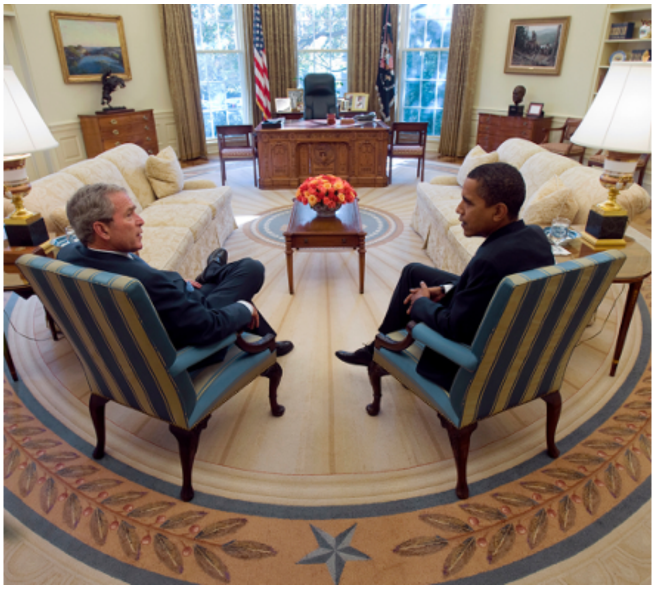
Collaboration in Crisis: Examples from the 2008–2009 Presidential Transition

Introduction

The 2020 presidential transition is set to take place amid a global pandemic, an economic recession, political division and racial unrest. A strong, collaborative transition will be critical to help an incoming administration face these and other challenges.

Previous presidential transitions have occurred during times of crisis. The 2008 George W. Bush-Barack Obama transition is often thought of as the "gold standard" of transitions in part because the two sides closely cooperated to hand over management of the government during the financial crisis. This paper highlights key actions both the outgoing Bush administration and incoming Obama administration took to ensure a smooth transition of power.



President Bush and President-elect Obama met in the Oval Office within a week of the election; November 10, 2008. (White House photo by Eric Draper, Public domain, via Wikimedia Commons)

The Outgoing Administration's Actions

A positive tone was set at the top

Two days following the election, President Bush set the tone for a collaborative transition with a speech to his staff on the South Lawn of the White House. Bush emphasized that the country "face[d] economic challenges that [would] not pause to let a new president settle in." He immediately made the transition a priority for the remainder of his presidency, asking his staff to do all they could to "ensure that the next President and his team can hit the ground running." With this speech, Bush laid the foundation for a cooperative transition, reassuring the incoming administration and the nation that his team would be giving the transition the attention it deserved.

The transition started immediately

As Bush pointed out, crises do not stop during a presidential transition. Indeed, in the two weeks following Obama's election, the economy continued to weaken, with the Dow Jones Industrial Average falling 17%. As Bush later remarked, "The period between September and December of 2008 was the most intense, turbulent, decision-packed stretch" of his presidency since 9/11.

Recognizing the urgency of the moment, Bush met with Obama just six days after the election, making him only the second president in a change of party transition to meet with his successor within a week of the election. During their meeting, Bush spoke to Obama about jointly confronting the impending bankruptcy of the Big Three automakers. This bipartisan collaboration between an outgoing, president and a president-elect represented an extraordinary effort not only to unify the country, but to advance aggressive policy responses to the worst financial crisis in 60 years.

After the meeting, Treasury Secretary Hank Paulson quickly established regular communication with the president-elect to keep him updated on ongoing developments. In fact, Paulson later remarked that prior to the election, his team had prepared a plan to share key information with the winner "the day after the election," recognizing that many of the decisions they were making were "so crucial [that they] needed to involve the incoming administration."

Engaging the president-elect and his team early in the transition process set a tone of collaboration and cooperation and helped Obama and his team quickly get up to speed on urgent issues. More importantly, the collaboration had a material impact on creation and implementation of bipartisan policies that calmed markets, saved the U.S. auto industry and accelerated the economic recovery.

Key decisions involved the incoming administration

When reflecting on the financial crisis, Bush noted that because it arose so late in his presidency, he "wouldn't be in the White House to see the impact of most of the decisions [he] made." In crisis, newly elected presidents inevitably inherit a litany of policies from the previous administration that require immediate attention. To ensure the Obama administration could hit the ground running, and to help implement policies to address the pain the financial crisis was inflicting on Americans, the outgoing administration involved the incoming one in key crisis response decisions.

During the 2008 transition, a critical issue facing the Bush administration involved the rescue of the auto industry. In late November, Bush Chief of Staff Josh Bolten arranged a meeting between the Obama economic team and senior officials from the White House and the Treasury Department. The goal was to see if the two sides could agree on the appointment of an "auto czar" to oversee a bailout effort. The meeting did not result in a coordinated plan, but as presidential historian Martha Kumar wrote, "It set an important precedent for meeting together to tackle important issues."

Collaboration on policy was not limited to this one meeting. Senior Obama Advisor Valerie Jarrett said the outgoing Bush administration provided a "treasure trove of information that proved invaluable." Indeed, Paulson recalls Bush directing the Treasury team to "work hard to make sure the Obama team would have some breathing room when they settled into the White House." Bush prioritized making things as easy as possible for the new administration, and that helped ensure the Obama team had the information they needed to continue the crisis response efforts on day one of their term.

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The Incoming Administration's Actions

They recognized there is only one president at a time

Campaigns during crisis can be especially divisive; the challenging party often seeks to criticize the incumbent party's response efforts. During the 2008-2009 transition, however, the incoming administration did away with their campaign rhetoric so as not to undermine the sitting president.

In 2008, the Obama transition communications team intentionally pivoted away from the criticisms of Bush they pursued during the campaign. Stephanie Cutter, the spokesperson for the Obama-Biden transition, explained that the team's post-election communications strategy was "to reassure people that we collectively, the Bush White House, the Bush administration, the transition team, and the president-elect had [the crisis] under control." Presenting the incoming and outgoing administrations as a unified front against the financial crisis went a long way toward instilling confidence in the public and the financial markets that the transition would not make the situation even worse.

Obama's efforts to support Bush during his final months in office extended beyond just his communications strategy. In mid-November, Bush convened a meeting of the G-20 leaders to discuss options for a coordinated response to the global financial crisis. Though Bush extended an invitation to Obama, he declined to attend. When explaining the rationale behind this decision, Cutter noted that "we really felt strongly that there was only one president at a time and George Bush was the president." Sending Obama to the summit, Cutter explained, could cause confusion on the United States' position and undermine Bush's ability to push his policy forward.

Opportunities for continuity were identified and pursued

In times of crisis, one of the most valuable assets any team can have at their disposal is experience. During a change of political party transition, it can be tempting for an incoming administration to do away with everything associated with the previous administration. However, as the Obama transition team recognized in 2008-2009, doing so can create unnecessary uncertainty among the public and eliminate the incoming administration's ability to learn from those with experience in the crisis at hand.

Many individuals at the Federal Reserve and the Treasury Department were working tirelessly in the months preceding the 2008 election to combat the growing financial crisis. Timothy Geithner, then chairman of the New York Federal Reserve, was one of these people. Alongside Federal Reserve Chairman Ben Bernanke and Treasury Secretary Paulson, he was intimately involved in many actions the Bush administration took to fight the crisis.

Less than three weeks after the election, Obama announced Geithner as his pick for Treasury secretary. In his memoir on the financial crisis, Paulson described

Geithner's nomination as "reassuring investors," noting how "the markets saw Tim's nomination to succeed me as a sign of continuity." To Paulson's point, immediately following Obama's announcement, the Dow Jones Industrial Average increased 7.1%.

The efforts to create continuity extended beyond Geithner. Neal Wolin, Obama's deputy secretary of the Treasury, explained that they kept a fair number of people from the Bush administration in place, "partly for continuity and also capacity in a period that was very challenging." He said these were individuals who "understood markets and understood financial institutions," and who had experience in the financial crisis that would be invaluable to the new Treasury team.

Conclusion

As Presidents Bush and Obama demonstrated in 2008-2009, effective transition crisis management is a two-sided effort. Outgoing and incoming administrations both have a role to play in ensuring the transition goes smoothly and the nation's problems are addressed effectively.

Tim Geithner was sworn in as Treasury Secretary by then Vice President Biden just six days after President Obama's inauguration; January 26, 2009. (U.S. Department of the Treasury, Public domain, via Wikimedia Commons)

Sources and Further Reading

Statements by Neal Wolin came from interviews conducted by the Partnership for Public Service. Quotes from Valerie Jarrett are from an event produced by the Center for Presidential Transition on Oct. 2, 2020 called, "Talking Transitions: Perspectives for First-term and Second-term administrations", available for viewing at https://bit.ly/3k439MW

All other quotes and information are drawn from the following sources:

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