

Nine months ago, Brunswick CEO Neal Wolin questioned “when, if ever, there will be a return of what we used to call normal.”

IN EARLY 2009, BARACK OBAMA INHERITED the worst economy of any incoming president since the inauguration of Franklin D. Roosevelt in 1933. Needing topflight economists on his team, President Obama hired Larry Summers, the former Harvard President and former Treasury Secretary, as Director of the National Economic Council. He also appointed Timothy Geithner, New York Fed President and a former Summers protégé at the Treasury, as Secretary of the Treasury. To serve as Deputy Assistant to the President and Deputy Counsel to the President for Economic Policy, Mr. Obama tapped Neal Wolin, an Oxford-educated economist and Yale Law School graduate who had served as General Counsel for the Treasury under Mr. Summers.

In March 2020, Neal Wolin saw perils darker than in early '09.

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Barely two months after Mr. Wolin moved into his White House office, Mr. Geithner recruited him to serve as Deputy Secretary of the Treasury. Over the following months, they convened with a large circle of other economic experts to nudge the economy away from the edge of collapse. “By that summer (2009), we had not only averted a depression, our economy had started growing again,” Mr. Geithner wrote in his 2014 memoir, *Stress Test*. “House prices stabilized. Credit markets thawed. And our emergency investments would literally pay off for taxpayers.”

How might a leader of that rescue view the current COVID-induced crash? To find out, Mr. Wolin, now CEO of Brunswick, spoke with Review Editor Kevin

Helliker. It’s worth noting that Brunswick isn’t Mr. Wolin’s first stint in the private sector. Before joining the Obama Administration, Mr. Wolin served as President and COO of the property and casualty insurance companies of The Hartford Financial Services Group.

Also worth noting is the statement that President Obama issued to *The Washington Post* upon Mr. Wolin’s departure from the Treasury in 2013. Mr. Obama said that Mr. Wolin’s “deep knowledge and excellent judgment helped us ... pass tough new Wall Street reform, strengthen our financial system, foster growth here at home, and promote economic development around the world.”

What is your level of alarm today compared with the darkest days of 2008–2009?

In many respects, it’s higher. Then, we had a financial crisis that bled into the real economy. Many financial institutions and other companies were under great pressure.

Now, we have a much more complicated, much more uncertain set of circumstances. You can see just by looking in your newspaper every day the extent to which the basic rhythms of life have stopped. People aren’t traveling, they’re not aggregating, not interacting, they’re not transacting.

These factors have caused a level of uncertainty and anxiety that is, in many respects, unprecedented,

and certainly greater than what we felt in the autumn of 2008, or spring of 2009. Those were obviously scary circumstances, in the sense that markets were not functioning properly. But here the disruption is more broadly gauged across the entire economy. The things that we have long taken for granted are no longer taken for granted. And there isn’t a strong sense when, if ever, there will be a return of what we used to call normal.

What are your thoughts about the US government’s relief and stimulus packages?

In moments like this, the most important thing is to attack the problem with overwhelming force. That’s

Deputy US Treasury Secretary Neal Wolin and Federal Reserve Chairman Ben Bernanke testify before the Senate Banking, Housing and Urban Affairs Committee in May of 2011.

PHOTOGRAPH: ALEX WONG/GETTY IMAGES

the lesson from 2008–2009. That’s the lesson frankly from all economic crises. That response should make sure that people and businesses are, as much as possible, able to meet their financial obligations and that people aren’t losing their jobs unnecessarily. And central banks should use monetary policy to ensure liquidity.

In this case, Congress’s \$2 trillion package is helpful. It’s got the right basic pieces: support to individuals, many of whom will be worried about meeting their obligations if they lose their jobs; support for businesses small and large, and also for important sectors of our economy.

The Fed has made clear that they will respond with overwhelming force to provide liquidity and financing to large businesses, small businesses, the treasury markets and also the municipal markets.

The 2009 response was complicated by the need to bail out some of the institutions that had contributed to the crash. By comparison, the cause here is simple—a pandemic, an act of God—so there’s far less finger pointing in regard to cause. Does that difference make it any easier logistically or politically to identify the path forward?

I don’t think so. This is a unique circumstance in our history, in the sense that it’s not just isolated to a particular piece of the markets, or a particular piece of the real economy.

Suddenly everyone is staying in their homes, demand is falling dramatically, and the effect will be a generalized collapse of demand in our economy. We don’t know the basic trajectory of the public health crisis. We don’t know how long it will continue. We don’t know how many people will be ill. We don’t really have a strong sense yet of the level or the speed or the persistency of the economic dislocation.

All those things make responding to this particular circumstance very, very complicated, indeed.

In the absence of obvious, sure-fire solutions, how does a leader choose a strategy and stick with it?

You need to see to the other side of the chasm, as it were, and to have confidence that you will get there and a constant focus on how to get there. First, what makes sense conceptually as to how to get there, then what types of programs would move us in that direction, how exactly should they be designed and implemented?

The details here matter. Roll up your sleeves and dig into the nuts and bolts, the design and particulars, the implementation of the plan you put

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forward. Leaders need to be very focused on the process at every stage. After forming a broad plan and a strategy for implementation, you must remain flexible in the face of evidence suggesting that adjustments should be made. Be willing to make changes along the way. Be willing to learn from experience and adjust according to what’s going on in the world. That’s the appropriate mindset.

There’ll be complicated, challenging days. Things that you’ll try won’t necessarily work the way you hope or expect they might. At those moments especially, it’s important for leaders to stay positive, to understand that progress is not linear, that sometimes it’s a step forward and two back. It’s important to believe that over time, with persistence, high-quality colleagues, and a real sense of commitment, there will come substantial progress. As much as possible, it’s that progress on which people should be focused.

The government’s actions of 2008–2009 ended the economic crisis and led to the longest recovery in history—but they weren’t wildly popular at the time. How does a leader stay on course amid the din of criticism, especially in the age of social media?

Leaders are elected in the public sector, and chosen in the private sector, to make judgments and to lead. It’s important to have convictions about what’s right, and to do what circumstances require, without thinking about winning a popularity contest. One doesn’t want to be overly influenced by popular sentiment in thinking about how to advance economic policy and design in these very challenging moments.

At the same time, in democratic systems, bringing people with you is an important aspect of success. It’s critically important that people understand what you’re trying to do, and why, and how you’re trying to do it. Reflections on ’08 and ’09 make clear that it would be a mistake to move ahead without worrying whether people understand what you’re doing and why you are doing it.

How does a private-sector leader reassure employees who are afraid of layoffs and of a life-threatening virus?

Play the cards face up. Be clear about what you know and what you don’t know. Make sure everyone understands that the business remains committed to doing the best that can be done.

It’s essential that a leader expresses the desire to look after the welfare of the business and the people in the business. To make commitments that are



During the crisis, Mr. Wolin, above left, worked closely with, among others, Assistant Treasury Secretary Michael Barr and Diana Farrell, Deputy Director of the National Economic Council.

ironclad may be irresponsible. It’s very hard to know what course this or any other crisis will take. But be clear about planning through a range of possibilities, and be clear about doing so with an earnest desire to take care of the people on whom a business depends and who depend on the business. In all of that, be honest and sincere.

When you talk about those dramatic days at the Treasury, you invariably cite a long roster of former colleagues—Tim Geithner, of course, but also people like Diana Farrell and Michael Barr. It’s clear that a large number of you developed into a tight-knit team.

In these moments, one needs to collaborate. You want all hands on deck. The issues are too complicated for any individual to think through, or any small group of individuals. These are huge questions that require the input of fully functioning, effective, collaborative teams—teams to ask questions, challenge assumptions, work in concert, think about implementation. That’s what we had overwhelmingly in 2008–2009. It’s absolutely critical.

Is that true in the C-suite as well as in the top offices at the Treasury?

It’s true everywhere. It’s true in the private sector, it’s true in the public sector. It’s true for problems that are globally huge, as this pandemic is, and it’s true for problems that are smaller. A team working collaboratively, in almost every case, is going to increase the quality of the thinking, the rigor of the analysis, the extent to which ideas are tested and vetted and considered from all perspectives. It almost doesn’t matter what exactly the context is, although obviously, the bigger the problem and the greater the

consequence, the more one needs a team of the highest caliber, with deep experience, a team that functions in a seamless and highly productive way.

Are you discussing this economic crash with your fellow veterans of the last economic one—Summers, Geithner and company?

I am. To some extent, the band has gotten back together. I was getting emails as late as half past midnight last night from Summers and Bob Rubin, and there’s a fair amount of chatter about what are the right policy interventions, and how would one think about design questions?

We’re not in government, obviously. But some on the Hill are asking for our views. What’s the most effective means of administering a set of programs to get money out to individuals and small businesses? What exact methods? How should a set of small-business-credit support be structured? Things of that sort.

Are private-sector leaders eager to help?

The private sector is very keen to pitch in. This is a moment of great national and global importance



White House Press Secretary Robert Gibbs listens as Deputy Secretary Wolin briefs reporters at the White House in the spring of 2010.

and sensitivity. Meanwhile, on the government side, broadly speaking there’s an interest in learning the lessons of history from people who’ve led through real economic stress, if not through these particular circumstances.

What I’m observing is that our lawmakers today want to be the beneficiaries of a wide circle of input, thought and constructive feedback. Hopefully, that will contribute to better policy interventions and better outcomes. ♦

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