did the Treasury talk enough to the American people? As you mentioned, the public was developing some strong views on bailouts. What was being done to steer these views?**

Siewert: Obviously, in the Bush administration the answer would have been absolutely nothing. At the point at which a policy is introduced is when it's defined. And I think it was defined in large part in the fall of '08, and understandably, because didn't want to interfere with the election. I've heard him talk about this. He had a good team with Hank Paulson. He lent support where he needed to, but I don't think he felt at that point that it was his point to defend the response. And he didn't give a lot of big speeches on it, he didn't do a lot of addressing the nation.

When Obama came in, I think it was a particularly thorny issue for him, because he hadn't run to save the country from the impact of the financial crisis. He'd run on a very different agenda. He spent more time talking about the policing issues surrounding the Iraq war, healthcare, and energy policy. But he wasn't running as the guy to save the world from the financial crisis. When that blew up as he was getting closer and closer to winning the presidency, I think it wasn't an issue that he welcomed. Let's just say he was a reluctant, but very competent handler of the issue, but reluctant to have his presidency defined by it.

And so, by the time I got there, in May 2009, Congress had passed the stimulus package which he felt, and his economists had told him, would be a big help towards getting the economy back on track, which proved to be true. Geithner rolled out the initial stage of the financial stability plan, which had not been well received, but as a policy ended up over time becoming kind of critical in the turnaround. But from a communication perspective it was not well received. So, when I showed up in May I felt like the President had moved on to healthcare and was focused on selling healthcare, which felt completely unnecessary to the private sector. I mean not that it wasn't an important issue, but completely unnecessary at that point in time.

There was this real disconnect between what I'd say chief executives in the private sector thought was important, which was solving this deep financial crisis, and what the White House was about, which was getting their healthcare bill through. Most of the energy in the White House was devoted to that healthcare bill and passing that which ended up being a battle royale. Whereas, I think externally, for a lot of people they thought the President ought to be a little bit more focused on solving the immediate problems, not the longer-term problems of healthcare.

Now, in retrospect did the President make the right move by using that early part of his term to focus on healthcare and provide a fix to a problem that's plagued millions of Americans for endless time? Maybe. Because he got it done, it's worked reasonably well despite some unpopularity in some pockets. Republicans have not been able to get rid of it, and when they do it turns out to always be more popular than they think it is. But at the time I think the financial crisis as an issue suffered from a little bit of neglect by the White House. And there's only so much a Treasury secretary can do I think when the White House isn't putting an issue front and center.

When I worked with Clinton in the 90s in the Asian financial crisis, he delegated a fair amount to Secretary Rubin and Larry Summers in terms of the handling of the crisis. But no one ever thought that the economy and economic policy wasn't front and center for Bill Clinton, because he'd made that a key part of his '92 campaign, he'd campaigned again on it in '96 on the revival of the American economy. And when the crisis unfolded in the middle of his second term, he was quite focused on that when he wasn't dealing with his other issues, like impeachment.

Whereas Obama came in and immediately did the stimulus package, but then moved on to healthcare, and I think that gave some people the impression that he was a little more focused on his agenda than what they saw as the most important issue of the time. And that was a challenge because it meant that those impressions that had formed in the fall of '08 of the campaign didn't shift a lot over time.

**YPFS:** **So, shifting back to the internal communications in Treasury. Where were you during the financial crisis? In 2008 the iPhone was about to arrive. We were going from Blackberries to iPhones during that period. We were going from CNN to Twitter. Given the rise of digital communications, was there a debate about transparency at treasury? Did you have to change the communication strategy as things moved?**

Siewert: No not really. I mean look I think there was plenty of transparency. If anything, Geithner was running up to the Congress once or twice a week and answering lots and lots of questions about what we were doing. I think there were a lot of people looking at the programs that didn't understand them. And given the amount of money Congress had committed to it that's understandable. But I think it's safe to say that the vast number of people, if you go back and watch some of those hearings, asking questions about the policies, didn't have any idea what the policies were actually doing or designed to do.

If you go back and look at it, most of the questions that were being asked about the TARP looked absolutely idiotic in retrospect, because they were worried that the government was going to lose massive amounts of money, $700 billion. The New York Times editorials about AIG, where government money goes to disappear. So, there was a failure to understand exactly how Treasury and the Fed were acting against lenders of last resort. But there was a lot of transparency about what we were actually doing, it was just a very different view of what the outcome would be. And there were a lot of skeptics about the outcome.

When I got there, we were preparing one of many reports we did that was mandated by Congress about the TARP. It was the annual report on TARP to the Congress. It's a very detailed accounting of where all the money went and how we thought it would come back over time. And when I looked at that, the modeling was pretty interesting, because even after only about 6-9 months after TARP had passed--they were already projecting that the government would recover almost all the money that it got back. And I read that, I walked through it with the economists and with the people who were modeling it at TARP. And when I understood it well and walked through it with some of the senior people at Treasury I said, "Well this is kind of incredible because there's this public perception that the $700 billion is going away, and that it's just gone." When in fact it looks like, and it did turn out, that the federal government recovered almost all. It recovered all the money it spent on the banks, make a profit on the banks, made a profit at AIG, and almost recovered all the money on the car companies, too. And that was not the perception at the time. So, we worked with the New York Times, put a story in the New York Times about how the government was likely to recover most of the money that it was investing in TARP in these companies.

The backlash in response to that story was huge because people just refused to believe it. They didn't understand it and they refused to believe it. We were being very transparent about where the money was going and when we thought it was coming back. In fact, we turned out to be very conservative at that time. But there was this disconnect. The willingness to believe what Treasury and the government was saying at that time was limited. And deep skepticism about it when in fact that report ended up, as I said, being quite conservative. We ended up getting much more of the bank money back than we expected much more of the car money back than we expected, and a lot more of the money back on AIG.

But if you read the papers at the time, or if you read the SIGTARP reports, or watch congressional oversight panels, the overwhelming assumption at the time was that the money was going away and gone for good. , that it had gone to the banks and was just never returning. So, there was a lot of communication, but there was this skepticism, deep skepticism about the programs, bred in the fall of '08, that was almost impossible to overcome. And only gradually did we convince elite people, who really should understand the programs, that the program would recover the money that Congress had set aside.

And then the argument shifted to "Well, it was still too generous." The terms that we gave to the banks and to others in the fall of '08 when it was handed out were too generous to the recipients.

**YPFS:** **So, with that persistent narrative that was ingrained and difficult to overcome, were there any successes from the-perspective of the American people?**

Siewert: A lot of the folks on this team had worked on these types of crises in other countries, in Thailand or South Korea for example, and understand why the public reacts this way. It is very natural for populism to emerge in the wake of one of these crises because the optics of what you're doing, which is injecting money back into the financial system at a time of crisis, always looks terrible, even though it turns out to be the necessary thing to do to make sure that more people who are suffering from the recession don't suffer further and longer than they would have otherwise.

**YPFS:** **Is there anything you could've or would've done differently? What would your advice have been to counteract some of these issues that you were faced with?**

Siewert: Initially there was reluctance to explain that the money was coming back. The first thing we did was build that narrative over time that the money wasn't being wasted. We spent a fair amount of time on that over the course of the summer of 2009 to the time that we passed Dodd-Frank, we turned that issue around for people who were focused on it, and elites. But most of the population had moved on. Also, the President had moved on to his agenda, not defending what had been put in place under Bush and that his administration was left to administer. And he was pushing for Dodd-Frank. It wasn't called Dodd-Frank at the time, but pushing for the reform to the financial system, which was pretty effectively managed in many ways.

There's a lot of debate about some of the particulars of Dodd-Frank, but it is remarkable that in basically a year a major piece of legislation was signed into law. Explaining the bailouts that had been put in place in the latter part of the Bush years was not the focus of the Treasury by the time I joined, instead our focus was on the reform and what we were doing. So, we released a framework of what became Dodd-Frank in 2009, and it was signed into law, I believe in July of 2010. That was a pretty quick and pretty effective sales of a major, major piece of legislation.

The goal was to focus not so much on defending the program, but on showing that we were reforming the system. Most of the bill was kind of wonky and not very accessible, so we put most of our attention on the Consumer Financial Protection Bureau which was, and still is the most popular part of that bill, even though the current administration's spending some time eviscerating the actual bureau. The purpose of that bureau and what it aimed to do was very popular in the wake of the crisis. I think that was really the focus of our attention.

**YPFS:** **Now looking forward, we've always known that recessions are cyclical, that no expansion goes on forever. And this crisis, you argued yourself, has left a legacy of distrust. And we saw the rise of the Occupy Movement, the Democratic Socialists. So how do you prepare for the next big meltdown? You spoke of wonky, non-accessible communications, so how do you get the public invested before the next big one comes?**

Siewert: Well I don't think this administration's particularly focused on that issue. The next crisis is liable to be very different than this crisis. And if it has its origins in the financial system, which is possible, but not necessary, it'll probably come from a very different part of the financial system than the last on. It's probably not going to be housing credit bubble that bursts. It is probably more likely that it will originate from the more unregulated side of the financial system.

And I would be spending more time, if I were in this administration, focusing on some of those issues. Where has risk grown in the system? The banks have been tightly regulated now for almost a decade. Very different liquidity. Not that this is an issue that people spend a lot of time thinking about, but much more liquid, much higher capital. Even though there are some people still banging away at the banks for their past sins, the banks have been forced by Dodd-Frank and by the Fed and the regulators to keep much healthier balance sheets. But risk spreads in a financial system and it's gone into different parts of the financial system. I'd be spending a lot more time, if I were Treasury Secretary or at the Treasury Department today, focusing on those areas of risk.

The one thing that really did understandably get circumscribed in the last crisis was the Fed's power to react. And there, I would take a different tack, because I think the Fed lost. The people resented the bailout and how it happened, and the Fed's use of its extraordinary powers to counteract the bailout, most of which I think was heroic, so Congress curbed its power to act. There were people who felt like the Fed was too under-regulated and too powerful and they spent a lot of time trying to cut back on the Fed's powers. And I'd look at that through a different lens, I'd look at it through how the Fed can react now if there were a massive cyberattack.

I would be spending much more time talking about different kinds of threats, which are more unifying. Cyber isn't a Democratic and Republican issue because the attack is liable to come from overseas. Think about how we can ensure that regulators have the power to deal with an attack on our national security in the financial system if it came from the outside, like North Korea, China, Russia, or Iran. Or think how we would ensure that our regulatory agencies have the ability if all of a sudden, an attack makes that system very precarious. All of a sudden, you realize that you need those regulators to be able to be more flexible in the wake of a crisis than they are today.

Litigating the battles of the past is a dead end. Everyone's made up their mind about what was right and what was wrong. I don't think anyone's being converted. I don't think anyone's spending that much time thinking about it. So, I'd be focused on what are liable to be the future threats, what are the different risks in the system away from the banks and the shadow banking system, and what are the risks around cyber. You're more likely to get some unity around those issues and some sensible policy than you are around the issues of the financial crisis in '08 and '09.

**YPFS:** **What about communications? I mean you used the term shadow banking for example, and maybe words matter. And the news cycle today is very different than what it was in 2008. Reporters work in social media and mobile communications, the President Tweets. So, if you were to advise a future administration on how to communicate during whatever the next crisis happens to be, what would be your advice?**

Siewert: Look, I think honestly you need to evolve. And every institution, whether it's the Federal Reserve and the Treasury or the like has used social media much more aggressively than they did five years ago and in the crisis. Twitter wasn't a real factor around the time of the financial crisis, it hadn't really been broadly adopted. But today with the President of the United States on Twitter, and all modern political campaigns using extensive forms of multi-media, any effective communication strategy's going to use the up-to-date ways in which people communicate. So, you have to be mindful of that. If you're watching the campaigns today, they're very aggressive with Instagram, with Twitter, In ‘92 Bill Clinton was considered revolutionary because he used more cable TV shows and didn't just go to the three networks at the time, ABC, CBS, and NBC. And he was considered revolutionary to appear on some of the comedy shows, like Arsenio Hall.

And Obama updated that pretty dramatically in '08. But every candidate now, if you look at all the Democratic presidential candidates who are running, they're all using social media aggressively--some better than others, but they're all using it. And they're using a vast array of media outlets to get there. Certainly, traditional ones, but very non-traditional ones. Some of them have announced their campaigns essentially on late-night comedy shows as much as doing a traditional campaign event. So, any campaign is going to be looking at where people are getting information, whether it's a political campaign or a campaign for a policy. Where are people receiving information? What are the most up-to-date ways of using that mode of communication?

And the reality is these days because the media landscape is so Balkanized, you cannot settle for one or two preferred modes of communication, just the ones you're most comfortable with. You have to use a wide variety of them because everyone's attention span is scattered.

**YPFS:** **You are now on the private sector again. With the passing of time and perspective, if you were to sum up your advice to your younger public servant self, if you were to write a memo what were--one, two, three--the bullet points that you would advise when dealing with the next financial crisis?**

Siewert: I think there's a tendency amongst policy people, people who are very focused on policy, to give short thrift to the politics and communication around those policies. And there's a tendency at some level to divorce the policy and say, "Well this is the right policy." and it doesn't matter what the politics are or what the communications are. The most important thing to understand is that a policy is only as good as its public reception.

So, the Fed, for example, might do exactly the right thing. But if the cost of doing the right thing is that the Fed loses credibility as an independent monetary authority, and it has its powers curtailed, then that wasn't the right policy. Because that cost, it may have made a short-term solution to an immediate problem, but at a cost of undermining its independence. I think much more attention has to be paid during the formation of policy to how we communicate it and how we sell it to the public. Not just the public, but the politicians on Capitol Hill.

There was a bit of instinct, particularly in the fall of 2008, to just come up with new policies all the time, independent, and thoughtful, smart policies, but independent of the need to gain public acceptance for them. And I think the big lesson is that--there's a certain amount of resignation among policy makers to their policies being unpopular with the public, and I think that's self-defeatist. I think Bill Clinton showed us, to me at least in the time I worked with him, that you can make the public understand the need for a policy. He also did this for President Obama when he nominated him at the Democratic National Convention in Charlotte in 2012.

If the policy is right at some level, and you believe it is right, then you have to spend at least as much time thinking about how to get the public to understand and accept it. That is as important as getting the policy right because the consequences of having deeply unpopular public policy is skepticism and distrust of the government, and that's endemic, not just to the government. Most institutions are suffering from it today, almost all, whether it's the media or academia, or whatever, most institutions are suffering from a crisis of distrust right now. I think people ought to spend a little bit more time thinking about that and why they're distrusted, and I think the core of the answer is more transparency. But it's not just transparency on its own, you have to be thinking a little bit more about what is the value of your institution to society and how you demonstrate that over and over again.

**YPFS:** **And lastly, how do you demonstrate that? You know, the execution. Once you have that mental framework of the importance of communication, how do you execute it?**

Siewert: If you understand what the value of it is, and understand your audience, then it's just a question of reaching that audience and engaging in a dialogue with them. The reality is modern communications have a lot of different ways to reach people. You used to have to mediate all the stuff through the media, and you have a lot more power today to reach people that matter to you directly. You can engage in a dialogue with them on social media in a way that used to be very hard. You used to either have an in-person meeting or talk to the media, which had the monopoly on reaching and disseminating information.

People are a little bit defeatist about the ability to get their message out there. And it is noisy for sure, but I think effective communicators--and I'd actually put Donald Trump in that category--have shown just the power of having a unique message and communicating it directly. I'm not going to spend too much time on President Trump, but it showed. Without a traditional campaign staff and without a social media team or a big budget he was able to sort of dominate the conversation in this country for the last three or four years.

Trump’s dominance shows you the possibility of what's happening. But you have to think about what is it--whether you're a big academic institution or a big government institution--what your value to society is and how you are trying to share that message, not just with elites, but with a broader audience, and then going about it in a thoughtful way.

**YPFS:** **Excellent. Thank you.**