Administration of Barack H. Obama, 2009

Remarks Prior to a Meeting With the President's Economic Recovery Advisory Board

November 2, 2009

All right. Hello, everybody. I am pleased to be joined this morning by my Economic Recovery Advisory Board. Each of these men and women have extraordinary and diverse expertise in the economy. I want to especially thank Paul Volcker, who has been a terrific adviser to me since the transition and has continued to help steer this group in ways that are providing us some very practical advice as we move forward.

I've said before, but I think it bears repeating, that we have come a long way since January, when at that time we were losing 700 jobs—700,000 jobs per month and across the political spectrum, I think, there was fear of the possibility of another great depression. We have pulled the economy back from the brink. We got good news last week showing that for the first time in over a year the economy was actually growing once again. And we have seen some other indicators that manufacturing is beginning to pick up. That's all good news, and we are pleased that the actions that we took swiftly through the Recovery Act helped to stem what could have been a disastrous situation for the economy, and we are starting to see stabilization and, indeed, some improvement.

But the reason we're here today is because we just are not where we need to be yet. We've got a long way to go. We are still seeing production levels that are significantly below peak levels and most distressing is the fact that job growth continues to lag. Now, we all know that in every economic recovery there is going to be a lag between the economy growing again, businesses investing again, and businesses hiring again. But given the severity of the job growth that took—the job losses that took place at the beginning of the year and the need for us to make up a whole lot of job loss, is going to require, I think, some bold, innovative action on our part and on Congress's part and on the private sector's part.

It's also going to require that we look at new models for where future growth is going to come from, because one of the, I think, key understandings coming out of this past financial crisis is that a lot of our growth was debt-driven—credit cards being maxed out, home equity loans being taken out to finance a lot of purchases. Consumers, I think, wisely recognized that they can't get that overextended any more, and businesses are going to be more cautious in terms of how they approach taking on a lot of debt. The Government is going to have to get serious about reducing our debt levels.

And so one of our challenges now, and I've been speaking about this for many months now, is how do we get what I call a post-bubble growth model, one that is sustainable. That's what we're going to be discussing here today. As I said, we've got experts from a wide range of business sectors, and what we're going to talk about is, are there mechanisms that we can start putting in place where we see the kind of growth that used to characterize the U.S. economy: export-driven growth, manufacturing growth, growth that pays high wages and provides high living standards for a broad-based middle class.

And I think that there are some excellent ideas that are already on the table. Some of them are being talked about in Congress. It's likely this week that we start seeing some discussion about potential tax cuts and credits that could make some difference in hiring, but we want to go beyond just tax policy.

So, for example, we've got John Doerr sitting next to me, who has been one of the leading venture capitalists in the innovation economy and helped to spur on the revolution in the computer industry. John has unequal passions for the possibilities of green job growth in the future, and how, through projects like weatherization and retrofitting of buildings, we could generate millions of jobs and create huge prospects for growth over the long term.

Jeff Immelt of GE—down at the end—has been at the helm of one of our greatest manufacturers, an international company. Jeff, I think, recognizes that if we don't do more to export, we are not going to succeed in global competition. And so how we coordinate more effectively in our trade policies, in our approaches to working with manufacturing here in the United States—if we don't do that effectively, we're not going to succeed.

Rich Trumka has been talking about infrastructure for a long time, as have I, and I think my team will testify, when we got several trillion dollars worth of infrastructure that is falling apart, we need to put people to work, doing the work that America needs done. But we're also in an era of fiscal constraint, which means that we've got to start finding more creative, new approaches to financing these projects.

So those are the discussions we're going to be having, not just today but in the weeks and months to come. This is my administration's overriding focus. Having brought the economy back from the brink, the question is how are we going to make sure that people are getting back to work and able to support their families. It's not going to happen overnight, but we will not rest until we are succeeding in generating the jobs that this economy needs.

And I couldn't ask for a better group of people to bounce ideas off of, and we are going to be soliciting ideas from the private sector, from businesses large and small, from academia and from all political persuasions. If somebody can show me a strategy that's going to work, then we are happy to consider it.

And just—I want to end by saying this. We anticipate that we're going to continue to see some job losses in the weeks and months to come. As I said before, there is a—always a lag of several months between businesses starting to make profits again and investing again and then actually rehiring again. But I want to emphasize I am confident that having moved the economy on the right track, that if we apply some good common sense and some—and reinvigorate that sector of our economy that's based on innovation and dynamism and entrepreneurship, that there's no reason why we're not going to be able to not only create jobs, but the kind of sustainable economic growth that everybody is looking for.

So, thank you very much, everybody.

NOTE: The President spoke at 11:24 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Paul A. Volcker, chairman, President's Economic Recovery Advisory Board; L. John Doerr, partner, Kleiner, Perkins, Caufield & Byers; Jeffrey R. Immelt, chairman and chief executive officer, General Electric; and Richard L. Trumka, president, AFL-CIO.

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