TRANSITIONS IN CRISIS

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Presidential transitions are intricate, pivotal moments in a democracy. All the more so when the nation is in crisis.

A “normal” transition is challenging enough, marked by the power of a democratic mandate and the challenge of starting afresh. The public has just invested its power and trust in its leader, whether that’s a new president or a re-elected incumbent. For a newly elected president, a new White House staff and cabinet are starting their work together – both as a team and as leaders of more than 2 million federal workers. Dramatic change is also commonplace in second terms, where large numbers of senior officials depart and new ones arrive, and the re-elected president can choose to set a new course. Come January 20, fresh starts and fresh stumbles are possible. During crises, the consequences of failure are even more stark.

While most newly elected presidents enjoy conditions that allow a “honeymoon period,” certain presidents have faced at least two kinds of crises: political and economic. Each introduce unique problems. In political crises, the legitimacy of the newly elected president may be called into question. As a result, the president-elect may be forced directly into partisan fights, unable to enjoy the political benefits of the honeymoon. During economic crises, the months between Election Day and Inauguration Day introduce dangerous uncertainty into economic markets, threatening the livelihoods of millions of Americans. Fragile markets can collapse with lightning speed. Economic conditions can deteriorate in a swift fashion. The president-elect may face unpopular policy choices, ones which are all the more difficult if there is not effective coordination with the outgoing administration.

In January 2021, the United States will be recovering from a deeply polarizing election whose outcome a great many people may not trust. Moreover, the nation will be dealing with the deadly coronavirus pandemic, racial unrest and the effects of an economic recession as deep as it has ever known, requiring emergency actions parallelizing those of the Great Depression. The country has faced crises during presidential transitions before, but the upcoming transition is likely to face a confluence of events the country has not seen since the political crisis of 1860 and the economic crisis of 1932. Never in a transition has a new or re-elected president simultaneously faced a political, economic, social, and health crisis.
This paper examines five transitions that occurred during political crises and five that occurred during economic crises. Lessons from previous transitions can be illustrative for the current environment. Navigating this extraordinary set of circumstances will require the president to consider lessons from what did and did not work during previous transitions.

Our analysis of previous transitions amidst political and economic crises does not yield any simple one-size fits all prescriptions for the current moment. It does point to some very clear lessons about the strategies and tools previous presidents have used.

During a crisis, a president should focus first on building a strong team. During a political crisis the nature of that team and the breadth of coalition it draws upon will impact the president’s ability to unify the country. During an economic crisis, a president will require technical and political talent. Technical expertise is essential for assessing and influencing complex and fast-moving markets, while political professionals can help a president navigate the wide range of stakeholders who shape public attitudes.

**PREVIOUS TRANSITIONS: FIVE POLITICAL AND FIVE ECONOMIC CRISSES**

For the purposes of this study, we categorize a political crisis as an election whose outcome is unknown, doubted, or challenged when the Electoral College meets. We examined five such elections and their subsequent transitions. In 1800-01 and 1824-25, the Electoral College failed to produce a winner, throwing the election into the House of Representatives. In 1860-61, seven states seceded during the transition period, and another four seceded in the first months of the new administration. In 1876-77, the election outcomes in four states were uncertain and a hastily established Electoral Commission determined the outcome in favor of Rutherford B. Hayes. In 2000-01, disputed vote-counting in Florida led to six weeks of uncertainty until the Supreme Court intervened to stop the counting and ended the election. In all of those cases, deep animosity lingered through and beyond the inauguration. 4

We also surveyed five transitions that took place amidst an economic crisis. Since 1900, there have been at least five transitions which occurred during a recession. Two were especially severe. In 1932-33, the Great Depression neared its climax, with nearly one in four Americans out of work and bank runs occurring in half of states. In 2008-09, the United States suffered the greatest recession since the Great Depression, leaving millions out of work and forcing even more from their homes. Others were less drastic but still serious. In 1976-77, oil shocks deepened stagflation, producing a combination of slow growth and rampant inflation. In 1980-81, those shocks lingered with little appreciable recovery. In 1992-93, unemployment reached almost 8% and certain sectors, including the post-cold war defense sector, experienced a sharp contraction.

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4 Our go-to resources for these crises have been Sidney M. Milkis and Michael Nelson, *The American Presidency: Origins and Development, 1776-2018*, 8th Edition (New York: Sage, 2020), and Michael Nelson, Jeffrey Chidester, and Stefanie Georgakis-Abbott, eds., *Crucible: The President’s First Year* (Charlottesville: University of Virginia Press, 2018). See also the extensive resources available on each of the forty-five presidents and their administrations at millercenter.org/president.
BUILDING A CRISIS TEAM:
Successful Presidents Focus First on Personnel

In normal times, the newly elected president has around 75 days between Election Day and Inauguration Day to select a team of senior White House and agency officials, to receive briefings from outgoing officials and career staff, and to identify and articulate their governing priorities. Former senior level White House and agency officials emphasize building a team and creating a process before giving refined policy direction. Putting an effective and capable team in place early is critical to success. Of course, the mere selection of the team will give some indication of president’s true priorities.

Any new president should want an experienced and agile team. In a crisis, the makeup of the president’s team needs to be suited to the challenges of the day. Which America should a new or reelected president prioritize? The America that got him or her elected? Or a government by, of and for all of the people? Can he or she do both?

During either kind of crisis, presidents who want to unify the country have an opportunity to broaden their political coalition through their personnel choices. Reaching out beyond one’s voter base presents a significant challenge for any president given the surge of enthusiastic expectations from the loyal team which helped win the election. Since the early days of our republic, members of the coalition which produces an election victory invariably expects appointments, a special seat at the table and policy wins. When crises divide the country – and when opponents may challenge the legitimacy of the new president – politically diverse cabinet appointments can demonstrate a spirit of cooperation.

During a political crisis, presidents who want to unite the country should select personnel that includes both partisans and bridge-builders.

The starting point for how a president staffs his or her White House and cabinet will always be the coalition that won the election. The new president’s political coalition will demand and expect top appointments – not just as a reward for helping secure a victory, but also as an assurance that their priorities will have active champions in the new administration.

Looking back across previous transitions involving political crises, newly elected presidents assemble cabinets with both ideological and regional diversity principally from among their supporters. Some presidents go even further, reaching across party lines to recruit a few cabinet members. While appointing officials of the opposite party has been met with mixed results, the mere act sends an important signal to the American public and the Congress of a president’s intention to work across party lines. Extending the governing coalition across party lines can be an important symbolic act, though one difficult to pull off.
Nearly all presidents in political crises have appointed fellow partisans, with an occasional acts of bridge building. Thomas Jefferson established the first partisan cabinet in 1801 following a partisan election. The election of 1800 produced a tie in the Electoral College between Jefferson and Aaron Burr (both of the Democratic-Republican party), and was resolved in Jefferson’s favor in the House of Representatives despite Federalist opposition. Jefferson went on to completely replace the Federalist cabinet. Jefferson allayed fears of a purge, however, by leaving in place lower-level Federalist appointees and calling for national unity in his inaugural address.

In the transition during the greatest crisis in American history – the election of 1860 – Abraham Lincoln populated his cabinet with a “team of rivals” that was drawn from within his own political party. They were, after all, Republican Rivals who had been his primary opponents, including both staunch Northeastern abolitionists and more moderate pro-Union figures from the border states. One of Lincoln’s bridge-builders was pro-Union Democrat Andrew Johnson, who served as wartime governor of Tennessee. Johnson proved to be a loyal advocate of Lincoln’s war policy, earning him the vice presidential nomination in 1864, though his hostile approach to Reconstruction after Lincoln’s assassination in 1865 remains the ultimate symbol of unintended consequences.

Rutherford Hayes assembled a cabinet after bitter disputes over the outcome of voting in Oregon and three Southern states. Facing a Democratic House of Representatives viciously opposed to any further Reconstruction, he shifted Republican governing priorities to civil service reform. Hayes circumvented even his own Republican allies in the Senate to recruit a cabinet loyal to him. Hayes did try to select a bridge builder on civil service reform, recruiting a former Confederate lieutenant colonel as his postmaster general.

Lastly, George W. Bush followed his controversial win in 2000 with a cabinet that included representatives of the populist, libertarian, and moderate wings of the GOP. Eyeing a combination of economic policies, including tax cuts, popular with conservatives and domestic social policies aimed at moderates, he even appointed a California Democrat as his transportation secretary.

The exception that proves the rule is John Quincy Adams’s attempt to form a unity government that included former general election rivals. He was the first and only president to assume the office despite coming in second in the popular vote and in the Electoral College. He took an aggressive approach to expanding his coalition. He returned to George Washington’s precedent of trying to assemble a full nonpartisan cabinet, representing the breadth of the nation’s fracturing political system. That failed, however, because his two vanquished electoral foes – Andrew Jackson and William Crawford – declined invitations to join.

As we will see in the policy choices that these new presidents made, they did not solve those crises by the symbolism of their choices, but instead by the competence and effectiveness of the team, as a team. What is critical is the ability of the team to think and act together in reaching across the aisle, and moving beyond the coalition that elected the president, to heal a divided nation.
**During an economic crisis, presidents should select personnel that include both market experts and savvy political players.**

Economic crises present a different challenge to a new president. If political crises are marked by an uncertain public mandate, economic crises present a new administration with market uncertainty and the prospect of costly and potentially deeply unpopular decisions. Economic solutions may not always reflect the mandate the public has just given a new president, and the president may become reliant on the advice of experts who may not understand the political consequences of their decisions.

Of the five presidents sworn in amidst recent economic crises, the more successful ones combined White House and cabinet officials who understood both the technical nature of markets with those who knew how to build political support for sometimes unpopular policies.

A newly elected president must select a team to help sort through technical economic analysis and recommendations that may appear impartial, but whose policies will require political choices. The United States has experienced a range of economic crises stemming from flaws in our banking and finance systems, oil shocks and disruptions of other key business sectors.

Indeed, among the new president’s most important decisions is selecting a team of White House staff and cabinet members who can coordinate and translate the exceptional expertise that already exists in the Treasury Department, Federal Reserve, and Financial Stability Oversight Council, among others. The range of relevant sectors in a $20 trillion economy can be staggering, so it is critical that senior officials bring in a diverse set of real-world experiences.

That expertise must not only be coordinated and translated, but also must be supplemented by people who can manage the politics of those choices. Congressional relations are critical because many economic tools require legislative approval, from spending to regulatory reform. Beyond Congress, public attitudes often limit the acts that a president and/or Congress will be willing to take. So the team will need to translate congressional and public concerns, and communicate new policies back to those constituencies.

Of the five presidencies elected during recessions since 1900, nearly all of them combined technical and real-world expertise with some political skills. Franklin Roosevelt built his famous “Brain Trust,” composed of economists, business persons, and politicians that spanned the political spectrum – including progressives from both parties such as Harry Hopkins, Francis Perkins, Harold Ickes and Henry Wallace, and more conservatives such as Republican Treasury Secretary William Woodin and Republican Federal Reserve Chairman Mariner Eccles. The team had strong ties to the Democratic Party in both houses of Congress, which had won massive majorities. More than that, FDR’s fireside chats spoke directly to the American people, revolutionizing the president’s relations with the public.

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Since that time, presidents have emulated the blending of business, labor, farm, and technical expertise in their cabinets. Like Roosevelt, the three other Democratic presidents sworn in during recessions blended their White House and Cabinet with policy experts, academics, politicians, and a few corporate executives. All were fortunate enough to have a Congress controlled by their own party. That led to significant economic legislation passed in the first years of each of those presidencies. Yet each found managing congressional allies more difficult than one-party government might appear on its face. From Carter to Clinton to Obama, Democrats have had an increasingly difficult time courting support from the opposition GOP. “This has certainly been a product of deepening polarization in both parties, with fewer incentives for bipartisanship. It highlights how important political outreach is to the successful resolution of an economic crisis, despite how difficult that has become for both parties.” Should Vice President Joe Biden win, he might be able to breach this divide given that he was the one in the Obama administration often tasked with reaching out to Senate Majority Leader Mitch McConnell when bipartisan solutions were required, understanding that making the president his own director of legislative affairs raises the stakes for any particular deal.

In contrast to challenges of bipartisanship that Democrats have recently faced, President Reagan faced an opposition-controlled House of Representatives. He did, however, manage to achieve compromises that addressed the immediate economic challenges and even advanced deeper structural goals.

As we will see below, success is a relative concept, particularly if a president saw his goal as not just recovering from the recession, but also reforming flaws in the system that led to the crisis. But the first goal is and should be to prevent the crisis from deepening, and presidents by and large have succeeded in building teams to do that.

**Priorities Start with Policy But End with Politics**

Being elected in a moment of crisis – political or economic – almost by definition requires change. The nation has reached a moment requiring action, either because political division demands a new direction that can unify the republic, or because conditions have grown so dire that scared public needs assurances that its livelihood will be addressed. The real question for most presidents is not whether to seek change, but rather how and how much change to pursue?

A newly elected president feels the urgency to move quickly, demonstrating that he or she has heard the voice of the electorate. And yet the details and the mechanics of change are stubborn features of government, where easy slogans often collide with complex technical and political questions.

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6 Clinton was unable to garner any Republican support for his 1993 budget in either house of Congress. He did however secure bipartisan majorities to pass major trade agreements in 1993-94.

A president must decide whether to pursue lasting legislation or rely on executive actions. Executive actions allow the president to bypass gridlock in Washington, but any changes they bring about are easily reversed. Legislation is more lasting but requires slow negotiations with Congress and careful planning. Bipartisan legislation has even more staying power.

Presidents must also determine the scope of their ambition. Will they seek to address deep structural deformities, or will they focus their efforts on the current crisis? While the long-term survival of the nation requires addressing structural crises, presidents run the risk of alienating Americans and wasting valuable political capital.

**Legislation or executive action? A successful president picks the right tool**

Invariably, presidents must weigh the benefits of executive action against seeking legislation. That has become even more the case as congressional politics are more polarized and sclerotic, putting pressure on the newly elected president to deliver for his or her partisan supporters. Executive action can demonstrate quick results, being able to say to one’s supporters that on Day One certain things will be different. The apparently easy wins of executive action, however, often face the hard reality implementing those decisions (which requires federal agencies, many of whom may not yet have confirmed cabinet secretaries), and the fact that executive actions can be overturned by the courts or the next president. Hence, they do not usually create lasting change.

If legislation is the preferred route, the challenge is picking which legislative priority to emphasize. During economic crises, the emphasis on fast action may be justified. Thanks to FDR’s famous “100 Days” push, there has been an expectation that in an economic emergency, fast legislative action is essential. The immediate emergency efforts taken in Barack Obama’s first term also fit that model – where an $800 billion economic recovery package was being negotiated during the transition and enacted in the first month of the presidency. Bill Clinton, facing a much milder recession in his first year accompanied by an exploding deficit, was forced to abandon his middle-class tax cut and stimulus plans in favor of a significant deficit reduction plan geared towards soothing bond markets and lowering interest rates. It is worth noting that both Clinton and Obama appeared to have a Congress of their own party, but each faced the ever-growing use of the filibuster by Republicans in the Senate, which slowed their legislative agendas considerably – leading Obama, in particular, to use executive action as a preferred means.

Successful legislative action depends, among other things, on advance planning. President-elect Obama, for example, developed ideas for stimulus legislation well before the election and established informal policy councils during the transition to develop policies he could pursue on day one. Roosevelt did the same. In fact, historian Eric Rauchway wrote an entire book on the four-month Hoover–Roosevelt transition, arguing that the 100 days before the election were actually more important than the heavily studied 100 days after the election.9

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8 See Milkis, Rhodes and Charnock, “What Happened to Post-Partisanship?”, and Milkis and Jacobs, “I Alone Can Fix It.”
Healing a divided nation: federal employees can help deliver bipartisan results.

Addressing political crises requires building broad-based support for a new national direction. Doing that is always harder than it sounds. The roots of a political crisis are typically complex and go to the legitimacy of not just the candidate in question, but the purpose of government itself.

Trust in our institutions has lagged, and trust across party lines has plummeted even more. Our country faces deep fissures in governing philosophy, regional and economic circumstances, and an absence of the comity that existed in Washington for decades. No majority coalition has been built since the New Deal.

After deeply politically polarized elections, career officials can be a stabilizing force – even if the very idea of career officials has become politicized. Career officials form the bulk of the federal government, bringing technical expertise and providing the linchpin for implementation. Think about the requirements for solving today’s most pressing crises – developing and distributing a vaccine while simultaneously delivering basic economic support for the more than 20 million Americans who have lost their jobs during the current crisis. Even when an administration wants to undertake sweeping changes, career federal officials can guide a new or elected administration on what can work and what cannot. To be sure, these officials will not always agree with one another. Guiding those debates is exactly the role of elected and confirmed officials, and can lead to policies with wider popular support.

At some level, being head of state and head of government means recognizing that the government is largely populated with career staff. Thomas Jefferson set, perhaps, the most important precedent of all by not purging Federalist appointees from the federal government, and instead retaining nearly the entire federal workforce except for cabinet appointees. He eventually bent government to his philosophy by filling vacancies as they occurred, while often times following the advice of both his appointees and career officers when it led to policies that drew ideas from the opposing party – particularly the gradual but steady ways in which Jefferson’s key cabinet members Albert Gallatin and Henry Dearborn retained yet reduced the size of the Federalists’ financial and military systems. And rather than seeing the executive as radically independent from Congress, Jefferson encouraged his cabinet officials to work closely with fellow partisans in the legislative branch.10

If confirmed cabinet secretaries are the linchpin between the president and the rest of the government, it is important to use the on-boarding process to ensure that the cabinet shares the president’s vision for how to move forward. John Quincy Adams failed in this regard. He assembled a cabinet that represented different parts of a divided electorate, but never shared his governing philosophy or his goals.

A White House-led process can help identify and broker debates in society. The president can use the cabinet and White House process to reflect the range of voices in society, as a way of healing.

division. But what happens in the White House and cabinet must be managed alongside relations with Congress and the public.\textsuperscript{11}

Most presidents have to rely on the cabinet and subcabinet, drawn mostly from their party, to work with the federal workforce to build broad public support for policies once viewed as divisive. The question is not if, but when and how.

Sometimes, waiting is the best approach. Abraham Lincoln knew that he lacked the mandate of a popular vote majority to take on any initiatives, let alone launch a war to unite the nation. Rather than charge ahead actively – particularly as Southern states were seceding – he appeared passive at first, emphasizing strict adherence to the Constitution, and holding out compromises to keep the Union intact, many of which were odious to abolitionists. He used the transition period to unite the North, and hone a language that could bind the country together.\textsuperscript{12} Once the war began, however, Lincoln used his cabinet, career military officials and a Republican controlled Congress to take on sweeping powers – not just in conducting the war, but also in investing in internal improvements that would bind the Union together.

At other times, a president might use tools that avoid party politics entirely. Bipartisan commissions are one such tool. Upon assuming the presidency after a contested election, the efforts of Republican Rutherford Hayes to unify the country faced a too-common challenge: a House of Representatives controlled by the opposition party, in this case Democrats. Since Congress was opposed to Republican Reconstruction efforts, Hayes sought to bypass gridlock by establishing various commissions to advance his primary goal: reforming the civil service itself. Those commissions helped him to address not just Democratic concerns, but also opponents in his own party.

Presidents may also seek policy agendas that combine a win for their base of supporters with a win for bipartisanship. George Bush’s presidency was premised on compassionate conservatism – the idea that he could respond to what conservatives saw as the populism of the Bill Clinton years by addressing public needs with small government tactics. After the disputed election in 2000, the administration pursued a two-pronged strategy – tax cuts that appealed to his conservative base in the spring of 2001, followed by a bipartisan No Child Left Behind education bill in the fall of 2001.

Of course, President Bush’s most successful efforts to unify a divided nation were his immediate responses to the terror attacks of Sept. 11, 2001. The administration later faced deep controversy over the war in Iraq, and the moment of national unity evaporated.

\textsuperscript{11} John Quincy Adams, for instance, failed to craft a common view among his cabinet. He sought a series of internal improvements to bind together a fracturing nation, but he “dismissed the reservations of his cabinet, whose members believed that his ambitious plans were impractical.” Ironically, a president who wanted to empower the federal government was unable to convince it to take on authority. Milkis and Nelson, p. 146.

\textsuperscript{12} Edward Widmer’s exceptional \textit{Lincoln on the Verge: Thirteen Days to Washington} (New York: Simon and Schuster, 2020) provides a vivid portrait of Lincoln’s train trip from Springfield to Washington in February 1861.
**Priorities in Economic Crises: Recovery, Reform, or Both?**

In economic crises, matching effective policy with effective politics is essential. Presidents must decide whether to pursue an agenda focused on reform, recovery, or attempt to balance the two. That is made all the more complicated in that presidents are often elected on a reform agenda, and yet the technical and “fog of war” uncertainty of an economic crisis makes the basic choices so difficult.

In our analysis, pragmatism is a consistent mark of successful responses to economic crises. Franklin Roosevelt faced the Great Depression with a combination of recovery and reform efforts, and they were sold as such. They were notable at the time for the lack of unifying ideology, combining large scale efforts at directly employing millions of Americans, with efforts to balance the budget and empower businesses. FDR combined a massive set of legislative and regulatory actions with both congressional and public outreach, most prominently the fireside chats that established a direct connection with the American people.\(^\text{13}\)

Flexibility is a corollary of pragmatism. Because economic crises are marked by imperfect information, remaining flexible is an essential feature of successful responses.\(^\text{14}\) Bill Clinton, inheriting 8% unemployment and rising interest rates, succeeded by recalibrating during his first year. The administration used the transition period to begin vetting a number of economic ideas, focused both on recovery and reform. After failing to harness congressional support for a stimulus, the administration shifted its attention to addressing both economic fundamentals and a few, carefully selected investments in human capital. Some succeeded, like the Earned-Income Tax Credit and expanded trade agreements. Others failed, such as the effort to reform health care. But eventually the administration succeeded by focusing on responsible fiscal policy and worker-oriented investments, which created a lasting recovery that also achieved, by many standards, the administration’s goal of equitably-shared growth.

Presidents inheriting crises will be drawn to fixing deep structural flaws in the economy. These are worth pursuing, but it is essential that presidents are mindful of the political limits and consequences. The Obama transition was aided by a close-working cooperation with the outgoing Bush administration, and a follow through on the first wave of recovery actions such as the Troubled Asset Relief Program. The administration moved for a large recovery package, pegged at just under $800 billion. The team also sought a series of other legislative and regulatory reform initiatives spanning banking, workplace, energy and health care. Recovery was slow, the price tag was large and few Republicans supported any of these measures regardless of how essential they were. As a result, the political backlash was fierce. Democrats lost the House and Senate in 2010, although the economy gained enough steam for Obama to be re-elected in

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\(^{13}\) FDR distinguished between emergency response and structural reform – he waited on the latter until the Second New Deal, which included Social Security and the Wagner Act. Even still, though we think about the New Deal as a Keynesian moment, John Maynard Keynes himself felt that FDR focused too widely on regulatory reform and not narrowly enough on recovery. Many critics believe that massive spending in WWII, not the New Deal programs, ended the Great Depression.

\(^{14}\) See Bruner, “Grab Hold the Levers.”
2012. Most Democrats feel that the lasting value of the Affordable Care Act (a central campaign priority) was worth the political price, but the lack of bipartisan support for the ACA continues to dominate debate today.

The reform-over-recovery critique might also be applied to Jimmy Carter’s presidency. His robust legislative record in his first six months in office focused on long-neglected problems that had long-term impact. Few of them had an immediate impact on the economic uncertainty that many Americans felt, and he angered members of Congress from his own party in the process. Yet the lasting legacies of that administration retain strong support today: energy self-sufficiency, substantial deregulation of the airline sector, creation of the modern vice presidency and a responsible and independent Federal Reserve.15

Even in economic crises, politics is the art of the possible. Ronald Reagan succeeded despite opposition control in the House of Representatives by packaging incremental recovery steps as an economic revolution. Reagan’s team learned that he could deliver tax cuts and deregulation that appealed to businesses, while not touching the third-rail of entitlement spending favored by Democrats in Congress. This produced economic growth eventually, as well as a renewed spirit of deregulation, but also left a legacy of budget deficits to be addressed by future presidents. As importantly, bipartisan cooperation signaled that government could work, even if the purpose of government remained contested.

Because of the critical role Congress plays in so many of the economic policy options, the president must literally be ready to make a deal. But politics also goes far beyond Congress, extending to the various dimensions of the private sector – from Wall Street to Main Street – not to mention labor and other social organizations who have a stake in the economy.

CONCLUSIONS

The general best practices of transitions apply in moments of political and economic crisis, with a few key areas of particular emphases.

Presidential success depends considerably on building a strong team. In political crises, selection of the cabinet and White House staff will send clear signals about the administration’s priorities – including how the new president understands and represents the character of the nation he or she is inheriting. For most presidents, that will look a lot like the coalition that won the election. Presidents who want to go a step further will include additional figures who can help build bridges in a divided nation.

In economic crises, broad-based technical expertise is essential, reflecting the diversity of the world’s largest economy. But experts alone are not enough. The political team must combine legislative affairs and communications professionals, given that policies only work if they are perceived to be addressing the issues most important to the nation.

Once the team is in place, careful assessments are often as important as immediate action. In addressing political crises, sometimes charging at the crisis is less important than building support around a collective understanding that can unify the nation. Career government officials can actually help to identify unifying solutions, if properly deployed in the process. Independent Commissions also can help avoid the appearance of one-party overreach. And to the extent that a new president feels some actions are needed that appeal to their supporters, they can benefit by balancing the policy portfolio with other bipartisan achievements that can help build broader trust in government.

In addressing economic crises, nearly all presidents face a choice between immediate actions aimed at stability and recovery, and other policy efforts that might bring longer-lasting reform that seeks to address underlying causes. Indeed, most presidents who have faced economic crises have pursued a combination of the two. Amidst that choice, remaining flexible is an essential feature of success. The focus on marking 100 days accomplishments can be a distraction from the hard work of building a team, lining up the right set of actions and navigating political choices. That has especially been the case on efforts to advance reform efforts, which may have longer-lasting benefits, but usually come with more considerable political obstacles.
TEN CRISES

Jefferson: The First Partisan President
Thomas Jefferson, having won the first openly partisan election of 1800, assembled a cabinet that reflected his victorious party. A more ideologically coherent cabinet evolved from his own frustrating experience of having served in nominally non-partisan cabinets of Washington and Adams, where the appearance of neutrality gave way to a reality of clear policy direction.

Thomas Jefferson was the first president to intentionally build a cabinet loyal to him. As George Washington’s Secretary of State and John Adams’ Vice President, he had served in administrations with different priorities than his own. Still, Jefferson understood the need to assemble a cabinet diverse in regional representation. He drew largely from elected representatives with both political and substantive experience. That included, most famously, his trusted colleague and fellow Virginian, James Madison. But it also included Albert Gallatin (PA) at Treasury, Henry Dearborn (MA) as Attorney General, Levi Lincoln (MA) as Secretary of War, and Gideon Granger (CT) as Postmaster General.

Still, Jefferson acceded to Federalist concerns by retaining many of their appointees and following through on many of their policies. Federalists feared that Jefferson would purge a range of senior government officials – particularly in the courts, the military, and the post office. John Adams’ midnight appointments tried to stock the government with long-term Federalist appointees who would form an enduring bulwark against Democratic-Republican policies. Eventually, Jefferson and Madison acceded to a Supreme Court ruling that limited their ability to fire Federalist officials – which helped to lower the Federalist fear that Jefferson would replicate the purges seen in Paris during the French Revolution.

John Quincy Adams: The Unity Government Experiment
John Quincy Adams, who became president in 1825 despite losing both the popular vote and the electoral college, tried to return to a more ecumenical cabinet that represented the geographic and philosophical diversity of the country.

Adams sought a broad coalition cabinet reflecting the fact that he was the first president elected without a popular vote plurality. Many saw Adams as a “minority presidency”. He tried to build a cabinet representing national geographic and policy diversity. He appointed Henry Clay (KY) as secretary of state, which was falsely termed a “corrupt bargain”, since Clay had thrown his support behind Adams when the election was decided in the House of Representatives. Adams also tried to recruit other defeated general election candidates, offering the War Department to Andrew Jackson (TN) and the Treasury Department to William Crawford (GA). Since they declined, Adams rounded out the cabinet with Richard Rush (PA) at Treasury and James Barbour (VA) at War, and added another Virginian, William Wirt, as Attorney General.
Lincoln’s Team of Republican Rivals
Lincoln took office in 1861 after winning a majority in the electoral college, but only a plurality in the popular vote – and, indeed, collecting only a trace amount of votes in the south. With southern states seceding and waging war, Lincoln famously recruited a team of rivals . . . from within his own party.

As southern secession was literally ripping the country apart, Lincoln focused on consolidating pro-Union sentiment in the north. His cabinet included nearly every one of his opponents from the Republican convention, spanning the staunchly abolitionist north to the several flavors of border state moderates. And once the war began, Lincoln went even one step further to demonstrate his commitment to Union: he recruited the sole pro-Union southern Democrat in the Senate – Andrew Johnson – to serve as his war-time military governor after Tennessee was returned to the Union in March 1862.

Hayes’s Unhappy Reconciliation
Rutherford Hayes adopted a similar cabinet strategy in his effort to forge unity a dozen years after the end of the Civil War. Hayes’s narrow – and contested – electoral victory was emblematic of deep national divisions over the future of Reconstruction. In exchange for Hayes’s electoral college victory, the Compromise of 1877 removed Union troops from the South, though Hayes did veto successive bills initiated by the Democratic-controlled House that would have ended enforcement of Black voting rights by federal marshals.

Having lost the popular vote, and facing a Democratic-controlled House of Representatives, Hayes built a cabinet focused on his main priority: civil service reform. He sought to represent a range of sections and Republican Party factions: Secretary of State William Evarts and Attorney General Charles Devens were both from Massachusetts; George McCray from Iowa served as Secretary of the Army. As a sign of reconciliation, Hayes appointed David Key, a Tennessee Democrat, as his Postmaster General – a significant position, given the vast postal appointments. Key was a former Confederate lieutenant colonel. Democrats “viewed him as a traitor for serving in a Republican presidential administration,” according to historian Ari Hoogenboom, while Republicans “saw him as a traitor for having fought for the Confederacy.”

With Reconstruction all but dead, Hayes focused instead on reforming the federal bureaucracy, which was increasingly viewed as corrupt. In doing so, he tried an end-run on a divided Congress. Having won the White House thanks to an independent commission, Hayes established new independent commissions to investigate the custom houses in major port cities and to recommend a new slate of officials to oversee tariff collection. Hayes’s extended battle with Congress over these appointments consumed his presidency, and he did not seek reelection. But the effort did have a lingering effect of building public support for civil service reform.
**Bush: Blending Movement and Compassionate Conservatism**

Like Hayes, George W. Bush – after a razor thin election in which he lost the popular vote and won the electoral college by a mere five votes – tried to replicate the diversity of a Republican family. That included an attempt to blend the “movement conservatives” (who had elements of southern populism and western libertarianism with the “compassionate conservative” moderates from the industrial Midwest and Northeast. Of course, staffing key positions had changed dramatically since the previous political crisis elections over 100 years earlier. The federal government and White House staff had grown dramatically after the New Deal, World War II and the Great Society, with both a large national security state and large welfare state. Moreover, with the expansion of the franchise to African Americans and women meant that the first new president of the twenty-first century addressed a wider standard of “diversity” than did nineteenth century counterparts.

Bush gave Vice President Dick Cheney a large role in the transition. The national security agencies had broad-based staffing, such as Donald Rumsfeld at Defense and Colin Powell at State. Both the Energy and Interior departments went to pro-industry conservatives, while the cabinet also included moderates such as Treasury Secretary Paul O’Neill; Rodney Paige, an African American superintendent of the Houston schools, who was appointed Education Secretary; and Cristine Todd Whitman, former Governor of New Jersey as head of the EPA.

The administration managed this considerable diversity with strong management from the White House. Chief of Staff Andy Card and Deputy Chief of Staff Josh Bolten largely managed the domestic and economic agencies, while Vice President Cheney led in recruiting a range of officials into key positions at the White House, the national security agencies, and in the interior and energy departments. In the wake of the terrorist attacks on September 11, 2001, Vice President Cheney took an increasingly large role in leading the national security team.

The Bush team moved quickly in the spring of 2001 to pass a major tax cut, rallying conservative support from their base in the GOP. But in the early days of that year, they also began to lay the groundwork for a signature bipartisan legislative accomplishment of education reform. By working closely with liberal Senator Ted Kennedy, they crafted a compromise signed into law by the end of 2001. Particularly in the wake of the September 11 attacks, that law tried to follow through on Bush’s promise to bring both sides of the country together.
MASTERING THE ECONOMIC CRISIS

Of the five incoming presidents since 1900 who inherited weak economies—Franklin Roosevelt, Ronald Reagan, Bill Clinton, Barack Obama, and Jimmy Carter—all recruited White House officials and Treasury Secretaries who had considerable experience in different parts of the economy. They varied considerably, however, in how well matched those officials were to the economic crises that they faced, and how well they orchestrated the politics of those policy choices. Roosevelt, Reagan, Clinton and Obama all learned to manage the Congressional and public relations dimensions of the job—though each faced challenges and headwinds. Carter took advantage of initial strong public support but failed to build on early wins.

FDR: Balancing Reform and Recovery

Franklin Roosevelt built a balanced team that tried to combine private sector and labor backgrounds with outreach to key political constituencies. To address financial markets and major sectors such as agriculture, Roosevelt recruited Treasury Secretaries William Woodin and later Henry Morgenthau. To address the concerns of workers, FDR recruited Labor Secretary Frances Perkins—the nation’s first female cabinet secretary—who almost single-handedly designed the Social Security system that was a capstone of New Deal efforts. He also recruited a former Republican, Harold Ickes, as Secretary of the Interior, who oversaw the great public works programs aimed at the unemployed.

Roosevelt’s first hundred days created a benchmark for presidential achievement in an economic crisis. During the transition, he held off on supporting any particular policies, and indeed distanced himself from the sitting administration. But once inaugurated, he advanced more than a dozen legislative and executive branch efforts, including instituting a bank holiday, insuring bank deposits, passing stimulus spending, launching a jobs program, and passing regulations on the finance industry. He combined that with both Congressional and public outreach, most prominently the fireside chats that established a direct connection with the American people.

Carter: Too much reform, not enough recovery

Jimmy Carter recruited a cabinet that had several experienced officials who had served in the Kennedy and Johnson administrations, including Treasury Secretary Michael Blumenthal; Health Education and Welfare Secretary Joseph Califano. Since an energy crisis was driving the economic contraction, Carter recruited former Republican Defense Secretary James Schlesinger—he himself a trained economist—as the secretary of the newly created Energy Department. Carter’s great failing was building a core White House staff with very little Washington experience. That included a very slim White House legislative staff operation. Unfortunately, that spoiled Carter’s relations with a Congress controlled by his own party.

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1 Obama who inherited a deep recession that began at the end of George W. Bush’s second term.
Carter took office during a period of “stagflation”, which combined sluggish economic growth with high inflation, largely brought on by a period of energy price shocks. He had a relatively successful legislative record in his first six months in office. He reorganized government, passed a stimulus, established a new department of energy, reformed the minimum wage, and passed airline deregulation. Many of those reforms had been in need for some time, and had long-term impact. But few of them had an immediate impact on the economic uncertainty that many Americans felt. Moreover, Carter angered Congress in his pursuit of these, as well as fighting on short-term budget items directly supported by key members of Congress.

Reagan: Recovery packaged as a Revolution
Ronald Reagan similarly built a well-equipped economic team, focused on tax cuts to stimulate the economy. Led by corporate executives such as Treasury Secretary Donald Regan and Commerce Secretary Malcolm Baldridge, and aided by Attorney General Ed Meese, the team focused on deregulation. All of this was steered at the White House by Chief of Staff James Baker, whose career had gone back and forth between corporate law and service in the Ford Administration Commerce department. Baker’s great success was in building a White House team that was willing to work with a Democratic Congress, as well as a public affairs team, led by Michael Deaver, which managed the president’s communications efforts.

Reagan and his team understood that they faced a House of Representatives controlled by Democrats, and set out an agenda that could deliver tax cuts and deregulation that appealed to businesses, while not touching entitlement spending favored by members of Congress. The economy did not respond at first, and Reagan suffered losses in the 1984 mid-terms. But eventually the economy responded to those stimulus efforts, even if they created a budget deficits that would later have to be addressed by the Bush 41 and Clinton administrations.

Clinton: Finding a Third Way . . . Eventually
Bill Clinton was elected on a slogan of putting people first amidst a mild recession in 1992. He invested considerably in a team that combined political and economic expertise, with a few key senior leaders drawn from the private sector. His first Treasury Secretary, Lloyd Bentsen, was a conservative Democrat who had chaired the Senate Finance Committee; Secretary of Commerce Ron Brown combined political and lobbying experience; and policy scholar Robert Reich as Labor Secretary. At first, Clinton’s private sector expertise was in the White House, led by chief of staff Mack McLarty, and Robert Rubin who headed the newly created National Economic Council.

Bill Clinton inherited a mild recession, born out of the impact of tax increases during the Bush 41 administration. The administration used the transition to begin vetting a number of economic ideas, using a high-profile economic summit in Little Rock in the weeks leading up to inauguration. The team initially called for new stimulus spending to create jobs, but they failed to harness Congressional support. The administration shifted its attention to addressing both
economic fundamentals and a few, carefully selected investments in human capital. Some of these succeeded, like the Earned Income Tax Credit. Others failed, such as the effort to reform health care. Eventually, the administration pivoted to focusing on efforts to balance the budget, as well as to deliver passage of new trade agreements, both regionally in the America and globally. Those efforts proved unpopular in the mid-term elections, but as the economic benefits became obvious toward the end of the first term, Clinton sailed to reelection.

**Obama: Recovery and Reform Revisited**

Barack Obama built his economic team as he began to grapple with the reality of the greatest economic contraction since the Great Depression. He drew many senior Clinton Administration alumni back into service, though he also integrated a few business and political leaders who brought skills and experiences. His Treasury Secretary Timothy Geithner had been a career treasury official before taking over as chairman of the New York Federal Reserve. His first Commerce Secretary was a former Governor of Washington, Gary Locke, whose state had seen tremendous economic growth. His White House team included a Chief of Staff, Rahm Emanuel, who had served in Congress and before that in the Clinton White House, and former Treasury Secretary Larry Summers as National Economic Advisor. The greatest economic experience on Obama’s first team came from a New York investment executive, Steven Rattner, who oversaw the emergency response to auto industry.

With the economy in free fall during the Obama transition, the administration was aided by a close-working cooperation with the outgoing Bush administration. That included following through on the efforts aimed at rescuing the collapsing financial sector, through the Trouble Asset Relief Program, as well as focusing on the bailouts of the automobile sector. Since Democrats controlled both houses of Congress for the first time in over a decade, the Administration moved for a large recovery package, pegged at just under $800 billion. The team also sought a series of other legislative and regulatory initiatives, spanning banking, workplace, energy, and health care. The president did not let the crisis go to waste. But, since the recovery was slow and the price tag was large, and since very few Republicans supported any of these measures, the political backlash was fierce. The Democrats lost the house and Senate in 2010. Eventually, as the impact of these measures kicked in, the economy gained enough steam for Obama to be reelected in 2012.
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