

Administration of Barack H. Obama, 2010

Remarks at a Town Hall and Question-and-Answer Session at George Washington University

October 12, 2010

The President. Well, hello, everybody. Hello. Thank you, everybody. Please, please have a seat. Thank you so much.

First of all, Sarah, I think you've got a future. You sounded really good. I was persuaded. *[Laughter]* So thank you for the wonderful introduction.

I want to thank Tim Kaine and Paul Hodes who are up in New Hampshire and doing great work. Jeremy, thank you for helping to moderate. And I also want to thank Steve Knapp and—the president of GW—and all the GW family for helping to host us here today. Please give them a big round of applause. Thank you.

Now, one thing about being President is that you hear yourself talk all the time. *[Laughter]* So I do not want to spend a whole bunch of time with a long opening speech. Let me just make a few remarks at the top, and then I really want to hear from you. And I know we're not only getting questions from the audience but we're also going to be getting questions through the Internet and Skype and a whole bunch of other things that Malia and Sasha understand and I'm still trying to sort out.

You know, when you think back to almost 2 years ago, election night when I stood in Grant Park in Chicago or the Inauguration here in Washington, DC, there was just such an incredible sense of possibility and promise. We had run a very unlikely campaign. It was a campaign based on not fancy endorsements and big special interest money, but it was all based on grassroots participation, ordinary folks who had decided that the country was on the wrong track and we needed to get involved.

And one of the most inspiring things about the campaign was how so many young people like Sarah got involved in public life for the first time, because what that signaled was a reaffirmation of a central American truth, which is our destiny is not written for us by somebody else. Our destiny is written by us. When we decide to join together and make common cause, then there's nothing we can't accomplish. And so we overturned a lot of conventional wisdom in this town as a consequence of that election.

What we understood, but maybe didn't fully appreciate, was that I was taking office at a time of extraordinary crisis in this country. We had just gone through a decade in which job growth had been sluggish and in which middle class families had seen their wages and incomes actually go down rather than go up. People had seen their health care costs rise, their college tuition rise. They had a sense that maybe the American Dream was increasingly out of reach for so many people.

But what we found out when I was sworn in was that we were possibly down a path to a second great depression. The financial system had melted down. We had lost 4 million jobs in the 6 months prior to me taking office. We lost 750,000 jobs the month I took office; 600,000 after that; 600,000 the month after that.

And so the hole that had been dug was very deep. And my first challenge was to make sure that we didn't slide any further. And we had to take a whole set of emergency actions, some of

which frankly were unpopular, some of which I hadn't talked about in the campaign because we hadn't anticipated having to take these drastic emergency steps. But my first job was to make sure that we stopped the slide, and we did.

And so now we have an economy that's growing again. We have seen 9 consecutive months of private sector job growth. The financial system has stabilized. And yet, because of that hole, we've got millions of people across the country who are struggling. And some of you know in your own families those struggles: people who can't find work despite sending resume after resume out; small-business owners who still are having trouble getting loans; young people who are still having trouble financing their college educations; people who are worrying about losing their homes to foreclosure.

So there's a lot of anger and there's a lot of frustration and a lot of fear across the country. And one of the challenges of this election is to make sure that we understand that as difficult as things are and have been over the last 2 years, we are moving in the right direction. And the question is going to be whether once again hope overcomes fear. Because what essentially the other side has decided is that they're going to try to ride fear and anxiety all the way to the ballot box on November 2. And frankly, and I'm just going to be blunt, some on our side have said to themselves, well, you know what, everything that we thought was going to happen hasn't happened immediately in 20 months, and so maybe we don't have the same enthusiasm and excitement and energy as we did that first time around.

The most important message I can deliver to all of you today is, number one, over the last 20 months not only have we prevented America from slipping into a great depression, but we finally started tackling those structural, fundamental issues that all of you cared so much about and that we campaigned on. So we now have a health care reform in place that can make sure that young people all across America can stay on their parents' health insurance until they're 26 years old; that makes sure that seniors have a Medicare system that they can count on and don't have over time a doughnut hole that leaves them in the terrible choice of do I buy my prescription drugs or do I instead pay the rent.

We have also set it up so that over time the cost of health care can go down, which will be an enormous relief for small businesses and families, as well as the Federal Government, because frankly, we couldn't afford the trajectory that we were on.

We have reformed our education system in fundamental ways. All across the country you're seeing investments in science and math education, and teacher recruitment, and clearing away some of the redtape and bureaucracy that was preventing us from making sure that our kids got the best possible start in life. And we also transformed the student loan system so that a lot of young people here at GW and all across the country are now receiving billions of dollars of additional assistance that previously had been going to banks in unwarranted subsidies.

We, across the country, have seen investments in clean energy—in solar panels and wind turbines and biodiesel plants that promise a clean energy future, something that I know this next generation in particular is concerned about—not only for economic reasons, but also for environmental reasons.

So we have made some huge changes over the last 20 months and we can make more. But we're not there yet. We're not where we need to be yet. And this election is going to help determine whether we can continue on this path so that America finally takes on these tough challenges, we finally start making sure that the American Dream works for everybody and not

just some, and that we're able to compete on a global stage that is more competitive than it has been at any time in my lifetime—and I'm a lot older than a bunch of you guys.

So that's the challenge. Now, the only way this is going to work is if hope defeats fear, and that manifests itself in you guys committing to vote. So I need everybody here and everybody who's listening to commit to vote. But I also need you to talk to your friends and neighbors, coworkers, aunts, uncles, relatives, whoever it is that you can get your hands on, and tell them November 2d matters.

If you were excited in 2008, that was the beginning of the journey; that's not the end of the journey. Or to use a sports metaphor, we just finished the first quarter. We've got a whole bunch more work to do. If all of you, a little wiser, a little older after these past 22 months—I'm certainly older, I've got more gray hair here—if you can muster and sustain that same effort and energy, then I'm absolutely confident that we will do well in the election. We will win all across the country. And the polls bear that out. But more importantly, America will win because we will not have retreated from the progress that we've started. Rather, we will advance and build off the progress that we've started.

So it's going to be up to you. The future is going to be in your hands. And I have to say, the other side right now is excited because they see the opportunity to—in the midst of some still very difficult economic times, they see the opportunity to take advantage of that politically.

The only thing that is going to counteract their enthusiasm, their excitement, and the millions of dollars that are pouring in from special interests into races all across the country, are your voices. We've overcome those forces before; there's no reason why we can't again. But it's going to require that commitment on your part, not only to vote but to make sure that you get other folks to vote as well.

So with that, Jeremy, why don't we open it up to some questions.

Organizing For America Deputy Director Jeremy Bird. Well, thank you, Mr. President, for joining us. As you said, we have questions from—that we took from different mediums. We've got a Skype question we're going to get to you later.

But first—and we'll put it up on the screen for you in the room as well——

The President. Okay.

Election Spending Disclosure

Mr. Bird. We have a question online. The question is from James in California, and he asks: "Mr. President, how best can citizens work to mitigate the effect of corporate money on elections?"

The President. Well, this is a big challenge. Now, let me first of all say that throughout the history of America, money has always influenced elections. That's always been the case, starting from the very first Presidential election.

And the truth is also that Democrats, just like Republicans, have to get their message out. And that means we've got to send out direct mail and we've got to run television ads.

In a big, complicated democracy like ours, it requires resources to get out your message. And there's nothing wrong with that, per se. But what's happening in this election is unprecedented because what we're seeing, partly as a consequence of a Supreme Court decision, called *Citizens United*, is the ability of special interests to mobilize millions of dollars

from donors who are undisclosed to run negative ads at levels that are outspending, in some cases, the candidates themselves or the parties.

And when I say negative ads, there was a recent study done estimating that 86 percent of these ads that are being run by these so-called third-party organizations are negative. Eighty-six percent of them are negative ads that are just bombarding candidates all across the country, and we don't know where this money is coming from. We don't know if it's being paid for by oil companies who don't like some of our environmental positions. We don't know if they're being run by banks who are frustrated by some of our financial positions. We don't know if they're being funded by foreign corporations because they're not disclosed.

And so this poses an enormous challenge. And one of the most frustrating things is that these ads, when they run, the names of these groups are all really innocuous sounding, right? There's Americans For Prosperity and Moms For Motherhood. I made that one up, but—*[laughter]*—but you get the idea.

So if you're just watching the screen you think, well, gosh, Americans For Prosperity—I'm for prosperity and they're saying all these horrible things about the Democratic candidate. Maybe the Democratic candidate is not for prosperity.

Now, they have every right under the First Amendment to let their voices be heard, but I think all of us would agree that it would make a difference if you were watching these ads and you found out, well, Americans For Prosperity actually are bankrolled by a bunch of very wealthy special interests that are opposed to legislation that you support, that might have an influence in terms of how you interpret that ad. This is a huge problem.

Now, for this election we're not going to be able to change the law. I hope that the Supreme Court at some point looks at the evidence that's accumulated over the next—over the past several months and says, this is really hijacking our democracy, this is not a healthy thing.

In the meantime, though, the most important thing we can do is make sure that we vote and make sure that we're talking to our friends and neighbors and getting out facts and information.

I am confident that if people have good information and can make up their own minds, that we will do well. The people, by the way, who have the most credibility in delivering that message are you. Because the truth of the matter is, no matter how negative an ad it may be, it's sort of background noise. Most people kind of tune out, especially in these States where they're getting it every 2 seconds. I mean, heaven forbid that you live in a competitive congressional district. I mean, it must just be nonstop. So at a certain point, people tune those things out.

But if they hear from their friend who they respect, their neighbor who they respect, here are the facts about what President Obama did with financial regulation to make sure that credit card companies can't jack up your rates without any reason or without any notice. Here's—it turns out that because of health reform, you're going to be able to get health insurance even though you've got a preexisting condition. When they hear those things from you directly, that has more credibility than any television ad.

And that's how you overcome all this money that's pouring into the elections. You are the most powerful messengers possible. And that's how democracy ultimately should work.

Mr. Bird. Thank you, Mr. President. And thank you, James, for your question.

All right, now we're going to try something new.

The President. All right.

Mr. Bird. So we're going to try a different medium here. We're going to go to Skype for the first time ever.

The President. I'm very excited.

Mr. Bird. We're going to actually have someone calling in from their computer here. And we actually have Paula calling in from the great city and your hometown, Chicago, Illinois.

Paula?

2010 Midterm Elections

Q. Good evening, Mr. President. In this last push to get out the vote, is there an overarching message or approach that you think volunteers could best take to persuade voters to get back to the polls on November 2?

The President. Great question, although I don't think she can hear me, right? This is not a two-way Skype?

Mr. Bird. I don't think it's—I don't think it's two-way here.

The President. Okay.

Mr. Bird. She's watching you online right now.

The President. Well, hello, everybody. [*Laughter*] I think the most important message to deliver in this election is that it is a choice. Because what the other side is counting on is—understanding the economy is still weak, even though it's growing; a lot of people are still unemployed, even though we've seen private sector job growth—in that kind of environment, the easiest thing to do is to say things aren't good enough now, throw the bums out. That's going to be their message, particularly since we have control of the House and the Senate, as well as the White House.

We have to make sure that we are delivering a choice to people. And so the most effective message is to say that this is what Democrats stand for. We stand for tax cuts for middle class families who have seen their incomes declining over the last several years. We stand for giving tax breaks to companies that are investing in research and development here in the United States, not those who are investing in research and development overseas and jobs overseas. We stand for making sure that every young person in this country is getting a good, quality education K–12 and that they can afford to go to college without taking on so much debt that they could never hope to pay it back.

This is what we stand for: innovation, research and development, skilled workers, lifelong learning, all the things that are required to make sure that this a competitive 21st-century America that is playing for number one on the global stage.

And what the other side stands for are the same failed policies that got us into this mess in the first place. It's not as if we didn't try the other side's theories. We tried them for 8 years. We had massive tax cuts, much of those tax cuts going to millionaires and billionaires. We deregulated across the board in every field imaginable, from the financial sector to oil and gas companies to you name it. We didn't take the challenges that middle class families were going

through seriously. We said, you know what, fend for yourselves, you don't need help from the Government; the market will solve all problems.

We tried that, and it didn't work. And so when this election is posed as a choice, then I think people—sort of the light bulb goes on, "Oh, yeah, now I remember—that didn't work." And that then gives us an opportunity to say what we've been doing isn't enough, we're only halfway there, but what we're doing is starting to work, and we've got to stay on that path.

And for a lot of people here, depending on who you're talking to, you should tailor a message to speak to those persons' concerns. If the young people who are here, if you're talking to a classmate, it's not that hard to say, what's your student loan debt going to be when you graduate? And they've probably calculated, boy, I'm going to owe 50,000, 60,000, 70,000, 100,000. And you say to them, you know what, the President passed a tax credit for young people that will be worth \$10,000 for anybody going to 4 years of college, and that could be repealed if Republicans take over. They've already proposed to cut education spending by 20 percent. Well, that will get people's attention because that's a pocketbook issue, that's a bread-and-butter issue.

If you're talking to a senior, and you say, I know you've heard a lot of nonsense about the health reform bill, but do you know that the trustees of Medicare said that as a consequence of our reforms we extended the life of Medicare, and by the way, if you're in that zone called the doughnut hole where you're having trouble paying for your prescription drugs, you're going to be receiving a \$250 check to help pay for those prescription drugs. And over time, by next year, we're going to cut your costs for prescription drugs in half, according to the reform law.

So you want to speak to people in terms of what it is that they're going through right now in their lives. And I think that across the board, if they see what the choice is, then I think that we'll do very well.

National Economy/Jobs Growth/Alternative Energy Sources

Mr. Bird. Thank you, Mr. President. We're going to—before we open it up to the crowd, we're going to take one more from folks online. And this one comes from Twitter. This is from Maureen in New Jersey. You'll also see it up on the screen here. And Maureen asks: "Can we inform people that the campaign slogan was 'Yes we can,' not 'Yes we can in 21 months'?" [*Laughter*] "It took 8 years to get us into this mess."

The President. Well, that's sort of a softball. [*Laughter*] But I appreciate it, Maureen.

Look, people have good reason to feel frustrated. If you're having trouble making your mortgage right now, and you've seen your home value go down by \$100,000, or you've seen your 401(k) drop in value by 20 percent and you're about to retire, if you've had to put off your college education because your family can't quite afford to help you out now and you're having trouble, you know, that's tough.

And so I don't blame the American people for feeling frustrated and impatient. But I do think it is important to make sure that we're communicating that the problems that we have are problems that can be solved, but they're not going to be solved overnight. And what we want to make sure of is, is that we're on the right path.

So let's take the example of American manufacturing. We've seen manufacturing leave our shores for years now. Plants closed all across this country. Some of it has to do with them just shifting to places like China that had lower labor costs; some of it had to do with automation.

And so those are a lot of well-paying jobs that helped to build our middle class that over the last 20, 30 years have been gutted.

Now, I think the American worker is the most productive worker on Earth. I think we have the most creative and dynamic entrepreneurial culture on Earth. We still have more innovation than any country on Earth, but we haven't harnessed it. And especially we're not harnessing it for the jobs of the future.

So when you look at clean energy, for example, when we came into office, we were producing 2 percent of the world's advanced batteries that go into electric cars and hybrid cars.

Now, you think about it. This is where the industry is going. We were making all our money, to the extent that any of our automakers were making money, making them on SUVs. So what we said was let's jump-start an American advanced battery industry. And we have seen advanced battery plants open throughout the Midwest, and we're on pace now to have 40 percent of the market by 2015, in 5 years time.

Now, that's just one example of how we can rebuild American manufacturing using innovation, using research, using the skills and talents of our workforce. But we're not going to completely replace all the jobs that were lost in manufacturing in 2 years time or 3 years time. What we have to do is nurture and build on these successes in solar panels and wind turbines and electric cars. Over time we're creating a whole new industry that can absorb skilled workers. And then if we're training those workers effectively for those jobs, then as those industries grow, opportunities for Americans grow. And that's always been how this middle class has been built here in this country.

So I guess my main response to Maureen is, on the one hand, I think you've got to be sympathetic to the fact that people need help now, and we're doing everything we can to make sure that job growth is here now, that we're helping small businesses get loans right now so they can keep their doors open or they can expand. We're making sure that teachers aren't getting laid off as much as we can by providing help to the States and local governments that are hard strapped. There are a lot of things that we're doing right now.

But those big structural changes that a lot of folks are worried about, those can be solved but it's going to require persistent effort. It's going to require imagination and stick-to-it-ness over the course of several years in order for us to get back to where we were.

I'm confident we'll get there, but we've got to make sure that we don't start going back to the policies that resulted in American manufacturing decline. And I'm confident we can do that.

Mr. Bird. Thank you. Now what we'd like to do is just open it up to you to take questions from the audience here.

The President. All right. Let's see who we got. This young man right here, he's all ready. Introduce yourself.

President's Time in Office/Congressional Voting

Q. Hi. I'm Daniel Lippman from Massachusetts and I thank you for coming to GW.

The President. Thank you.

Q. And my question is, what are some of the surprises that you've encountered in Washington and what lessons have you learned in your 21 months here? Thank you.

The President. Well, where do I start? [*Laughter*] You know, let me tell you something. On the one hand, I've been surprised by how the news cycle here in Washington is focused on what happens this minute as opposed to what needs to happen over the course of months, years. The 24-hour news cycle is just so lightning fast and the attention span I think is so short that sometimes it's difficult to keep everybody focused on the long term.

The things that are really going to matter in terms of America's success 20 years from now when we look back are not the things that are being talked about on television on any given day or appear on the Internet on a blog on any given day. And so that's challenging.

And I've got to constantly figure out how to work with this new media environment to make sure that we stay focused on what's important. Are we educating our kids over the long term? Are we putting enough money into research and development? Are we helping grow startup businesses and small businesses that are going to create the jobs of the future? Are we competitive in terms of how we deal with our export sector?

Those big questions—a lot of times they're kind of dull, they're wonkish, and so they don't attract as much attention as you'd like.

On the other hand, let me tell you something that I've been surprised about is how courageous a lot of Members of Congress have been on some of the big, tough issues that we've worked on over the last 20 months.

I know it's fashionable to get down on Congress. Congress is right now very unpopular, both parties, because people just see the arguments all the time, and the noise, and then they're absorbing all those negative ads, and they just feel like, gosh, you know, these folks, they don't care about us. And I get that.

But there are a lot of folks who took some really tough votes over the course of the last 20 months, knowing that it was bad for them politically; who voted for health care reform even though the polls said this would cause them problems in the next election; who voted for financial regulatory reform, even though they knew that by supporting it, it might attract big money pouring in and directing negative ads against them. And they did it anyway. And that was risky for them.

And so part of the reason why I think this election is so important is I want to make sure that when somebody does the right thing, they get rewarded. I'm a strong believer in accountability in politics. And when somebody does the wrong thing, including somebody in my own party, I think they should be held to account.

But I also think that there have been a surprising number of folks who have been willing to stand up. There's a candidate in Virginia, Tom Perriello, who's a great guy, who has worked—he comes from—his is not a traditionally Democratic district. But he's just done what's right. And there have been times where he disagreed with me, and he criticized me, but he always did so from a place of principle.

John Boccieri in Ohio, Betsy Markey in Colorado—I mean, there just have been some folks who really stood up, knowing that they might be putting their congressional careers at risk. And that's been a pleasant surprise.

So all right? Next. Let's see, I'm going to go boy, girl, boy, girl, so that I don't—okay, go ahead. And we've got a microphone for you.

Education/Taxes

Q. Hi, my name is Francesca. I live in DC, but I'm originally from Dallas, Texas.

The President. Great to see you, Francesca.

Q. Mr. President, you have pointed out that U.S. students have fallen from the top 20 nations in math and science in test scores, and jobs and contracts are going overseas. You've called education funding a national priority. But do you think it's time to label education funding a national security priority?

The President. I think it's a national security priority. Look, there has never been a nation on Earth that lost its economic edge and maintained its military edge. And the reason that we have the most effective military on Earth in the history of the world is first and foremost because we have unbelievable men and women in uniform who make sacrifices on our behalf every single day, and are extraordinary.

But the second reason is because we've had the biggest economy in the world that can support this incredible Armed Forces that we have. And if we start falling behind economically, we will fall behind from a national security perspective. There's no doubt about it.

And the single most important determinant of how we do economically is going to be the skills of our workforce. And you're exactly right. We used to be at the top of the heap when it came to math and science education. We're now 21st and 25th respectively in science and math. We used to be number one in the proportion of college graduates in the world. We're now ranked around ninth.

Other countries are making huge investments. I mean, China is doubling, tripling, quadrupling the number of college graduates it's generating. I mean, it is putting huge resources into it because it understands that unless they want to build low-wage manufacturing plants for the duration of the 21st century, they've got to start moving up the value chain in the economy. They've got to start producing more engineers and scientists. India understands that; Germany has long understood that. And yet here we are, losing that first-place position. That is unacceptable.

So here's the thing. We know what works. There are schools out there that do great even with kids who come from the most disadvantaged backgrounds, in the poorest neighborhoods, still producing outstanding results. And it requires having great teachers; it requires cutting through some of the bureaucracy to make sure that innovative learning is taking place; it means having accountability and the ability to measure the progress that students are making.

And one of the things I'm very proud that we've done is institute this program called Race to the Top that basically says to States all across the country, you know what, you can compete for some special funding, some additional funding for your school district if you start instituting these reforms that we know work.

And by the way, this is not a Democratic or Republican issue. Some of the things that we've been doing have not always been popular among some Democratic constituencies, but this is an example of doing what's hard because it's right. I'm not interested in us funding the perpetuation of the status quo; I want to fund what works.

Math and science education—making sure that we are focused on building excellence in school districts all across the country that can produce more scientists, engineers—absolutely critical. And we can do it. We know how to do it, but it does require some investment. It requires us making some good choices.

So when my friends across the aisle propose a tax cut for not just the middle class, right, because we're in favor of tax cuts for middle class families, but also then want to give tax cuts that would only go to the top 2 percent of Americans income-wise—which, by the way, includes me so I'd get a tax break, despite living in this really nice house right down the street—when they make that argument I say to them, you know what, I would love to keep taxes low for everybody. And by the way, taxes are a lot lower under an Obama Presidency than they were under Ronald Reagan's Presidency. But I'm not willing to borrow \$700 billion that we don't have, that will then require me to cut investments that could produce more math and science teachers, or more scientists and engineers. That doesn't make sense.

And that's an example of the kind of choice that exists on November 2. And when you're talking to your friends and neighbors and asking them to commit to vote, that's what you got to be talking about, is our long-term future depends on us making good choices now because this is a more competitive environment than it's ever been and we're digging ourselves out of a big hole and we've got this big deficit that we inherited, and because of the emergency measures that we've taken that has added more pressure on our budget. And all this means that we've got to make smart choices. We can't just do everything we want. We've got to do the things that are necessary to make sure that America can compete. That's got to be our top priority.

Mr. Bird. Mr. President, I'm sad to say this, but we have time for one more question.

The President. One more question. All right. So it's a guy's turn—this gentleman in the purple shirt.

Global Competitiveness

Q. Thank you, Mr. President. My name is Matt Verghese from the great State of Maryland, very close. A lot of times when I talk to my friends who are looking for jobs for the first time, they're very anxious about the future, they're very anxious about finding jobs, about settling down, about owning their first home. And their parents are also worried about my generation as well. What can you tell them to reassure them to make sure that they aren't overcome by fear and can remain hopeful in the future?

The President. Well, one of the great strengths of America is our adaptability. Now, this is not the first time we've gone through difficult times, obviously. This country was founded on defying the odds. Nobody thought that you could start this country, of and by and for the people, and that everybody would be treated equally, and that over time not only would women win the right to vote and slaves be emancipated and become full citizens, but we'd be attracting people from all corners of the Earth, and somehow the whole thing would work.

I mean, that defies imagination that we were able to pull this off. But that core idea embodied in the Declaration of Independence, in our Constitution, contains such a profound truth about the worthiness of every individual and our ability to come together around a set of principles and laws, that we have been able to overcome slavery, depressions, world wars. There have been moments where it looked like we were going to be overtaken, and yet somehow we adapted and renewed ourselves and got back on track.

That's true even in recent history. I mean, a lot of the young people here won't remember this, but back in the 1980s, it wasn't China that everybody was worried about; it was Japan. And people were having almost the exact same conversation now—or back in the 1980s that they're having now: Japan was cleaning our clock, they're taking over, they're buying Rockefeller Center, and there's no way we can compete. And yet American businesses got leaner and they got more efficient, and people started working harder, and we were more innovative, and we

improved quality control and we made a series of decisions that over time got us in a very strong position.

So we tend to meet these challenges. But every once in a while, having gone through sort of the wrenching economic turmoil that we've gone through, we have to adjust to new realities. And we have to be honest and critical about where we're falling short.

And so right now we have to be honest that our education system has slipped. We've got to be honest about the fact that competition is rising around the world and that means our businesses have to be more competitive. We've got to focus more on exports.

I think families, as well as the Federal Government, have understood that you can't just operate on the basis of debt and consumption; there's got to be savings and production. I think we now recognize, painfully, that an economy that's just built on a financial sector that is thinking about gaming the system all the time instead of actually just financing businesses that are actually producing goods and services for people is not the best way to organize our economy and it means that we've got to have more effective regulations. I think we recognize that if our health care system keeps on gobbling a bigger and bigger percentage of our economy, that we're not going to be competitive with other countries.

So there a whole bunch of decisions that we're having to make right now, but we'll make them. We will make them because we've made them in the past. Sometimes it's painful because this is a big, diverse democracy. There are a lot of arguments. People yell at each other and are very passionate about different ideas about how we solve those problems.

But eventually I think the instincts of the American people are good. The instincts of the American people are sound. I think they know that nobody is promising us that this—this experiment of ours in democracy—is going to be easy, but what we know is, is if we work hard, if we're unified, if we're respectful of one another, if we stay focused on not just the short term but on the next generation, that we can solve our problems.

And so I think letting your friends know that America has gone through tougher problems than this and we've solved them, and we're going to solve these problems in our generation, communicating that confidence about the future is going to be really important. And what makes me confident is all of you because I get a—one of the great things about being President is I get to meet the American people from every State, every walk of life, every station. And you guys give me confidence. You guys give me hope.

But I really need you to get out on November 2 because then you'll—[*applause*—if all of you vote, I promise we're going to do just great. Thank you very much, everybody. Appreciate it.

NOTE: The President spoke at 7:06 p.m. In his remarks, he referred to Sarah Hinkfuss, who introduced the President; and former Gov. Timothy M. Kaine of Virginia, chairman of the Democratic National Committee.

Categories: Addresses and Remarks : George Washington University, town hall meeting and question-and-answer session.

Locations: Washington, DC.

Names: Bird, Jeremy; Bocchieri, John A.; Hinkfuss, Sarah; Hodes, Paul W.; Kaine, Timothy M.; Knapp, Steven; Lippman, Daniel; Markey, Betsy; Obama, Malia; Obama, Natasha "Sasha"; Perriello, Tom; Verghese, Matt.

Subjects: Armed Forces, U.S. : Servicemembers :: Service and dedication; Budget, Federal : Deficit and national debt; Business and industry : Credit freeze situation; Business and industry : Domestic investment, proposed tax breaks for; Business and industry : Global competitiveness; Business and industry : Manufacturing industry :: Decline; Business and industry : Manufacturing industry :: Strengthening efforts; Business and industry : Small businesses :: Promotion efforts; Commerce, international : U.S. exports :: Expansion; District of Columbia : Democratic Party events; District of Columbia : George Washington University; Economy, national : Economic concerns; Economy, national : Financial regulations, modernization efforts; Economy, national : Household incomes, decline; Economy, national : Improvement; Economy, national : Market volatility; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Affordability; Education : Postsecondary education :: Student loans, elimination of subsidies to private providers; Education : Postsecondary education :: Tax credits, expansion; Education : Science and math programs; Education : Standards and school accountability; Education : Teachers; Education, Department of : Race to the Top Fund; Elections : 2010 congressional elections; Elections : Campaign finance laws; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Outsourcing to foreign countries; Energy : Alternative and renewable sources and technologies; Energy : Alternative and renewable sources and technologies, U.S. production; Energy : Battery technology for hybrid automobiles; Health and medical care : Affordability and costs; Health and medical care : Cost control reforms; Health and medical care : Health insurance reforms; Health and medical care : Medicare and Medicaid; Health and medical care : Patient Protection and Affordable Care Act; Housing : Housing market :: Decline; Science and technology : Research and development; Taxation : Tax cuts, budgetary effects; Taxation : Tax relief.

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