Lessons Learned: Andrew Williams

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Integrating communication into the policy decision-making process will improve crisis-fighting outcomes.

You cannot shape perceptions of your crisis-management efforts if you don’t have something of substance to communicate, said Williams. Because of the pace of events and staffing practices, he explained, communications staffs were relaying information about the economic rescue plan as it was being formulated, which made it impossible for them to coordinate their efforts or prepare effectively to explain it to reporters.

Communications requires substance; without the policy in place, without the design of the policy, it’s hard to make a communications plan just based on rhetoric. I feel like we were captive to the policy formation. And that was over and over. That was a huge problem for me, to have to react to how people would design the various programs. Even rearranging Citigroup, to have to explain how we structured the relationship between the government and whatever entity we were having to take a big stake in. The dealmakers would make that all happen, but then they’d all go home, and I am left with a policy which I am not really sure of the intentions, or why they did this over that. Communications just wasn’t as much of a priority as I wish it was.

I think having policymakers be more intentional about including [communications] as part of the essential discussion would have been useful. I felt like we were an afterthought. That’s sort of the nature of my role; I am left to clean up the mess of whatever a company or policymakers do. They are not necessarily around when the media starts calling and saying, “What the hell is this?” Treat communications like you would legal. Legal is included, communications is not, but I think we are just as core a piece of the risk management as legal is.

Effective crisis fighting requires that officials pay attention to staffing, particularly between administrations. Career staff are the backbone of agencies.

In late 2008 and early 2009, the incoming Obama administration was staffing Treasury with a number of political appointees and many people who had worked on the campaign were
hired into the press offices at Treasury and the White House. The people who had been working on the financial crisis already “looked like hell.” The people from the campaign looked great and had a different view on the efforts to shore up the financial institutions that presented challenges. Williams recalled one meeting when these challenges were revealed:

I can remember being at the White House early. It wasn’t February but it was in the spring. I remember making a jerk of myself. They brought all the communications people from all over the administration into the auditorium at the White House and were talking about outreach to different communities that were important constituencies to us. I got it, but from my seat, I felt like we were in this “beat up on the banks” mindset as an administration and “beat up on CEOs’ salaries.” To my mind, we needed cooperation, to co-opt the banks in order to solve the problem. I raised my hand and asked some questions like that, and I could tell I was just the skunk in the room. From that point on, I never went back. I was rarely in the White House, because I saw myself as sort of the Treasury–Fed person, and not really a White House person.

Hiring and retaining good career employees should be a priority at Treasury but is a complex problem, because the agency ultimately answers to the White House, said Williams. Because there is always some turnover and appointments can be political, there can be tensions between the holdovers and the new folks, which does not help the crisis-fighting effort.

I am not saying the Treasury staff aren’t serious. I am just saying there is too thick of a layer of political appointees. The career staff is not empowered at the Treasury like they are at the Fed, because of what happens in a case when you switch administrations … Any of the career staff that are there are automatically suspect by the new people who have just come out of a political campaign. So, we get there, and the political people from the campaign and the White House and the Democratic Party see people like [then–Treasury bailout chief] Neel Kashkari and all these [Troubled Assets Relief Program] guys who came in through [then–Treasury Secretary Henry] Paulson, and they are immediately suspicious.

Instead, Williams would recommend staffing economic policy positions with fewer political appointees and paying higher salaries to professionalize the service and eliminate the uncertainty every four years. Dedicated career staff can just wait out administrations, he explained:

In parts of Treasury like the International Affairs Department, until [Donald] Trump ruined it, is like a diplomatic corps. It’s something that people know they are not going to get rich, but they are going to be doing interesting work, and they can make a career out of it. The Federal Reserve Board is the same way. There’s plenty of people there that are there for more than 30 years and made a career out of it. They are not getting rich but they’re doing it, and they love it because it’s important stuff to do.

Williams faulted the Presidential Personnel Office, which “seemed completely screwed up,” leading to difficulty and delay in filling vital roles when an administration changes. So, the staff working in the early days of an administration are overwhelmed and can’t get ahead of
the crisis workload. That happened in 2008–09, said Williams, and probably again in the early days of the Biden administration, as it handled the COVID-19 pandemic response. He suggested ways to prevent this dysfunction:

Maybe pre-clear people. Do you have slates of pre-cleared people, even before the election is over? Who are your first 200 people you are going to put at each agency? There will be political fights on that, but you need something. Because right now it’s a broken system, and nobody seems to be talking about it.

**Ultimately, all options to manage the crisis will be unpalatable and unpopular, whether they are austerity measures or bailouts. Prepare for the hate.**

Many of the measures to combat the Global Financial Crisis (GFC) were not popular with the public. And having a Democratic administration did not translate into support for the plan, said Williams. “There was a lot of undermining, and there was a lot of suspicion around what we did.” Williams remembered when Secretary Geithner did a live TV interview on CBS, and the anchor opened by asking about his career at Goldman Sachs—although Geithner had never worked there.

We were a foil. We were hated by everyone. Maybe that’s the core of it. I wish I knew more how much everyone was going to hate what we did and what we were trying to do. Maybe if I’d realized that earlier, we could have gotten to the core of people’s hate easier.

The communications challenges of future crises will be harder because of new developments. The media environment has only become more complex and difficult since the GFC, said Williams. Institutions don’t have the authority over the narrative they once had, and while podcasters, academic research, and other long-form efforts try to explain the complex financial issues, it’s not enough. “It’s almost like one of those Choose Your Own Adventure books,” said Williams.

An explosion of information has bred a lack of trust in authorities, academics, government institutions, and even media itself. Communications require starting from a worst-case scenario, Williams said:

This is what I’ve learned over time: You should first think about what is the worst thing someone could say about you or what you are trying to do and start there. Start addressing that, which is: “You are here to bail out the banks. You are here to make life easier for your rich friends.” Okay, let’s start there. I think that’s how you go about your messaging.

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