



THE ECONOMIST

AS CHAIR OF THE
WHITE HOUSE COUNCIL
OF ECONOMIC ADVISERS,
CHRISTINA ROMER '81, D.P.S. '10
FINDS HERSELF IN A
HISTORY-MAKING ROLE

BY SARA PICCINI

Shortly after the November 2008 election of President Barack Obama, economist Christina Duckworth Romer '81, D.P.S. '10 received an e-mail from an unknown sender, asking to discuss the Obama transition. Romer and her husband, David — both economics professors at the University of California at Berkeley — had worked as advisers for the Obama campaign, though neither had met the candidate.

"I thought, 'This person must think I know someone and get them a job,'" she remembers. "I wasn't going to answer it."

"My husband had the good sense to Google the name of the sender," she continues. "It was the head of economic personnel for the transition."

Romer responded to the e-mail, and soon found herself face-to-face with President-elect Obama — being asked to accept the position of chair of the White House Council of Economic Advisers (CEA) during the worst economic downturn since the 1930s. She didn't hesitate.

"Halfway through our interview, he asked, 'So, do you want the job?' I said, 'Yes.' He was a little surprised. 'Don't you have to talk to someone first?'"

"I told him, 'No, you're the person I've supported and believed in.'"

"I don't think there's ever been a candidate I felt as strongly about. I was honored to be there."

The reality of what she'd undertaken soon sunk in. "Normally, I don't have any trouble eating," Romer says. "But I remember the two weeks between the time I was interviewing and the time my appointment was announced, just the terror of having taken this job, I think I lost 10 pounds."

"We all knew things were bad. What was true also was that they were deteriorating incredibly quickly. When we got the November [2008] employment numbers, we really saw for the first time, my God, we lost 500,000 jobs," Romer says.

"And I often tell the story — I was pulled out of a meeting and they put me on the phone to brief the president-elect about the employment numbers. I said, 'It's terrible. I'm so sorry.' He said, 'It's not your fault — yet.'"

The actions taken by the president and his economic team to pull the country out of the Great Recession will be studied and debated for years to come. Romer, an expert on the history of the Great Depression, is now making history herself.

In May, Romer shared her inside view of White House economic policy with William and Mary graduates as the 2010 Commencement speaker. She was also awarded an honorary degree. [*For more, please see page 11.*]

A COMPLEX ROLE

As chair of the Council of Economic Advisers, Romer is a member of the president's cabinet and is charged with providing economic advice to the chief executive. "CEA chair is probably the most academic of government jobs — often the way that we're helpful is to write a report, or do an analysis for a particular policy," she says.

Unlike the specialized focus of an academic economist, however, the CEA chair's scope is incredibly broad. "Someone once described it as economics pinball," Romer says. "Everything comes at you — it can be health care, it can be financial regulatory reform, it can be the oil spill. And you've got to have your economics down well enough that you can give wise advice on a range of things."

Romer's expertise made her a natural choice for the position. The



U.S. President Barack Obama speaks about the government's 2011 fiscal year budget accompanied by Christina Romer, chair of the Council of Economic Advisers, left, and Timothy Geithner, U.S. treasury secretary, in Washington, D.C., on Feb. 1, 2010.

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Class of 1957-Garff B. Wilson Professor of Economics at Berkeley, she also served as co-director of the National Bureau of Economic Research (NBER) program in monetary economics and as a member of the NBER's business cycle dating committee. She is former vice president of the American Economic Association, a Guggenheim Fellowship recipient and a fellow of the American Academy of Arts and Sciences. She and her husband, who met while Ph.D. candidates at the Massachusetts Institute of Technology, are frequent research collaborators.

Romer works closely with other members of the president's economic team, including Secretary of the Treasury Tim Geithner; Larry Summers, director of the National Economic Council; and Peter Orszag, director of the Office of Management and Budget. The team meets with President Obama for a daily economic briefing, which Romer calls "a mixture of firefighting and strategic thinking."

"In terms of interaction, it's a team of all strong personalities," Romer says. "One of the good things about us being appointed early is that we were together during the transition for a month, and it was really helpful to have offices next door to each other, to be with everybody before we went to our individual agencies."

"We all flew out to Chicago in the middle of December to meet with the president-elect in the middle of a snowstorm. We got trapped at the airport — it was like our Outward Bound experience."

There are disagreements, of course. "We naturally interact with each other like economists do, which is that we argue," Romer says. "It's the way my husband and I talk to each other when we're doing economics — sort of no holds barred."



“I think the president enjoys it. One of the ways he likes to make decisions is to watch us debate differences among us. He’ll jump right in and ask questions.

“The other thing that’s really nice is that there are no alliances. On one issue, Tim and I might be on one side, and Larry on the other, then there’ll be a different group taking sides on another issue. In this White House, it’s very much that you win people over by the strength of your arguments.”

In addition to her work advising the president and writing reports and position papers, Romer is often called upon to be a public spokesperson for the administration. She gives speeches throughout the country and appears on television news shows such as NBC’s *Meet the Press*.

Romer’s experience and natural abilities as a teacher — she is a winner of the Berkeley Distinguished Teaching Award — enable her to discuss complex economic issues in layman’s terms. “I’ve taught introductory economics for almost 20 years, and that’s probably the best training for the job I have now: trying to explain what we’re doing and why we’re doing it.”

‘ECON CHRISTY’

William and Mary played a pivotal role in shaping Romer’s career as an economist and teacher. She came to the College from Canton, Ohio, with the intention of majoring in government and becoming a lawyer. As a potential government major, she was required to take introductory economics. “There was a fabulous professor, Allen

Sanderson, who made the subject come alive. After about two weeks, I said, “This is for me.” (Romer reconnected with Sanderson, now at the University of Chicago, several years ago, and was able to tell him firsthand the influence he’d had on her life.)

Because she’d gotten a late start as an economics major, Romer attended summer school after her sophomore year, where she took an intermediate macroeconomics course as an independent study with Professor Robert Archibald. “It was the most amazing intellectual experience. I can remember walking up and down Duke of Gloucester Street, trying to understand this curve doing this and that curve doing that. That’s the course that just made my mind up, even though it almost made my head explode.”

After spending her junior year abroad studying economics at the University of St Andrews in Scotland, Romer became a teaching assistant for the introductory economics class as a senior. “I was known as ‘Econ Christy’ by the freshmen,” she says with a laugh. “It was both knowing that I loved the material and that I loved teaching that made it obvious that this was the right thing to do.”

The intellectual drive that fueled Romer’s walks up and down DoG Street as a college sophomore remains very much with her as CEA chair. “This job has forced me to look at a lot of things that were new to me,” she says. “The example I often give is health care, which was certainly not my specialty.

“Because I was the last person to study it, I became the most passionate about it — I hadn’t yet gotten jaded. And actually coming at it as a macroeconomist turned out to be helpful, taking a step back to say, ‘If you just slow the growth rate of costs a little bit year after year, that adds up to a huge impact on standards of living, on what’s left over for investment.’ I’d love to keep working on the issue, because I’ve gotten the health care bug.”

As a provision of the 2009 American Reinvestment and Recovery Act, Romer is required to report to Congress each quarter on the effects of the government’s stimulus spending and other fiscal measures. She would like to continue studying the impact of the stimulus even after she leaves government service and returns to academia. Her experience at the center of the storm has already altered her views and those of other economists in a number of areas, including the realization of just how important the role of credit is in the economy, as well as

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the limitations of monetary policy when interest rates get close to zero.

“Certainly we’re going to keep learning, and this particular episode is something we’ll all be studying for a number of years because it has just been so intense,” Romer says.

Romer still finds it a little surreal to be a nationally known figure. “For an academic who was never in the public eye at all, I remember that first morning when we were announced in Chicago, seeing my name at the bottom of the screen on CNN. ‘Oh, this is such a different world,’ I thought at the time.

“I don’t think I’ll ever quite get used to it.” ■

Editor’s Note: While visiting campus last year, Dr. Romer sat down with Ben Kennedy ’05, assistant director of alumni communications, for a conversation. Go to <https://www.wmalumni.com/?romer> to view their discussion.