

## **PRESIDENTIAL ADVISOR VALERIE JARRETT OFFERS UP CLOSE VIEW OF PRESIDENT OBAMA AND THE WHITE HOUSE IN ACTION**

**Valerie B. Jarrett**

**Senior Advisor to President Barack Obama and Assistant to the President for Public Engagement and Intergovernmental Affairs**

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### **Excerpts from Ms. Jarrett's Remarks**

**Is being an Advisor to the President more fun that you thought or less fun?** Biggest privilege and honor of my life is to serve our country for this President. So "fun" isn't always the word that I would use to describe the day.

**Why is he deciding to make some speeches now about the economy?**

Well, I think he really wants to refocus Washington's efforts on what the American people care about....The President is frustrated with what he's seen in terms of kind of the political antics here in town. If you think about trying to revoke the Affordable Care Act 37 times, just imagine what we could have done constructively with that time on the floor if we had been thinking of ways to help companies.

**Does the President have a specific goal of how low [in unemployment] he would like to go before he feels satisfied?**

Well, he's not going to be satisfied until everyone who wants to work has a job, and everyone who wants to be prepared for work has the skills that they need in order to have that job.

**Do you see any prospect in the next couple years of a grand bargain on any budget and fiscal issues?**

It's certainly doable. It's not that complicated. We could have reached a grand bargain back in 2011....It has to be a balanced approach, but it is quite doable. One of the things that was quite heartening at the end of last year is how the business community really did get galvanized behind trying to encourage...the Republicans in the House and the Senate to work with us on a grand bargain. And they were supportive of this balanced approach, where you increase the tax rates and you put in place some entitlement reform. We need to have that energy harnessed again and try one more time.

**How realistic is it that there can be tax reform in this Congress?**

I think we should certainly have tax reform. The President has made it very clear that he thinks we need tax reform, both individual and corporate. We need to make it simpler. On the corporate side we should be broadening the base, closing some loopholes, lowering the rate. The United States does have a very high rate, but many companies don't pay that high rate because of these loopholes.

And so we want global companies to be able to be competitive in that global marketplace, and one way to do that is to make sure that they're not disadvantaged when it comes to taxes. But I think we have to look at it in the broader context of our overall budget. And so that's why it's important that I think it be tax neutral. We can't really afford to subsidize the corporate community at the time when the taxpayers are still shouldering such a substantial burden.

So I think the answer to your question is, it's encouraging to see a bipartisan effort. We welcome their efforts and we look forward to working with them.

**What is the President doing to try to get small business people to hire more people?**

Well, first of all, we've put in place, over the course of the last four-and-a-half years, many different tax cuts for small business – I think over 17 or 18 are in place right now – to try to reduce their costs, because oftentimes small businesses are struggling between hiring that additional person, which we want them to do, or paying what it costs them in order to do business. We're looking at ways of opening up export opportunities to small businesses.

And so companies right here, small companies who have never considered exporting, we want to help them figure out how to export to one, two, three, four – the sky’s the limit – countries, because that will create jobs right here.

And so we’re very interested in helping small businesses, and we have a range of resources available at the federal government to do that, from the SBA to Commerce, and we have OPEC and Ex-Im. We have a lot of financial tools to help small businesses enter that world market.

**What’s the best way to influence somebody in the White House?**

Well, the best way to influence us is to make a compelling case for how your position isn’t just in your own self-interest but actually helps the country.

**Does the President ever get mad? Throw things? Yell?**

No, I have to tell you – and really, it’s now 22 years – I have actually never heard him raise his voice. He has infinite patience. Goodness knows he could have fussed at us from time to time. We probably deserved it. But he tends to just keep that even keel, and it’s a real strength....

I’m sure he has been extremely tempted. His biggest frustration I think that I have seen is where he feels that people are wasting time and not focusing on that true north. That frustrates him to no end. But he doesn’t find it’s terribly constructive to yell and scream. So fortunately he does not do that.

**What is the President going to try to do in the second terms that would create the legacy he would like to have?**

Move the country forward...jobs, strengthening the economy, making sure that we have a workforce that has the skills that they need, that aren’t overly burdened with debt...cost of college...immigration reform...energy...climate change...successful implementation of the Affordable Care Act...

**Does the First Lady influence the President a lot of does she stay out of West Wing matters?**

They share common values and a common vision for our country, the direction that they think it should go. I think they both believe in the sense that if you work hard and you act responsibly and you are willing to make sacrifices for your children, that you should be able to send your kids to college, own your own home, and retire with dignity and a little extra money in your pocket.

And that’s how they were raised....Those core values that were instilled in her are very similar to what was instilled in the President by his mom....So she’s a wonderful sounding board for him, because he knows that their beliefs are the same. And so she is a sounding board.

She still is “mom in chief,” and her girls are her first priority.

**At the Bush Library opening, what was it like to hear five Presidents talking?**

I think that that day is really, again, a testament to our country, which you can be on opposite sides of the aisle, you can have heated contests – obviously many of them ran against one another – but when it comes to something that’s going to be there for time immemorial like a library, it’s more symbolic of the presidency than the President. And I think that’s what that day was all about. And I think it was terrific to be able to have President after President stand up and say amazing things about what President Bush did for our country.

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DAVID RUBENSTEIN: Welcome, members and guests of The Economic Club of Washington, welcome to this luncheon event of the Club at the JW Marriott Hotel in Washington, DC. I am David Rubenstein, President of the Club. Welcome to all.

We’re very pleased today to have as our special guest Valerie Jarrett, who is Senior Advisor to the President and Assistant to the President for Intergovernmental Affairs and Public Engagement. She is also the principal liaison for the White House and the President to the business and financial community. But those titles really do not describe her relationships. She clearly is the most senior advisor and the most trusted advisor to the President of the United States, and we’ll talk about how that relationship developed. But let me tell you a little bit more about her background, very briefly.

She was born in Iran, went to London as a young girl, but then moved to Chicago. Her father was a very famous medical doctor and he ran a clinic in a hospital in Iran and then later moved to Chicago. She grew up there but then went to undergraduate at Stanford and then the University of Michigan Law School, came back to Chicago, practiced law, but then ultimately went into government working for Mayor Washington, the Mayor of Chicago, and then later became Deputy Chief of Staff for one of his successors, Mayor Richard Daley.

In that capacity she interviewed a young woman for a job named Michelle Robinson, who was then affianced to somebody named Barack Obama. And as we'll just talk about a little bit later, she got to meet Barack Obama at that time, 20-some years ago.

Valerie, in her own career, rose up in Chicago in many different ways, and she was very active in public affairs, became the Vice Chairman of the Board of the University of Chicago, and also the Chairman of the Medical Center at University of Chicago. She also was actively involved in the business community, and before Barack Obama was elected President of the United States she was the CEO of the Habitat Company, a real estate development company.

She was a Senior Advisor to the President when he ran for President the first time, and was involved as the co-chair of the transition as well. So she's had a long-standing relationship in the Chicago business and government and legal community, and also a long-standing relationship with the President and the First Lady.

So when you first met the President 21 years or so ago, did you say to yourself, this man could be President of the United States?

VALERIE JARRETT: Of course I did. [Laughter.]

Well, first of all, thank you, David, for inviting me here. We talked about this a couple of months ago and I've been looking forward to it ever since. So it's a great venue and you've done an amazing job with the club.

MR. RUBENSTEIN: Thank you.

MS. JARRETT: And so I'm happy to be here.

But the serious answer to your question is I didn't know, obviously, that he would be President so long ago, but I did think he had some very special qualities. And both he and then-Michelle Robinson had this passion for public service. And our conversation that fated night when we had dinner was all about the many different opportunities that they could pursue and give back to the community that they loved.

MR. RUBENSTEIN: So you were the Deputy Chief of Staff for Mayor Daley. Somebody comes in and says she would like a job, Michelle Robinson, and then when you talk about a job she said, you have to meet my fiancé? What was that about?

MS. JARRETT: Well, it was a little more, as you would imagine, complicated than that. I interviewed her for what was supposed to be a 20-minute interview, and an hour-and-a-half later I realized that I was no longer interviewing her; she was actually interviewing me. [Laughter.] And she had some very specific questions and concerns.

I mean, here she is, this extraordinarily gifted lawyer. She was practicing at Sidley Austin and trying to figure out where could she actually make a difference? And her question was not just joining public service to join public service, but to really have the ability to give back fully.

And so after the end of the interview I offered her a job on the spot, which was totally inappropriate because I should have at least talked to the Mayor before I started extending offers to people to join his staff. And she wisely said, well, could I get back to you? And so I said, sure. So after a couple of days I hadn't heard from her and I called her and I said, well, have you thought about that offer? By that time I had cleared the offer.

And she said, my fiancé actually has some very serious reservations about me taking this job, and would you mind having dinner with us? And so I said, well, sure. I had heard about her fiancé. He had just graduated from Harvard, been the editor in chief of the *Law Review*, so I was little curious to meet him as well. And so that's what prompted our dinner.

MR. RUBENSTEIN: And you obviously convinced him and her that –

MS. JARRETT: I did. I did. At the end of dinner I said, well, how did I do? [Laughter.] And they both said, yeah, she'd come on board. And we had an amazing time together.

MR. RUBENSTEIN: And was she a good employee when she was working for you? [Laughter.]

MS. JARRETT: Absolutely one of the best I've ever had. [Laughter.]

MR. RUBENSTEIN: OK, I'm glad.

So when Barack Obama came to you in 2008 and said, you know, I've just been in the Senate for a couple years and I've done pretty well here already in two years or so; I think I'll run for President after two years in the Senate, what did you tell him?

MS. JARRETT: Well, I had learned my lesson, because when he decided to first enter into politics he ran for state Senate, and I was very supportive. He ran unopposed, so that seemed like a pretty easy lift. And in fact, he ran unopposed because he was able to get everybody else who had been on the ballot knocked off the ballot because they hadn't had sufficient signatures, legitimate signatures.

And so then he ran for Congress. And you may remember that when he ran he challenged Congressman Bobby Rush, and he lost. He lost really very badly. And so we thought, all right, well, let's take a pause. And so very shortly after his loss he came and he said, I'd like to get together with you and few other folks and talk to you about something, and he didn't quite say what. But then Michelle – by that point Obama – called me and she said: He wants to talk about running for Senate. We are going to discourage him from doing that. That's going to be our plan for this brunch you're hosting. [Laughter.] I said: OK, I've got the drill.

So we have about a two-and-a-half-hour brunch with maybe six or seven people, and we went from saying this is, like, the lousiest idea in the world; you just lost a congressional race; what makes you possibly think you can win a statewide race, to raising concerns about everything from his political organization to raising money. And at the end of the two-and-a-half hours I was going to become chair of his finance committee – [laughter] – and Michelle was fully on board. So he's quite persuasive.

So I learned my lesson that time to – and since obviously he won – when he decided maybe it's time to run for President, I said absolutely.

MR. RUBENSTEIN: So you supported him and encouraged him to do it?

MS. JARRETT: Completely. I did.

MR. RUBENSTEIN: OK.

MS. JARRETT: I did. I thought he could win.

MR. RUBENSTEIN: So when he was elected, did you decide immediately to go to the White House as an advisor, or did you decide you might do something else? There was a report that you might have gone to be in the United States Senate. Or how do you describe –

MS. JARRETT: He said that so deftly, didn't he? Just like a little light report that you might have gone to the Senate. It turned out to be rather controversial.

Well, I would say towards the end of the campaign we started having a conversation about what would I do if in fact he won? And clearly he's vacating a seat in the Senate. And to be really candid with you, it was something that seemed interesting to me at the time, in theory. And it was very exciting. My parents and my daughter all thought it would be wonderful to be a U.S. senator and represent the state of Illinois.

But the more I talked to him about it he said – I remember very clearly one conversation where he said: Look, I've been in the Senate. I know the Senate and I know you, and I know what I want to create in the White House. And there's absolutely no choice. You will really enjoy much better being in the White House. And I think he was quite right about that.

MR. RUBENSTEIN: So what was it like the first night that – the White House was built by slave labor, 50 cents a day for the slave owners to the slaves. And then an African-American and an African-American advisor come in and they are now at the White House. What was that like the first night?

MS. JARRETT: We were exhausted. [Laughter.] I wish I could say that we just savored the moment and cherished it, but after I don't know how many, 10 balls, I think the two of them were just wiped out. We had planned a great party with some of their closest friends from around the country back at the White House, and I think they stayed maybe 10 minutes and then they crashed. And he did say that that night going to bed it was a pretty overwhelming experience to think that he was sleeping in what would be, for at least now eight years would be his home.

MR. RUBENSTEIN: So is being an advisor to the President more fun than you thought or less fun than you thought? And, you know, knowing everything you now know, are you happy you took the job?

MS. JARRETT: Oh – well, now, this is serious. Biggest privilege and honor of my life is to serve our country for this President. So “fun” isn't always the word that I would use to describe the day, but just an awesome privilege, absolutely. Absolutely there is nowhere else I would rather be on earth. I cherish every single day. I can't believe it's already over four-and-a-half years and we only have three-and-a-half to go.

I have gotten a little bit of gray hair. His is really funny. Mine is actually not that funny. [Laughter.] You're laughing. I said it was not that funny. [Chuckles.]

MR. RUBENSTEIN: I've gotten some gray hair myself, but – [laughter] – from my days in the White House. [Laughter.] So let me ask you, today the economy –

Talk about that for a moment. The economy that the President inherited was very difficult, and he worked through some of the problems, the automobile industry and the financial service industry. Now he is going to be making a series of speeches – I think the first one is at Knox College about the economy. Why is he deciding to make some speeches now about the economy?

MS. JARRETT: Well, I think he really wants to refocus Washington's efforts on what the American people care about. And as we travel around the country and we talk to hard-working Americans, they're sitting around their kitchen table and their number-one issue is, what can we do to make sure that we have growth and competitiveness here so that everybody has a job; everybody who wants to work hard has the ability to work?

And so I think the President is frustrated with what he's seen in terms of kind of the political antics here in town. If you think about trying to revoke the Affordable Care Act 37 times, just imagine what we could have done constructively with that time on the floor if we had been thinking of ways to help companies – help the United States be a magnet for jobs, help make sure that we have the skills that we need for people to compete for these new jobs, all kinds of issues that we should be focused on. And so this is a way of saying, let's refocus our energies in this town where the American people want them to be focused.

MR. RUBENSTEIN: Why is he speaking at Knox College?

MS. JARRETT: Yes, well, that's a good question. So the President last was at Knox College in 2005. He gave a commencement address in Galesburg. And at that time he really set forth his vision of true north and what it would take for our country to continue to be the greatest country on earth. He gave a second speech soon after he was in office at Georgetown and he talked about the same pillars of what it takes to have a strong economy, one that's meant to last, and then another speech similarly in Osawatomie in 2011.

And so this will be really a bookend from his first speech at Knox, and you will see – and we released a video on Sunday that shows themes from – excerpts from each of those speeches, and it's the same theme, and the basic theme is this, which is that what makes our country strong is if we build it – build the middle class, a very strong and vibrant middle class, from the inside out, not from the top down; from the bottom up, not from the top down.

And to be that land of opportunity, to foster innovation, foster entrepreneurship – I see Steve Case, so I'm shamelessly, shamelessly saying that because I know how much we share a passion for entrepreneurship. If we do that together, then that's what's going to be sustainable over the long haul. And that's in everybody's best interest, and it's a very inclusive, holistic approach to growth and competitiveness here in the United States. And that's the thing that you'll hear tomorrow.

MR. RUBENSTEIN: OK, and he's going to make a series of other speeches about the same sort of subject?

MS. JARRETT: Focusing on specific components of what makes us strong and sustainable over the long term, yes.

MR. RUBENSTEIN: And would he like to make any one of those at The Economic Club of Washington?  
[Laughter, applause.]

MS. JARRETT: Well, you know what? It's interesting that you would say that. And no offense to Washington at all, but I think he will be making most of those speeches outside of Washington, D.C. And I think it's a way of traveling around the country and highlighting best practices and challenges and demonstrating to Washington why the American people want that focus to be back on that true north.

MR. RUBENSTEIN: So right now we've had unemployment that some people would say is about 7.5 percent or so unemployment rate. Does the President have a specific goal of how low he would like it to go before he feels satisfied?

MS. JARRETT: Well, he's not going to be satisfied until everyone who wants to work has a job, and everyone who wants to be prepared for work has the skills that they need in order to have that job. So I think that the energy that he had when he first came into office when, as you said, David, we were losing 750,000 jobs a month, 4 million jobs in the last six months of the prior Administration, another 4 million jobs before any of our policies could really take hold, but now over the last 40 months we've seen consecutive private sector job growth, over 7 million jobs.

We have definitely made a great deal of progress. We've come through some tough times. And again, a theme of this speech will be that core resilience is a part of the American fabric. That's what makes us really the envy around the world, and we should harness that energy and deliver on behalf of those people who are still struggling and looking for that leg up into the middle class.

MR. RUBENSTEIN: So some people say that if the President wanted to help the economy, one of the things he could do would be to try to work out a deal with the Republicans in the House. It's not that easy to do maybe. But do you see any prospect in the next couple years of a grand bargain on any budget and fiscal issues?

MS. JARRETT: It's certainly doable. It's not that complicated. But I think we could have reached a grand bargain back in 2011. I think the President has made it very clear that he's flexible, he's looking for good ideas, he's willing to make some tough decisions, because we clearly need to live within our means. But he's unwilling to balance our budget on the backs of people who are really struggling, on the backs of senior citizens, on the backs of those with disabilities.

So it has to be a balanced approach, but it is quite doable. And one of the things that was quite heartening at the end of last year is how the business community really did get galvanized behind trying to encourage, as you said, the Republicans in the House and the Senate to work with us on a grand bargain. And they were supportive of this balanced approach, where you increase the tax rates and you put in place some entitlement reform. We need to have that energy harnessed again and try one more time. We're not going to ever give up on trying to do that because, again, that's what we think the American people want.

MR. RUBENSTEIN: So there are two issues that are going to be facing the country in terms of the Congress and the President soon. One is the continuing resolution and the need to have a continuing resolution for the next fiscal year, which will start in the fall. And secondly, the debt. That's the other one. So do you expect to see negotiations on those separately or together? And when will those negotiations likely start?

MS. JARRETT: Well, there have already been conversations that both the President and his staff have been having with Members of Congress over the course of the last several months to try to find out, where is that common ground? I think we've been heartened to find Republicans in the Senate who are interested in that balanced approach, and our hope would be they could encourage their colleagues in the House to follow suit, and that it just can't be continue the status quo, the just saying no to everything. That's just really not what's going to move our country forward. We have to be thinking about, what can we say yes to together?

And so we're hoping that we can get some momentum to do that. I think the President has been very clear about the debt ceiling, and this conclusion came from many of his conversations with the business community, is that the United States, again, is invested in by interests all around the world. And for us to think

that we should jeopardize that important high-quality investment, our full faith and credit, it should not be employed. It shouldn't be something that we gamble with.

And so we shouldn't have to argue about that. Historically we have increased the debt ceiling time and time again. And keep in mind, increasing the debt ceiling is simply to pay for bills that we have already incurred. So it would be as though you've run up a great big bill on your credit card and then suddenly you decide you want to renegotiate. Well, that's not how it works. You pay your bills. And if you want to have a discussion about how best to incur those bills, then the time to do that is in the conversation about the budget and the continuing resolution.

MR. RUBENSTEIN: Last week we had here Dave Camp and Max Baucus talking about their effort to have tax reform. How realistic do you think it is that there can be tax reform in this Congress? And how involved would the President be in that effort?

MS. JARRETT: I think we should certainly have tax reform. The President has made it very clear that he thinks we need tax reform, both individual and corporate. We need to make it simpler. On the corporate side we should be broadening the base, closing some loopholes, lowering the rate. The United States does have a very high rate, but many companies don't pay that high rate because of these loopholes.

And so we want global companies to be able to be competitive in that global marketplace, and one way to do that is to make sure that they're not disadvantaged when it comes to taxes. But I think we have to look at it in the broader context of our overall budget. And so that's why it's important that I think it be tax neutral. We can't really afford to subsidize the corporate community at the time when the taxpayers are still shouldering such a substantial burden.

So I think the answer to your question is, it's encouraging to see a bipartisan effort. We welcome their efforts and we look forward to working with them.

MR. RUBENSTEIN: OK. And in terms of job creation and the President's focus on small business and entrepreneurship, as you mention, what is he specifically doing now to try to get small business people to hire more people?

MS. JARRETT: Well, first of all, we've put in place, over the course of the last four-and-a-half years, many different tax cuts for small business – I think over 17 or 18 are in place right now – to try to reduce their costs, because oftentimes small businesses are struggling between hiring that additional person, which we want them to do, or paying what it costs them in order to do business. We're looking at ways of opening up export opportunities to small businesses.

We just came back from an amazing trip to Africa. And we believe that the continent of Africa is really experiencing a paradigm shift. And just before I came here, David, I was over at the State Department with Secretary Kerry, and we were talking about the fact that traditionally I think we viewed Africa as a continent in need of foreign aid, and we have invested greatly. And in fact, when we were there, President Bush was there, and what he did by initiating PEPFAR<sup>1</sup> has been tremendous, and you can see the difference already.

President Obama has continued that investment, but we're also looking at it – to use that word “investment,” very importantly, to leverage private sector resources, and that's a great opportunity. And so companies right here, small companies who have never considered exporting, we want to help them figure out how to export to one, two, three, four – the sky's the limit – countries, because that will create jobs right here.

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<sup>1</sup> The U.S. President's Emergency Plan for AIDS Relief, commonly referred to as PEPFAR.

So that's one simple way that we can help small businesses. I was joking about Steve earlier, but the work that he's doing through Startup America is important to provide those small businesses with an array of either technical assistance or access to resources so that they can take their idea, this incredible idea, this innovation that we're so well known for, to scale. And so we're very interested in helping small businesses, and we have a range of resources available at the federal government to do that, from the SBA to Commerce, and we have OPEC and Ex-Im. We have a lot of financial tools to help small businesses enter that world market.

MR. RUBENSTEIN: Now, everybody who comes to the White House to lobby government officials at the White House always thinks that their positions are correct, and they are upset –

MS. JARRETT: It's funny how that is, yeah.

MR. RUBENSTEIN: They're always upset when the White House doesn't agree completely. I know from my own experience, everybody always told me how to run the country when I was a young White House aide.

MS. JARRETT: Yes.

MR. RUBENSTEIN: So when people come to you as the business liaison, the financial community liaison, what do they do correctly to influence you, and what do they do wrongly? In other words, what's the best way to influence somebody in the White House?

MS. JARRETT: So like a tutorial for lobbying? [Laughter.]

Well, the best way to influence us is to make a compelling case for how your position isn't just in your own self-interest but actually helps the country. And so one of the fascinating parts of my job is that I get to talk to these extraordinarily, you know, innovative and intelligent people who have a range of ideas, but the ones that really resonate with us are ones that are not just narrow self-interests, but ones that really will grow our economy and make the economy strong.

I mean, I was talking with Kathleen [sp] earlier about what's happened in the travel and tourism industry, for example. And I still remember being out in Las Vegas and addressing their international conference. And we were talking about how long it takes, for example, to get a visa to visit the United States. And if you think about countries such as Brazil and China, folks from those countries who come here spend disproportionately more money in the United States, but yet it took at that point over 100-plus days to get a visa.

Well, the State Department, under Secretary Clinton and Tom Nides, focused on bringing down the number of days it takes to get a visa down to, you know, two hands. And as a result, many more people are traveling to the United States from overseas. And that's terrific for our country, and that's a good example of where they came to us and they presented a problem and they said, this is what the impact is on the economy by not having those tourists. Does it benefit their industry? Sure it does, but it also is good for the country and it's a way where we could do something that didn't require legislation, always an advantage – [laughter] – on our own, and be better managers.

And under the Office of Budget and Management – and Sylvia Burwell, she's really working at figuring out, what other ways can we create efficiencies in government, be better managers and not have to rely on legislation? So we should do everything that we can to unleash that potential for growing our economy on the Executive side of government.

MR. RUBENSTEIN: So stepping back a moment from the substance of the economic policy, the President obviously has gotten a few gray hairs himself.

MS. JARRETT: Yes, he has.

MR. RUBENSTEIN: And what do you think he does to relieve the stress of the job? And does he find the job more than he thought it would be when he ran? And now that he's in his second term, what has he done to kind of – you know, what does he do to relax and just change the pace a bit?

MS. JARRETT: Well, he has the benefit of a temperament that is extremely even keel, and there have been times where people have said to me – this may surprise some of you – you know, why doesn't he get really angry? I actually want the person who has the kind of power he has to have their temper under control. I don't want him to do things impulsively.

So that allows him to stay very grounded. I think he is – he enjoys a wife and two children with good senses of humor who keep him grounded and don't view him as the President of the United States. And so when he walks in the door, he can leave the office behind unless somebody calls him. And he has made being a good dad a real priority, and I think part of it is – well, I know a bit part of it is, frankly, not having had a dad in his life growing up, and wanting to be that dad and appreciating that he and the First Lady have this responsibility to these two people who they brought into the world.

But that grounds him and it gives him balance and perspective and humor. Is the job challenging? Absolutely. We all saw that the economy kind of fell apart very near the end of the general election in September. It will be five years coming up this September. And that was a jolt to everyone. But I think part of where he gets his perspective is he sees so many people around the country who are struggling so hard and just want to know that government is working for them.

And he finds strength and energy through their stories, because so many of them have faced far greater challenges than he'll ever face, but yet they're resilient and they fight back, and if they're knocked down they get on their feet again. And again, I return to his basic belief that that's what makes this country so great. And those folks give him a lot of energy, too.

MR. RUBENSTEIN: Well, could you make everybody feel better by saying, when he gets mad he yells a little bit or he throws something? [Laughter.] He never throws anything? He never yells?

MS. JARRETT: No, I have to tell you – and really, it's now 22 years – I have actually never heard him raise his voice. He has infinite patience. Goodness knows he could have fussed at us from time to time. We probably deserved it. But he tends to just keep that even keel, and it's a real strength. And that's not to say he hasn't been tempted from time to time.

I'm sure he has been extremely tempted. His biggest frustration I think that I have seen is where he feels that people are wasting time and not focusing on that true north. That frustrates him to no end. But he doesn't find it's terribly constructive to yell and scream. So fortunately he does not do that.

MR. RUBENSTEIN: People come to you no doubt and say, the President should do X, Y or Z, and you say, OK, go tell the President that. You take them to the Oval Office and then they kind of crumble and they don't really tell him things as much as they tell you that they're going to? Have you ever seen that?

MS. JARRETT: That has happened from time to time. [Laughter.] And I look at them and I go, come on, come on. But one thing that he's very good at doing is – and, I mean, the Oval Office is intimidating in an

awesome kind of way. I mean, I go in there and I look at that ceiling and it just makes you want to pinch, and I've been there every day.

So I can imagine how overpowering it is to those – and I have watched people go into the Oval Office who are supporters of the President and have known him for a very long time, and they walk in the door and they literally burst into tears. They're just so moved to actually be there. Debbie [sp], you've seen that.

So yes, it can be intimidating, but one of his strengths I think in terms of management style is that he knows that and so he tries to put people at ease. And he works really hard because ultimately he really does want to hear what they really believe, and so if he can get them to get a little less intimidated and open up, he's going to learn something. And he's a really good listener.

MR. RUBENSTEIN: Most people who have desk jobs seem to – men at least – get a little bit of a paunch at some point.

MS. JARRETT: Oh, where are we going? [Chuckles.]

MR. RUBENSTEIN: – and they gain some weight. [Laughter.] But he seems to be in great shape. He's in pretty good shape. He's, you know, he's 50 years old so –

MS. JARRETT: He's 52, or he's 53.

MR. RUBENSTEIN: Fifty-two? OK, so how does he do that? Does he work out a lot?

MS. JARRETT: He does. Well, first of all, he's a very healthy eater, which can be somewhat annoying at times because rarely does he go for that dessert that I'm going for, but he does like pie. So if ever he's tempted, the White House chefs do make an incredible pie. But he's very disciplined and he eats healthy and he exercises every single day and I think it pays off.

And he and the First Lady really think that that's important. They set a very good role model, not just for their children but for children all across the country. You know the First Lady has a very important initiative called Let's Move! And it's to make it fun to take care of yourself and raise people's awareness, not to preach at them about what they should or should not do, but just give them the basic information and the tools that they need in order to make an informed decision about how to lead a healthy life. And I think they both think that the best way to do that also is to lead by example.

MR. RUBENSTEIN: So most Presidents, in their second term they kind of begin to think about their legacy, what are they going to be remembered for? So, you know, what do you think Barack Obama – well, he's still got a ways to go – would like to be remembered for? What are his things he's going to try to do in the second term that would create the legacy that he would like to leave after eight years?

MS. JARRETT: Well, I think he is too busy to kind of focus on it from the perspective of his legacy. He really looks at it like, what can we do, again, to move the country forward? Obviously jobs, strengthening our economy, making sure that we have a workforce that has the skills that they need, that aren't overly burdened with debt. He's been really focusing lately on what can we do to bring down the cost of college? It's escalating at an exorbitant pace. And as we're providing the financial tools in terms of student loans, you know, how best should we turn the levers there to make sure that we're making it affordable?

I'll digress for a second to say months ago I was talking to the head of AARP this time last year when we were trying to keep the student interest rate loans from doubling, and I said, is this an issue that we could get

you to weigh in on publicly, even though I know it's not your issue because you're dealing with senior citizens? And he said, oh, no, you would be amazed at the number of people who retire with college debt. That's stunning to think you've worked your whole career and you still are paying back your student loans. So that's something that's very important.

Comprehensive immigration reform is a top priority of the Administration. We were quite heartened to see it coming out of the Senate with strong bipartisan support, and we are hoping that we can find that critical mass in the House to do the same there. That's good for the economy. It ties back. We released a report last week, which I encourage you all to take a look at online, that makes the economic case for why comprehensive immigration reform is good for our economy.

The President, several weeks ago, gave a speech about energy, and we're going to do everything within our power on the Executive Branch of government to make sure that we are paying attention to climate change and doing everything we can do responsibly for that.

And an accomplishment of his first term – that he begins every meeting with us talking about the second term about – is the successful implementation of the Affordable Care Act. And we will be launching a campaign over the next several weeks. You may have read about a meeting we had yesterday in the White House with a group of artists who want to help market the exchanges, which are open on October 1<sup>st</sup> for enrollment, and we encourage everyone who doesn't currently have insurance to take advantage of this opportunity to have health insurance. And the way that we're going to be a healthy society is if people take advantage of preventive care and wellness visits that are available without co-pays. No longer can people be discriminated against for pre-existing conditions or hit lifetime caps.

And we were talking yesterday about just these incredible stories we hear every day about people who, before the Affordable Care Act, were losing their homes. Medical bankruptcy is a huge problem in this country. And you know if you have a sick child, you'll give anything to make sure that child has the treatment that they need. And so now under the Affordable Care Act, insurance companies won't be able to charge children – in the future, adults – higher premiums or drop them from insurance. When you need it most is when you're sick, and so it doesn't make sense to have a system the way our system was built.

So successfully implementing that, making sure that people who don't have insurance are insured, and the people who have insurance understand the benefits that are already available under the Affordable Care Act. We're seeing states like California and Oregon and Washington and most recently New York where premiums are already coming down, which is making health insurance more affordable.

MR. RUBENSTEIN: When you – the White House announced the postponement for one year of some part of the implementation of the Affordable Care Act. What was the reason for that, and is that going to be a real problem for the act?

MS. JARRETT: No, I don't think it's a problem at all. I think it's a very good example, David, of where we've been listening to business. And we heard from a lot of businesses – particularly I remember talking to a group of CEOs from restaurant chains who had franchisees, and they were just concerned about getting it right. And they didn't want to be penalized in the process of figuring out how to comply with the Affordable Care Act. And they said, if you just give us a little more time, we will get it right. And if you do that, in the end when you look back it will be a stronger program.

Rather than simply imposing penalties, let's give people time to comply. And I think when we look back on it, that will be considered a strength of the Affordable Care Act — that we did give business a little bit more time to comply. So we feel very good about that decision.

MR. RUBENSTEIN: So you've met a lot of CEOs in this job.

MS. JARRETT: I have.

MR. RUBENSTEIN: A lot of them come in. Do you ever say, how did this person become a CEO? [Laughter.] That thought never crossed your mind?

MS. JARRETT: That thought never crosses my mind.

MR. RUBENSTEIN: It never crossed your mind. OK.

MS. JARRETT: It never, ever, ever crosses my mind. [Laughter.]

MR. RUBENSTEIN: OK. So it is often said that Presidents are influenced by their spouse, their First Lady. Some First Ladies are maybe more involved in policy than others. The current First Lady doesn't seem to be that involved in policy, but does she really get involved in ways that we don't know about? Is she influencing him a lot or does she stay out of West Wing matters?

MS. JARRETT: [Chuckles.] Well, I think, first of all – and I alluded to this when I described my first dinner with them – I think they share common values and a common vision for our country, the direction that they think it should go. I think they both believe in the sense that if you work hard and you act responsibly and you are willing to make sacrifices for your children, that you should be able to send your kids to college, own your own home, and retire with dignity and a little extra money in your pocket.

And that's how they were raised. The First Lady often tells her story, as she did I think quite poignantly at the convention, about how she grew up in a home with a father who had a disability who went to work every day. And he got up early so that he could be there on time. And he sacrificed and even though she and her brother both had scholarships to Princeton, he would write a portion of her tuition check because he wanted to contribute to her education.

Those core values that were instilled in her are very similar to what was instilled in the President by his mom, who always used to tell him – she'd get him up early to study and he'd complain. And he loves to say she would say: Look, buster, this is no picnic for me either. You know, I don't want to get up at 4:00 in the morning with you, but I care about your education.

I say that as background to say that they do have the same values and the same vision. And so she's a wonderful sounding board for him because he knows that their beliefs are the same. And so she is a sounding board. And the issues that she's picked are ones where she cares passionately about them. So we talked about Let's Move!

She and Dr. Biden are also very involved with Joining Forces, our effort to work with military families. And many of you in this room hopefully have already participated in trying to hire our veterans as they're coming home from war. The very least we owe them after the sacrifice that they've made for us is a job. And so she and Dr. Biden have been really working very hard on that.

And mentorship is something also extremely important to the First Lady. So she picks here issues carefully, and they're ones where not only does she care passionately, but where she thinks she can move the needle. And so her time is very precious.

She still is “mom in chief,” and her girls are her first priority. But as they both have been saying lately, and as you saw the other day, they don’t want to spend as much time with their parents as – you know, most children their age are pretty much done with you day in and day out by that age. And so they’re trying to find other things to do with their time.

MR. RUBENSTEIN: So raising children in the White House is not easy, I assume, but I wonder what it’s like – his oldest daughter doesn’t maybe have dates yet, but a young boy coming to pick up a young lady at the White House with the President of the United States watching might not be that easy, but –

MS. JARRETT: Well, I think fathers are intimidating the world over. This one is probably a little more intimidating than most. So he better have his act together. That would be my advice to any young man. [Laughter.] Have a firm handshake, look him in the eye, and get her home on time. [Laughter.]

When she starts dating. I don’t think she’s dating yet.

MR. RUBENSTEIN: So today – you know, in your own case – you are obviously a very trusted advisor to the President. You will have eight years here. I assume you’re going to stay the entire time?

MS. JARRETT: As long as he’ll have me.

MR. RUBENSTEIN: OK, so you’ll be here eight years. What would you like to do afterwards?

MS. JARRETT: I have absolutely no idea. And I’ll tell you, it’s just – we’re so – as you would imagine, just as you all in the room – how many people here know what you’re going to do in three-and-a-half years? You just try not to think about it. You try to focus on doing the very best job that you can. And that would just be a huge distraction. So come back and let’s have that conversation as we get near the home stretch.

MR. RUBENSTEIN: All right, but what would you like your legacy to be? In other words, you have been there eight years. What would you like people to say that you have done after eight years in your position?

MS. JARRETT: You know, just serve our country and do the best every day. I often tell this story about a gentleman who I met during the 2008 campaign. And it’s a long story so I’ll abbreviate it for you for a bit. But he was an elderly African-American elevator operator who operated our elevator when we were in Austin, Texas. And when we were leaving on our last day in Austin – and it was in the primary. And if you all remember, we had those dark days of – after the February 5<sup>th</sup> primaries we were still at it.

And so it was early in the morning, and the President is not really a morning person. That will be our secret, right? And it was around 7:30 in the morning and he had a cold. And we get in this elevator and this elevator operator says, excuse me, sir. And I remember thinking, oh, we’re not going to have a conversation, are we? I was thinking, I want to get him in and out of the elevator and into the car where he can take a nap and unwind a little bit. And the gentleman said, I want to hand you something. And he hands him a military patch from his uniform.

And you know, everybody in the elevator is looking at it. And then-Senator Obama says, I couldn’t possibly accept that military patch. And he says, no, I want you to have it. They go back and forth. And finally this gentleman says – I’ll never forget it – he said, I have carried this with me every day for 40 years and it has given me strength and courage, and it has been my – you know, really my good luck charm and I want you to have it.

Well, of course I burst into tears. [Laughter.] I mean, burst uncontrollably into tears. And I asked the President later, you know, what did you do with that patch? And this is now a joke between us because he said, I put it in my pocket. And I went, you know, typical guy. I didn't mean, like, where did you put it. I mean, how did it make you feel – [laughter] – that this person is giving you this piece of himself? And classic – which gives you some insight into our relationship – he said, I meant I put it in my pocket.

And he reaches in his pocket and he pulls out about 10 or 12 different trinkets. And he tells me the story about each one, and who had given it to him and the person's name and where they were, and what the circumstances were and why it was so special to him that he put it in his pocket. So he got the last laugh on that one.

But fast-forward – right before this last election. Well, before I get to that, so I decided – to your question about what we do in the course of a day – I decided that I was going to think about that man every day when I came to work. And so when we drive through the gates of the White House the Washington monument – thanks to your efforts – blinks at the top, red lights, and I sit there and every morning I say, try to do something that's going to make that gentleman proud.

So the story ends right before the last election when a *Washington Post* reporter said to me, do you remember that story you always tell about that gentleman? What's his name? I said, you know, I don't know his name. I never knew it. And so she said, I want to track him down, so can you help me? And I was thinking, well, I don't know that I want to, because I think about him every day. What if he turns out like he's a mass murderer or something – [laughter] – having this – you know, thought about this man in my fantasy of how wonderful he is?

Well, a long story short, she tracked him down and she sent me his contact information. And I emailed him and I told him this story about how I think about you every day. And his name is Earl Smith and he's now head of security at a Hyatt in Texas. And I told the President, I said, remember the gentleman? He goes, of course. You were cracking on me about putting it in my pocket. And I said, his name is Earl Smith. And he said, invite him to the inauguration, which we did. And he came to the inauguration, and the next day he came to the Oval Office to meet the President. And he saluted him, and of course I burst into tears again. [Laughter.]

But I tell you that long story first of all because I love the story and I love Earl Smith. But it's also people like – what's so extraordinary about Earl is that he's not extraordinary. There are people all over this country who have sacrificed for their country, who give back and who do these unbelievable acts of generosity and kindness. And thinking about him is what helps keep me grounded, because he's why we're here. He's the reason why the President is giving the speech tomorrow. He's why he's trying to get those in this town in Congress to focus on the Earl Smiths of the country, because we owe them a great deal.

MR. RUBENSTEIN: I agree.

Now let me ask you two final questions, if I could. First, the President went down with four other Presidents at the Bush library opening. What was it like to be a fly on the wall when you have five Presidents there? What were they talking about? Were they talking about great powerful issues, or just talking about –

MS. JARRETT: They were just talking. They were just having a good time. Those of you who watched it, Barbara Bush and the President were sitting next to each other, and they were, best I can tell, gossiping up there when they were up on – and I won't tell you what they were saying but they were having a great conversation up there.

I think that that day is really, again, a testament to our country, which you can be on opposite sides of the aisle, you can have heated contests – obviously many of them ran against one another – but when it comes to something that’s going to be there for time immemorial like a library, it’s more symbolic of the presidency than the President. And I think that’s what that day was all about. And I think it was terrific to be able to have President after President stand up and say amazing things about what President Bush did for our country.

And President Bush was just with us when we were in Africa. He and Laura Bush were in Tanzania. And it was just great to be able to be on the world stage and see two Presidents of different parties both honor those who perished when our embassy in Tanzania was bombed, and to share that moment together. And then just last week George H.W. Bush was back at the White House celebrating the 5,000<sup>th</sup> points of light that he created when he was President. And the mentorship is something we talked about as so important to both the President and the First Lady.

And so those are really the moments that I think you cherish, and that’s what should make us all proud. We just need lots more moments like that.

MR. RUBENSTEIN: So final question: The President is the head of the Democratic Party, and he knows eventually he’ll be a former President. Is he likely to endorse anybody in the Democratic primaries next time around? [Laughter.]

MS. JARRETT: I have absolutely no idea.

MR. RUBENSTEIN: No idea.

MS. JARRETT: I’m surprised you’d ask that question –

MR. RUBENSTEIN: Do you know anybody that might be running?

MS. JARRETT: – so far in advance. [Laughter.] You know, like the day after the election – for those of you in the press I apologize, but you did kind of, like, jump the gun to start talking about 2016 immediately. And so we’re still trying to enjoy and bask in the glory of the 2012 race. So I think it’s far too premature to ask whether the head of the party would get involved when we have no idea who might be running.

MR. RUBENSTEIN: I can’t imagine who would run, so –

MS. JARRETT: We’ll see. [Laughter.]

MR. RUBENSTEIN: Well, I want to thank you very much for being here today. Thank you.

MS. JARRETT: Thank you, David, thank you all. [Applause.]

MS. JARRETT: We could take our show on the road. [Chuckles.]



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