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THE RISE AND FALL OF THE PREEMPTIVE PRESIDENCY: THE GREAT RECESSION
AND BARACK OBAMA

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ABSTRACT

The 2008 presidential election and Barack Obama's first presidential victory coincided with the second most devastating economic decline in the history of the United States. The conditions of the Great Recession provided a unique rhetorical opportunity for both presidential candidates but Barack Obama's rhetoric stands apart for its presidential tone. The purpose of my thesis is to analyze candidate Obama within the scope of a "preemptive presidency," including his rise to power and arguable decline in public opinion *after* the 2008 presidential election.

My secondary layer of research considers the crisis management tactics available to the president during periods of national crisis, with specific emphasis on the narrative form. The result is the integration of three components of organizational literature—crisis, narratives, and power. In the final chapter of my thesis, I consider the potentially negative consequences of the narrative form and explore the notion that poor management, or the *perceived* poor management of an ongoing crisis impacts the presidential ethos. This is especially relevant during prolonged crises in public confidence.

This honors thesis contributes to three different areas: 1) the circumstances that provide presidential candidates access to a presidential ethos, 2) the rhetorical tactics presidents and presidential candidates use to respond to crisis, and 3) how presidents deal with the inevitable failure to meet expectations of the populace once they become president.

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¹My favorite childhood book by Jean Richardson

Chapter 1

Barack Obama's Preemptive Rhetoric

The problem in politics is this: You don't get any credit for disaster averted. Going to the voters and saying, 'Boy, things really suck, but you know what? If it wasn't for me, they would suck worse.' That is not a platform on which anybody has ever gotten elected in the history of the world.

—Congressman Barney Frank, *December 2008*²

In the epilogue of *Too Big to Fail*, an exposé on Wall Street and Washington during the September 2008 financial breakdown, writer Andrew Sorkin strives for post-crisis closure. He specifically focuses on Henry Paulson's controversial time as U.S. Treasury Secretary:

It will likely be endlessly debated whether Paulson's decisiveness throughout the crisis was a benefit or detriment, but the argument can also be made that any other individual in Paulson's position—in a lameduck administration with low and dwindling popular support—might have simply frozen and done nothing...Barney Frank perfectly articulated the dilemma that will likely haunt Paulson as historians seek to judge his performance. (Sorkin 541-542)

At the crux of Sorkin's non-fictional narrative, he questions how history will admonish or applaud the actions of financial and government leaders arguably responsible for the Great Recession (Sorkin 7, 541-543). Barney Frank's notion sparks a broader conversation about the structured dialogue between prominent political leaders and their respective constituencies. A

² The Barney Frank quote appeared in *Too Big To Fail*; Sorkin 542. For the original quote see the CBS 60 minutes interview with Lesley Stahl; CBSNews.

crisis, especially when guided by human error,³ augments the already complex relationship between the president and the American public. Indeed, the “presidential ethos,”⁴ plays a fundamental, at times exceptional, role in the aftermath of crisis.

TIME Magazine’s October 2008 edition features a headshot of presidential candidate Barack Obama (Appendix A). Throughout 2008, Obama appeared on TIME Magazine’s cover fourteen times; however, the October issue makes a particularly interesting political statement. Barack Obama’s face is plastered front and center, one side a stratified black and white portrait, the other a photographic image. In sizable red lettering, the header reads, “*Why People Vote the Way They Do,*” followed by “*Why the Economy Is Trumping Race.*” At first glance, the October 2008 cover is visually compelling, but its lasting impression stems from the circumstances that lead to its construction. Race and economy were constant topics throughout the 2008 presidential campaign but TIME Magazine sought to unite its readership behind the following affirmation: the economy was the American public’s pinnacle concern. My scholarly quest begins here.

My rhetorical study focuses on Barack Obama’s presidential ethos during the 2008 presidential campaign, with specific interest in three speeches, *The Financial Crisis: Remarks in Nevada, A Rescue Plan for the Middle Class,* and *Remarks by the President on the Economy.* In addition to analyzing rhetoric from his 2008 campaign and first presidential term in office, I will examine media commentary, cartoons, and nonfictional accounts of the Great Recession to illustrate the additional challenges of a prolonged crisis in public confidence.⁵ How did Obama manage the crisis?⁶ Did his handling of the crisis win him the election? Did he accomplish the

³ Sorkin describes the 2008 economic crisis as a human one—“a tale about the fallibility of people who thought they themselves were too big to fail.” See Sorkin 7.

⁴ Meaning the rhetorical genres extended to the President of the United States

⁵ In the context of this thesis, a prolonged crisis represents the “crisis after the crisis.”(Arjen et al. 706)

⁶ Skowronek briefly mentions that Obama “assumed the burdens of crisis management” (179).

promises of his campaign? My purpose for this thesis is to determine the lessons learned from Obama's rise to power and his subsequent "fall from grace" *after* the 2008 presidential election.

This honors thesis contributes to three different areas: 1) the circumstances that provide presidential candidates access to a presidential ethos, 2) the rhetorical tactics presidents and presidential candidates use to respond to crisis, and 3) how presidents deal with the inevitable failure to meet expectations of the populace once they become president. Traditionally, the President of the United States is the only individual with access to the coveted presidential ethos; however, the final two months of Obama's 2008 campaign demonstrate an exception to this rule. My next layer of research considers the crisis management tactics available to the president during periods of national crisis. I believe the narrative form is uniquely qualified to facilitate the type of rhetoric candidate Barack Obama employed during the 2008 financial crisis, and is therefore, the primary method featured in my analysis. In the final chapter of my thesis, I consider the potentially negative consequences of the narrative form and explore the notion that poor management, or the *perceived* poor management of an ongoing crisis impacts the presidential ethos.⁷

My project is animated by three research questions that explore the function of rhetoric in American politics. In the first chapter, I review the notion of a "preemptive presidency" and the circumstances that forge this particular rise to power. The term "preemptive" helps answer my first question: 1) how did candidate Obama exercise a presidential ethos before he officially won the presidential election? My second chapter then considers how narratives manage crises in

⁷ See Heath 180-84 for more on the relationship between the narrative form and the perception of mismanagement. In summary, he asks "What narrative structure leads through a set of events—past, present, and future—to transform the organization from an apparent or actual loss of control to the implementation or regaining of control?" (180). Also see Arjen et al. 706-20 for more about presidential inefficacy during a crisis, including the role of the media and the public during such crises.

public confidence, more specifically: 2) how can narratives evoke a presidential persona capable of managing these crises? Structuring the chapter in this manner integrates three components of organizational literature—crisis, narratives, and power. President Obama, rather than candidate Obama, is the focus of my final chapter. How did the media express a decline in public opinion *after* his election?⁸ How did Obama’s rhetoric reflect or represent this criticism? Did his rhetoric eventually “sour?” These sub-questions help answer my final research question: 3) how does a prolonged crisis in public confidence highlight a “preemptive president’s” inability to meet the expectations set before him?

Entelechy and Preemptive Rhetoric

Barack Obama’s 2008 campaign rhetoric arguably marks the beginning of his presidential persona, and the term, “entelechy,” helps demonstrate how this assumption is even feasible. Kenneth Burke’s application of entelechy is dedicated to understanding the genesis of power in society, more specifically, the relationship between a radical leader’s growth stages and his or her ultimate manifestation of extremism (Lindsay 3). Conflicting interpretations exist in which scholars have extended the definition of entelechy beyond the scope of radicalism. For example, Professor Stan Lindsay explains: “The Aristotelian basis for Burke’s concept of entelechy is hardly ‘extremist.’ Burke is extending a thoroughly natural concept, and Burke frequently uses the terms entelechy and entelechial in contexts that do not suggest extremism” (Lindsay 3). The “natural concept” he references is Aristotle’s agricultural metaphor for the

⁸ Heath also combines principles of narrative theory, the media and public responsiveness (168). He writes: “Scholars and practitioners of crisis communication can use the components of narrative to better explain, prescribe and critique spokespersons’ crisis responses” (176).

human condition. Specifically, the original analogy reads: “the seed ‘implicitly contains’ a future conforming to its nature, if the external conditions necessary to such unfolding and fulfillment occur in the right order” (qtd. in Steudeman 64). The connotation that radicalism is a fundamental component of entelechy has the potential to pigeonhole the theory’s role in scholarly research; however, I agree that Barack Obama’s atypical rise to power does, in fact, embody the “seed, implicitly conforming to its nature” (Steudeman 64). The early beginnings of Obama’s presidential voice can be heard in his September 2008 address, *The Financial Crisis: Remarks in Nevada*:

In his first fireside chat, Franklin Roosevelt told his fellow Americans that "...there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people themselves. Confidence and courage are the essentials of success in carrying out our plan. Let us unite in banishing fear. Together, we cannot fail. (Obama)

Although it is common practice in American politics to recite excerpts from historical speeches, Obama’s intention extends beyond typical political conventions. Here, President Roosevelt’s quote⁹ suggests a likeness between the 2008 economic recession and the Great Depression, and even more so, a likeness between candidate Barack Obama’s rhetoric and President Roosevelt’s presidential ethos. Indeed, the expanded definition of entelechy suggests that the 2008 campaign and the 2008 financial crisis should be viewed as one entity rather than two separate events that, coincidentally, occurred at the same time. Did these events provide the ideal set of conditions for the “unfolding and fulfillment” of Obama’s future presidency? Did any voters leading up to the

⁹ “More Important Than Gold” was Roosevelt’s first fireside chat after taking office. It focused on the 1933 banking crisis (“History Matters”).

election question Obama's rhetoric for its premature sense of presidential authority? Perhaps, an exploration of earlier extensions of entelechy in American politics will answer these questions.

An overview of "preemptive" leadership helps contextualize the presidential tone of Obama's 2008 campaign rhetoric. The term, "preemptive," modifies the language of entelechy to fit the conditions of the American political system; essentially, it explains that a candidate's future presidential persona is, at times, already present in the early stages of his or her leadership. Political scientist Stephen Skowronek extensively analysis this theory, and his findings continue to mold the contemporary paradigm of the "preemptive presidency." He identifies Bill Clinton,¹⁰ Woodrow Wilson,¹¹ and Richard Nixon¹² as preemptive presidents on the premise that their presidential legacies are deep-rooted in a pre-presidential self—similar to "the seed implicitly conforming to its nature."¹³ In *Presidential Leadership in Political Time* he claims: "all of these presidents rode to power with a party opposed to the previously established regime, but once in office each was at pains to assert his independence from the dominant ideological factions in both parties" (Skowronek 107).¹⁴ In order to validate this argument, Skowronek critically examines *ex ante* and *ex post* moments from Bill Clinton's presidency, along with additional

¹⁰ "A Democrat seeking the presidency in the post-Reagan era, Clinton set out to preempt the Republican revolution by promising a 'third way'" (Skowronek 105). See 105-116 for more on candidate Clinton's behavior and "third-way" presidential elections.

¹¹ "Like Clinton, Wilson and Nixon reached the presidency in a three-way race that featured a major schism within the dominant party, and each won with about 40 percent of the popular vote" (Skowronek 107).

¹² Steudeman considers the Vietnam War, along with other domestic crises, the primary contributors to President Nixon's "preemptive presidency" (73). He considers "order" a dominant theme throughout Nixon's political rhetoric. See Steudeman 59-90 for more on Nixon's campaign rhetoric.

¹³ Paraphrased from the following: "the seed 'implicitly contains' a future conforming to its nature, if the external conditions necessary to such unfolding and fulfillment occur in the right order" (Steudeman 64).

¹⁴ Skowronek argues that despite a preemptive president's effort to press their advantages, "their political alternatives never cut very deep" (108)

examples of reconstructive and transformative leadership.¹⁵ His broad-spectrum analysis of the preemptive presidency and its holding place in history extends past the breadth of my first chapter. As a result, I must reduce Skowronek's assumptions to a narrower examination of preemptive campaign rhetoric. Specifically, I will use the term preemptive to explain how presidential candidate Barack Obama acted "presidential" before he was formally granted any legitimate right to do so.

Preemptive Candidates and Crisis

Previous preemptive presidencies, such as those identified in the previous section, exemplify how presidential elections without an incumbent nominee grant candidates significant rhetorical freedom. The 2008 presidential election ended George W. Bush's eight years as president, therefore, positioning two new candidates in competition with one another. The journal *Rhetoric & Public Affairs* published an interpretation of Skowronek's theory that explores dialectical irony—a rhetorical tactic available to preemptive candidates during their campaigns (Steudeman 61-63). The argument is founded on the notion that irony allows these candidates "to play against the perceived self-certainty of their orthodox predecessors" through appeals of "relativism, moderation, humility, reasonableness, and fallibility" (Steudeman 62). Candidate Obama's expressions of disdain for the current administration are rather transparent in his September 2008 address: "I understand why people would be skeptical when this President asks for a blank check to solve a problem. I've spent most of my time in Washington being

¹⁵ The second edition (2004) examines Obama's first two years in office. In short, Skowronek questions if Obama will be remembered as a preemptive, reconstructive, progressive or transformative president—or a combination of sorts. See 167-194 for Skowronek's full assessment of Obama's leadership prior to the 2010 midterm elections.

skeptical of this Administration, and this time was no different” (Obama). The author of the article draws parallels between Obama’s rhetorical autonomy and Nixon’s preemptive qualities as a means to understand the oscillating scope of presidential leadership. For example: “As the pendulum swings from one reconstruction to another, a preemptive president at the bottom of this arc—*someone like Nixon or Obama*—will preside over a central moment of contention between decaying and emerging frames of acceptance” (Stuedeman 63-64). The “bottom of the arc” represents instances of indecision in American politics. The symbolism of the swinging pendulum suggests that preemptive presidential candidates are more prone to rise during moments of uncertainty, such as the 2008 economic crisis and its corresponding crisis in public confidence.

Rather than functioning in a protected vacuum, political discourse reflects or represents a continuum of everyday fears.¹⁶ I would argue that presidential rhetoric, with the exception of specific moments of genre, adapts to these swings in American morale. For example, the escalating 2008 financial crisis enhanced everyday fears among Americans and the intensity of the crisis demanded a response from the nation’s leaders. Obama’s willingness to address his audience’s fears is evident in the introduction to his September 2008 address: “This morning - like so many others over the last few months - we woke up to some very sobering news about our economy. Over the course of a few hours, the failure to pass the economic rescue plan in Washington led to the single largest decline of the stock market in two decades” (Obama). The phrase, “*we* woke up to some very sobering news about our economy” implies that Obama is not immune to their misery, that he too feels the pains of the recession. At the peak of the 2008 economic crisis, the public was in need of both heroes and scapegoats to alleviate their

¹⁶ Mumby also writes that narratives do not exist in a vacuum (126); the qualities of the narrative form are imperative to my arguments in Chapter 2.

hardships. At one point in the speech, Obama replaces the idea of culpability with rebuilding a contemporary America:

But while there is plenty of blame to go around and many in Washington and on Wall Street who deserve it, all of us now have a responsibility to solve this crisis because it affects the financial well-being of every single American. There will be time to punish those who set this fire, but now is the moment for us to come together and put the fire out. (Obama)

Why does Obama ask his audience to postpone their quest for rectification? Does he not seek the same kind of justice they do? Of course he does, but his rhetoric is guided by sound reason.¹⁷ His notion of shared responsibility emphasizes that punishing the errors of the past will not dissolve the struggles of today. Instead, he recommends that his audience continue their pursuit for justice when the immediacy of the short-term has passed. Obama neither uses this part of his speech to chastise political adversaries nor accentuate his own innocence, because these political moves would have done very little to manage the ensuing crisis. His “reasonableness” demonstrates a maturity of the presidency, and in this moment, he evokes a presidential persona without *actually* being president. Obama’s rhetoric during the 2008 economic recession illustrates how conditions of crisis fashion a niche for preemptive leaders

¹⁷ I previously mentioned that preemptive appeals stress “relativism, moderation, humility, reasonableness, and fallibility” (Steudeman 62).

Preview: Crisis, Narratives, and Power

In Chapter 1, I explored a Burkean application of entelechy and Skowronek's commentary on preemptive presidencies to bring resolution to the question: how was Obama able to prematurely access a presidential ethos? In short, presidential candidates are given an exceptional rhetorical opportunity under these two conditions: 1) there is no incumbent candidate and 2) the election overlaps with a large-scale national crisis. Barack Obama's 2008 campaign rhetoric, and his first presidential victory exemplify a "preemptive" rise to power.

Chapter 2 begins with a detailed outline of the Great Recession, followed by the integration of crisis management and rhetorical theories. The economic forces that contributed to the Great Recession present a unique opportunity to study narratives, and their ability to reinforce a preemptive presidential persona during moments of crisis. The interdisciplinary research helps to unpack Obama's rhetoric and to rationalize the rare moments when rhetorical power is granted to unconventional facets of the American political system. A shift occurs at the end of Chapter 2—the subject of analysis is no longer the "glory days" of the preemptive campaign, but rather, the harsh post-election realities of the preemptive presidency.

In Chapter 3, I examine the myriad criticism facing Obama in his first few years as president and the consequential reconstruction of his presidential narrative. The narratives that provide a candidate with the benefits of a preemptive presidency can, in the long run, have consequences that outweigh the initial benefits of an early presidential ethos. This is especially true when circumstances *after* the election prove unfavorable to the president. If the economy had quickly recovered from the Great Recession, critics and supporters alike would be celebrating Barack Obama as the genius who saved our economy. However, his "stalled

recovery” rhetoric, following the devastating economic recession, illustrates a considerably different reality.

Chapter 2

Narratives and Crisis: A Introspective Study of the Great Recession

Before the Great Recession, Brenda Carter held a supervisory position with the same company for thirteen years.¹⁸ In 2007, growing budgetary concerns caused Brenda to experience an all too familiar condition at the time, unemployment. She even remembers receiving a high priority project from the COO just one day before she was laid off. Due to Brenda's long standing with the company, her boss extended her a simple courtesy: she was permitted to clear out her personal belongings before exiting the building for the final time. The spiraling effects of the great recession challenged Brenda's pre-recession identity. She was no longer a happily employed, unblemished role model to her four grown children. Further, her senior-level experience and salary were red flags to employers hoping to reduce costs. Brenda spent the next two years searching for work while battling the emotional cohorts of professional digression: anxiety, humiliation, and self-doubt. On top of it all, her utility and car payments were constant reminders of her impending responsibilities. Although Brenda's experience made her feel inferior, her story reflects the experiences of many Americans at the height of the Great Recession. To her credit, Brenda never surrendered her will to succeed.

Brenda's spirited work ethic and fortitude were surely forces to be reckoned with. After losing her job, Brenda took technology courses, passed the Real Estate exam and sold homemade

¹⁸ Brenda Carter's story was published as part of The Huffington Post's human-interest coverage during and after the Great Recession. Her story was featured on the *Third World America* section, a platform for readers to share their personal stories of struggle and triumph. Brenda Carter is from Marietta, Georgia (Carter and Harris).

candy. The maxim, “desperate times call for desperate measures” misses the crux of Brenda’s situation. In face of hardship, Brenda fought desperate times with grit, modesty and determination. She became an entrepreneur and an inspiration to all unemployed men and woman struggling to stay financially and emotionally afloat during the Great Recession. Since the *Huffington Post* first published Brenda Carter’s story in May 2010, she has attained a Georgia real estate license, secured employment with a real estate firm, and has expanded her candy business. Brenda’s narrative rebuts a traditional tale of victimization during moments of crisis; instead, her story illustrates the power of humble reinvention.

Sadly, Brenda’s success is an anomaly. Since 2007, news sources have shared numerous human-interest stories depicting the Great Recession’s immeasurable impact on family life. Quintessential examples of the American dream—a parent’s ability to pay for college, a veteran’s hard-earned retirement, a homeowner’s sense of security and the youth’s hopeful aspirations—were challenged by these stories of personal struggle. Brenda’s story is particularly important to this chapter because it humanizes the Great Recession; it reports the crisis in terms of the everyday person struggling to make ends meet as a result of vast institutional failure. The recession’s historical circumstances and its resulting narratives influenced the pivotal 2008 presidential election; the election called for a bona fide leader capable of revitalizing the human condition.

The function of this chapter is to understand how Obama’s narrative during the 2008 presidential election addressed the wave of disillusionment and re-identification sweeping over the nation. In a May 2008 *Newsweek* article, Obama’s former speechwriter, Jon Favreau, recalls the particular conversation that commenced their professional union. Favreau said to then, Senator Barack Obama:

I have no theory [of speechwriting], but when I saw you at the convention, you basically told a story about your life from beginning to end, and it was a story that fit with the larger American narrative. People applauded not because you wrote an applause line but because you touched something in the party and the country that people had not touched before. Democrats haven't had that in a long time. (Wolffe)

Favreau understood the very root of, what I am calling, Obama's preemptive persona; he recognized Obama's knack for the narrative form and the significant impact the form has on intended audiences. Although the narrative form was frequently employed during the 2008 campaign, this chapter will specifically examine Obama's October 2008 address, *A Rescue Plan for the Middle Class*.

October 13, 2008 marked a pivotal moment in Barack Obama's political career; on that day the American public trusted a presidential candidate with the responsibility of the presidential ethos. In the following section, I provide an abridged version of the Great Recession as a means to understand how Obama's pre-presidential rhetoric was a tactical response to the historical circumstances of the 2008 economic recession. Afterwards, I describe the qualifications of a "crisis" for an organization and the rhetorical strategies available to both organizations and political leaders to counteract such a crisis. The synthesis of crisis management and rhetorical theory helps substantiate the claim that Obama's strategic execution of the narrative form comforted a nation undergoing a crisis in public confidence. Consequently, I will argue that Obama's rhetoric established the type of relationship with his audience that is traditionally reserved for the president and his constituency *ex post* election.

The Great Recession In Review

The events of the Great Recession, though long in the making, came to the public's attention over the course of just a single month.

September 2008:¹⁹

- 7:** Mortgage giants Fannie Mae and Freddie Mac are taken over by the government.
- 15:** Bank of America agrees to purchase Merrill Lynch for \$50 billion.
- 15:** Lehman Brothers files for bankruptcy-court protection.
- 16:** American International Group, the world's largest insurer, accepts an \$85 billion federal bailout that gives the government a 79.9% stake in the company.
- 21:** Goldman Sachs and Morgan Stanley, the last two independent investment banks, will become bank holding companies subject to greater regulation by the Federal Reserve.
- 25:** Federal regulators close Washington Mutual Bank and its branches and assets are sold to JPMorgan Chase in the biggest U.S. bank failure in history.
- 29:** Congress rejects a \$700 billion Wall Street financial rescue package, known as the Troubled Asset Relief Program (TARP), sending the Dow Jones industrial average down 778 points, its single-worst point drop ever.

October 2008:

- 3:** Congress passes a revised version of TARP and President Bush signs it. Wells Fargo & Co., the biggest U.S. bank on the West Coast, agrees to buy Wachovia for about \$14.8 billion.

While this period was relatively short, the entire duration of the recession—December 2007 to June 2009—marked the second most devastating economic decline in American history (Investopedia). The events of September and October 2008 were particularly humbling;

¹⁹ See the full timeline on USA Today's website. I selected events from September and October 2008 to best represent the circumstances preceding Obama's 2008 address on the economy in Toledo, Ohio ("Timeline: Key Events in Financial Crisis").

Americans watched in disbelief as their revered financial giants, the epitome of capitalism, were reduced to nothing (Sorkin 3-7). Some critics blame the pre-recession age of “Great Moderation”²⁰ for nourishing a notion of reckless infallibility among investors, rating agencies,²¹ and financial institutions (The Economist). During this time, the United States borrowed from European and Asian surplus economies to suppress the nation’s massive deficit. The resulting low interest rates prompted financial institutions and investors to obtain riskier assets with higher returns, more specifically, mortgage lenders extended loans to “subprime” borrowers (The Economist).²² Although there were many complexities regarding the origin of the Great Recession, three commonly discussed variables include: 1) shadow banking,²³ 2) mortgage-backed securities, and 3) federal regulatory oversight.²⁴

Shadow banking is typically comprised of financial entities that behave similarly to conventional commercial banks while maintaining a unique autonomy. The original definition more selectively referred to domestic nonbanks capable of using short-term deposits to finance long-term assets.²⁵ Although the definition has since expanded, these financial bodies continue to operate outside the traditional banking system. For this reason, shadow banks are largely unencumbered by regulation, but they also forfeit protection from the Federal Reserve during

²⁰ The “Great Moderation” refers to “years of low inflation and stable growth” that “fostered complacency and risk-taking” (The Economist).

²¹ Investors trusted the inflated credit ratings assigned by Moody’s and Standard & Poor’s and other agencies (The Economist).

²² “Subprime” borrowers refer to homeowners with poor credit histories and limited assurance to repay their loans/mortgages (The Economist).

²³ According to Laura Kodres from the International Monetary Fund, shadow banking symbolizes a major failing of the American financial system (Kodres).

²⁴ The Economist article heavily focuses on the subprime mortgage crisis and failed financial oversight (The Economist).

²⁵ Economist Paul McCulley originally coined the term shadow bank in 2007. Since then, the Financial Stability Board (FSB) has developed a broader definition for shadow banking: “all entities outside the regulated banking system” that carry out “credit intermediation.” The four aspects of intermediation include: maturity transformation, liquidity transformation, leverage, and credit risk transfer (Kodres).

fiscal emergencies—such as the Great Recession (Kodres). How do shadow banks become a hazardous concern? Prior the financial crisis, shadow banks helped convert mortgages to securities, inadvertently provoking another perpetrator of the 2008 financial crisis, mortgage-backed securities (Kodres).

During the era of “Great Moderation,” mortgage-backed securities (MBSs) and collateralized debt obligations (CDOs) followed this precise trajectory: risky mortgages were sold to financial institutions, bundled together, and then used to back longer-term securities.²⁶ Once in the form of CDOs, these asymmetric mortgages were sliced into tranches, separated by risk of default and eventually distributed to investors (The Economist; Kodres). Shadow banks worked intimately with traditional banks to generate these long-term securities, as a result, blurring the separation between the regulated banking system and external transactional channels. Theoretically, shadow banking is somewhat innocuous; however the Great Recession demonstrates how investor hysteria, rampant “fire sales,”²⁷ interdependency among financial entities, and a lack of market transparency can trigger immense collateral damage (Kodres).

Borrowing in excessive volume at low interest rates unintentionally engineered the U.S. domestic real estate bubble (Oatley 234-36; The Economist). Investors trusted the triple-A ratings for MBSs and CDOs issued by Moody’s, Standard & Poor’s and other credit rating agencies (The Economist). Credit default swaps, designed to reduce the risk of mortgage lending, proved ineffective once real estate prices crashed by nearly 25% from 2007 to 2008 (Oatley 324-35). After the housing bubble burst, the pooled mortgages and other manufactured financial

²⁶ Also known as the “securitization chain” (Kodres).

²⁷ Fire sales refer to investors’ frantically pulling funds from banks and nonbanks, resulting in the devaluation of balance sheets and a decrease in the market value of the assets (Kodres; The Economist).

instruments failed to protect investors and a chain reaction ensued.²⁸ MBSs decreased in value; CDOs were valueless; fire sales impaired banks' balance sheets (The Economist). Indeed, the financial institutions that held faulty assets, the insurance agencies that insured them, and homeowners that used them, experienced severe monetary losses (Oatley 234-39, 324-35).

Some critics hold the Federal Reserve and other regulators accountable for the 2008 economic crisis. Poor decision-making by figures of authority transformed the recession from a normal chink in the business cycle to an exceedingly volatile crisis.²⁹ By allowing Lehman Brothers to declare bankruptcy, government regulators were forced to intervene and rescue other defaulting financial institutions (The Economist). Consequently, the 2008 economic crisis was accompanied by a “psychology of fear”³⁰ that provoked a national crisis in public confidence.

Crisis In Public Confidence

An overwhelming paranoia spreading through Wall Street and Main Street alike impacted the last three months of the 2008 presidential election. In the November 2010 issue of *The New Yorker*, a cartoon depicts Barack Obama standing beside a depression era fruit stand. The stand reads—“Buy Apples 5 Cents each” (Appendix B). Naturally, the photo evokes sentiments about President Barack Obama's likeness to President Franklin D. Roosevelt. The corresponding article claims that economic disaster solidified both presidents' “electoral good fortune”

²⁸ The article from The Economist uses, “chain reaction,” to convey the “fragilities in the financial system” and the metaphor serves the same purpose here (The Economist).

²⁹In his testimony to Congress in March 2007, Chairman of the Federal Reserve, Ben Bernanke said, “The impact on the broader economy and the financial markets of the problems in the subprime markets seems likely to be contained” (Sorkin 5).

³⁰ U.S. Secretary Ogden Mills coined the phrase, “the psychology of fear” during the Great Depression (WSJ) Please reference footnote 22 for additional information.

(Hertzberg). Although I am in no position to make an argument about President Roosevelt's rise to power, I still appreciate the crux of the analogy. In trend with the Great Depression, the "psychology of fear"³¹ during the Great Recession was a lethal contagion³² that weakened the economy on two fronts: the housing and financial markets³³ and the individual consumer (Natl. Bureau of Economic Research).³⁴ As distraught households looked to Washington for answers, candidates Barack Obama and John McCain were given an exceptional rhetorical opportunity, but this was an opportunity from which *only* one candidate benefited.³⁵ In fact, the "psychology of fear" surrounding the 2008 economic recession became Obama's political bread and butter.

Crisis Management

Let's presume that the United States political system follows the same rules as a corporate organization, in the context that both customarily present discourse to their stakeholders during moments of crisis, transition, and triumph. Before making an argument about Obama's crisis management skills during the Great Recession, I must first define what a "crisis" is for an organization in accordance to preexisting literature. Professor Massey in

³¹ According to economist Eugene White, the analogy between the Great Recession and Great Depression begins and ends with the hypothesis that fear, rather than facts, escalated both crises. U.S. Treasury

³² Investopedia uses a similar analogy for the Great Recession (Investopedia). Sorkin also talks about a "global contagion"; see Sorkin 5 for more details.

³³ Sorkin describes the financial market as "one gripped with fear and disorder that no individual hand could tame"; see 3 for more details.

³⁴ The National Bureau of Economic Research (NBER) conducted high-frequency data collections from November 2008 through April 2010 to outline the detrimental effects on American households. The results show approximately 39% of the participants experienced unemployment, negative equity or unpaid mortgage payments within this time period. Overall, households were pessimistic about future stock market and housing prices and lacked enthusiasm regarding their personal economic futures (NBER).

³⁵ Skowronek use the term, "signature initiatives" to describe moments like this. President Clinton used health care to distinguish himself from his political adversaries (109-110).

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offers the following definition: “A crisis is a major, unpredictable event that threatens to harm the organization and its stakeholders. Although crisis events are unpredictable, they are not unexpected” (Massey 157).³⁶ The distinction between the unpredictable and the unexpected is an important one. For instance, a recession is not an anomaly, but the ferocity of manmade factors that contributed to the Great Recession shocked many stakeholders. The narrative form is a vital resource for organizations trying to rebuild stakeholder confidence, regardless of the unpredictable variables at hand. If the narrative form can ease public concern, then what person or group of people is authorized to use it? (Miller and Heath 168-70) Essentially, how did Obama’s use of the narrative ease public concern and build his presidential persona before a formal election legitimized his right to do so? The answer is rooted in the ownership of power within an organization and Obama’s successful execution of the narrative form.

Obama’s Crisis Rhetoric

Previous literature has considered the relationship between three complex and interdependent variables within organizations: narrative, power, and ideology. In short, organizational narratives construct a unified reality for stakeholders while supporting the organization’s ideological framework (Mumby 113-25). The narrative form is a powerful resource when an organization’s ideological platform is called into question; however, the speaker is somewhat more dispensable than the nature of the rhetoric itself. I want to emphasize

³⁶ Heath defines crisis as “a predictable event that occurs at an unexpected time and threatens the well being of stakeholders and stakeseekers (key publics); it challenges the ability of the organization to enact the narrative of continuity through constructive change to control the organization’s destiny” (167).

that ideologies expressed via the narrative form are built to withstand time, while the speaker's span of leadership is transient (Mumby 123). For instance, a president is limited to a maximum of two terms in office, yet the ideology of American exceptionalism³⁷ has outlasted forty-three peaceful exchanges of power. These systematic shifts signal to the public that a new President has been sanctioned the right to narrate the nation's most sacred ideologies.³⁸ This notion suggests two conflicting sentiments: 1) the president has power and this power extends to his narrative responsibilities and 2) narratives evoke the power of the presidency, therefore providing a president with *real* power. Obama's 2008 campaign rhetoric embodies the second scenario.³⁹ Although a presidential ethos traditionally belongs to the president of the United States, Barack Obama structured his interests "into the organizational framework"⁴⁰ of America more effectively than the current administration and his opponent. Candidate Obama's narrative did not single-handedly capture his first presidential victory, but it uniquely fostered a presidential persona that captured the attention of his audience.

The power of Obama's narrative is rooted in identification, a rhetorical device simplistic in nature but risky in execution. Identification is the belief that finding commonalities between two or more human agents will overcome their natural state of division.⁴¹ Kenneth Burke contends that a proper orator relates to the interests of his or her audience, a process that

³⁷ Belief that America is a unique nation

³⁸ Mumby believes that ideologies reflect ways in which organizational members become "qualified to participate in and create" a collective narrative (125).

³⁹ Preemptive leaders challenge the "regime-based structure of politics itself" (Skowronek 109).

⁴⁰ "In the context of organizations, power is most successfully exercised by those who can structure their interests into the organizational framework itself" (Mumby 118-19). Heath also relates organizations and narratives on the premise that the narratives offer the ideal framework for a spokesperson to make sense of the past, present and future (Miller and Heath 173).

⁴¹ Heath writes: "narratives give people the scripts and perpetual structures they need to identify with and understand the events, actions, and expectations of one another" (172). Mumby also believes that the relationship between power and ideology helps an organization/speaker identify with the interests of others (Mumby 119).

counteracts division, achieves identification and embodies consubstantiality (Herrick 210).⁴²

Identification relies on the substances we share—such as occupations, beliefs, values, background, and challenges that allow two or more parties to become “substantially one” with each other (Herrick 210). In essence, a speaker must conceive a psychology of *homowola*⁴³ to enrapture their audience and arouse an enthusiastic response (Herrick 214). As seen during the 2008 presidential campaign, the organism that is American politics feeds on identification.

Identification rhetoric can be received one of two ways by an ideologically divided audience: 1) the audience habitually agrees or 2) the mirage dissipates and exposes considerable discontent. Barack Obama’s pre-presidential rhetoric resonates more with option one. Obama’s verbal disregard for party lines and his explicitly bipartisan vision of the future are tactics of rhetorical identification.⁴⁴ In his October 2008 address, Obama states, “We are the country that has faced down war and depression; great challenges and great threats. And at each and every moment, we have risen to meet these challenges—not as Democrats, not as Republicans, but as Americans” (Appendix C). Here candidate Obama strategically aligns himself to a wide-ranging audience on the basis that moments of crisis demand a unified America, not a divisive one. This passage renders a likeness to Obama’s keynote address at the 2004 Democratic National

⁴² Christopher Johnstone’s rhetorical theory lecture defined consubstantiality as a religious term meaning of shared substance (2 Nov. 2012).

⁴³ Christopher Johnstone’s rhetorical theory lecture defined *homowola* as like minds (2 Nov. 2012).

⁴⁴ In Steudeman’s analysis of the 2008 DNC speech, he calls this “transcendent irony”—the need for Americans to move past their differences and work toward a shared destiny. In the 2008 DNC speech, Obama believes that the “national dialectic is inherently flawed” and he goes on to describe the specific issues in American politics that divide the nation. The tactics are slightly different in both speeches, but the notion of the “American Dream” and unity transcending divisiveness is repeated. Although Steudeman does not use the same terminology, he says: “The transcendent irony of Obama’s final paragraphs helps him transform his willingness to mix the political categories into a virtuous embrace of the American Dream” (85-88). In this context, transcendent irony and identification are similar tactics.

Convention in which he rejects a “blue or red America.”⁴⁵ He repeats “we’re all in this together” rhetoric in his October 2008 address to emphasize that a unified nation is better equipped to stand up to the economic challenges ahead.⁴⁶ Rather than saying *two heads are better than one*, the meticulous phrasing calls voters from across the political spectrum to realize that the notion of being “American” supersedes the interests that divide us. Specifically, the act of identification, similar to transcendent irony,⁴⁷ reminds his audience that America’s larger ideological framework transcends bi-partisan identities. Regardless of terminology, the power of this method is contingent on more than the speaker’s capabilities; it is a precise combination of the audience’s sensitivities and the speaker’s execution that make it an effective strategy. Under this assumption, the 2008 financial crisis played a vital role in Obama’s use of identification. The conditions of this crisis crippled the public’s confidence, as a result, making them substantially *more* receptive to his appeals of national unity.

At its core, identification formulates an unsaid understanding between speaker and audience through the strategic positioning of language.⁴⁸ In Obama’s 2008 October address, he cleverly uses language to craft a semi-biographical tale:

Some of us had grandparents or parents who said maybe I can’t go to college but my child can; maybe I can’t have own business but my child can. I may have to rent, but maybe my children will have a home they can call their own. I may not have a lot of

⁴⁵ Excerpt from the 2004 DNC keynote address: “The pundits like to slice-and-dice our country into red states and blue states; red states for Republicans, blue states for Democrats” (Obama).

⁴⁶ Based on Walter Fisher’s theory of the American dream, Steudeman argues that Obama focuses on the egalitarianism component rather than individualism (75-78).

⁴⁷ For the definition of “transcendent irony” please reference footnote 44.

⁴⁸ Burke’s assumptions in *Language and Symbolic Action* are based on the premise that humans are primarily symbol using animals—language being our biggest asset (Herrick 214).

money but maybe my child will run for Senate. I might live in a small village but maybe someday my son can be president of the United States of America. (Obama 33)

The language at work—anaphora and the stanza’s fluid repetitiveness—paint a captivating picture; however the power of this tactic is that it creates an unmistakable allusion to his personal story.⁴⁹ For example, the line, “I might live in a small village but maybe someday my son can be president of the United States of America” implicitly references Obama’s humble beginnings. Obama, in an effort to bond with a discouraged body of voters, constructs the impression that he is no different from them, that he too faced seemingly impossible hurdles and persevered. At this moment, he is no longer a presidential candidate formally addressing the nation; he is a man fighting in the trenches alongside every frightened American. Obama uses identification once again when he proposes a transparent joining of forces: “But despite all of this, I ask of you what’s been asked of the American people in times of trial and turmoil throughout our history. I ask you to believe – to believe in yourselves, in each other, and in the future *we* can build together.” Here Obama’s selective use of pronouns tears down the final walls standing between him and the audience. At its core, the identification strategy tries to validate Obama’s preemptive persona through the highly suggestive nature of language. For example: *1) Obama considers himself one with the American people; 2) he believes in the power of the American people; 3) therefore, the American people, by extension, believe in his power too.*

One of the unique aspects of Obama’s narrative style is the very notion that it sounds familiar. Stories, much like listening to a familiar tune, resonate with people on a very simplistic but effective level. The power of this truism is that it reinforces for the audience what they

⁴⁹ Skowronek states, “Presidential campaigns lend themselves to hyperbole” (Skowronek 168). Obama, arguably, is using hyperbole.

already believe to be true. In the context of the October 2008 address, the impression of the “familiar” stems from Obama’s keynote address at the 2004 Democratic National Convention. In it, he alludes to the folksy belief that better things are around the corner. He proclaims, “Hope in the face of difficulty. Hope in the face of uncertainty. The audacity of hope! In the end, that is God’s greatest gift to us, the bedrock of this nation. A belief in things not seen. A belief in that there are better days ahead” (Obama). His words are rather abstract; he speaks of “hope in the face of difficulty,” yet what difficulty does he speak of? He goes on to say: “I believe that we have a righteous wind at our backs and that as we stand on the crossroads of history, we can make the right choices, and meet the challenges that face us” (Obama). Obama speaks in vague platitudes, but this feature is an asset rather than a liability. For instance, although the 2004 keynote address precipitated the 2008 presidential campaign, the themes it alludes to adapt particularly well to the “psychology of fear” facing the nation at the peak of the Great Recession. In his October 2008 speech he says:

It's a serious challenge. But we can do it if we act now, and if we act as one nation. We can bring a new era of responsibility and accountability to Wall Street and to Washington. We can put in place common-sense regulations to prevent a crisis like this from ever happening again. We can make investments in the technology and innovation that will restore prosperity and lead to new jobs and a new economy for the 21st century. We can restore a sense of fairness and balance that will give every American a fair shot at the American dream. And above all, we can restore confidence - confidence in America, confidence in our economy, and confidence in ourselves. (Obama 28)

Here Obama emphasizes the more concrete difficulties facing the nation, but his earlier message of hope remains. The typical structure of campaign rhetoric thrives on abstract promises, at times, bordering on romantic clichés. In this regard, the tactic of “the familiar” is not avant-garde; however, its simplistic overtures have the tendency to tug at our most intrinsic heartstrings. Indeed, Obama’s narrative reaffirms the most basic and “self-evident” truths of the American people.

His October 2008 speech vocalizes themes of transcendence, responsibility and the renewal of spirit that embody the allegory of the phoenix rising from its ashes. How did this narrative effectively employ crisis management tactics? Before an organization can restore its reputation *ex post* crisis, the organization will issue a formal statement to its stakeholders (Miller and Heath 167-88). Typically, the intention is to discredit other narratives of the crisis, therefore maintaining power in the hands of the organization (Mumby 113-19; Arjen et al. 707). In this fashion, candidate Obama used the Great Recession as an opportunity to appoint himself “Chief Storyteller” of the American people, and to identify J-O-B-S and broken confidence as the nation’s greatest priorities (Obama).⁵⁰ In addition to his compact and coherent summary of the ongoing crisis,⁵¹ Obama makes a resolute call-to-action.⁵²

Organizations will sometimes deflect blame to external sources regardless of the actual wrongdoer, and the narrative form provides an organization with the means to do so. Obama uses his preemptive presidential ethos to equate the Bush administration with an agent of

⁵⁰ In his October address he emphasizes two supporting statistics: 1) throughout 2008, three-quarter of a million jobs were lost 2) economists predicted unemployment to reach 8% by the end of 2008 (Obama).

⁵¹ Heath writes: “People desire order and predictability that lead to positive rather than negative outcomes. This search for order is a rhetorical exigency; it takes the form and substance of a narrative, a series of statements that is expected to present a factually accurate, coherent and probable account for the event and its proper resolution” (167-68).

⁵² Heath goes on to say: “A crisis response narrative may require that the organizational narrator explain why the event occurred and how the organization has or will operate to restore control” (177).

destruction—fire is to phoenix as the incumbent leadership is to America. The intentional medley of motifs—culpability and optimism—is evident in the following passage: “But it will take a new direction. It will take new leadership in Washington. It will take a real change in the policies of the last eight years. And that’s why I’m running for President of the United States of America” (Obama). Rather than exclusively blame the Bush Administration, Obama employs identification by antithesis⁵³ to remind his audience of their most tangible commonality—mutual hatred for the instigators of the 2008 financial crisis. The segment reads:

Part of the reason this crisis occurred is that everyone was living beyond their means – from Wall Street to Washington to even some on Main Street. CEOs got greedy.

Politicians spent money they didn't have. Lenders tricked people into buying homes they couldn't afford and some folks knew they couldn't afford them and bought them anyway.

(Obama)

Obama blames, as accessories to the crime, a sensation of greed and regulatory negligence that weakened the integrity of America’s financial system. Identifying the parties at fault is two-fold: 1) the act guides the audience to view CEOs, politicians, and lenders as the nation’s common enemies and 2) it positions Obama’s interests with those of his audience *against* the interests of their common enemies.⁵⁴ After using identification by antithesis, Obama tries answering a question peering many Americans right before the 2008 presidential election: where do we go from here?

⁵³ Kenneth Burke’s identification by antithesis operates by bringing person “a” and person “b” together simply because they are opposed to person “c.”

⁵⁴ See Kersten and Sidky 474-75 for more on this theme. They also discuss two other central themes in narrative discourse.

In this speech and throughout the campaign, candidate Barack Obama's narrative named the American public the protector and enforcer of its country's proudest ideologies. By framing it in this particular way, Obama is reinforcing an old theme in American Politics that aims to empower the public—American exceptionalism. In the following passage, he affirms that *America is a unique nation*: “We can restore a sense of fairness and balance that will give every American a fair shot at the American dream. And above all, we can restore confidence—confidence in America, confidence in our economy, and confidence in ourselves” (Obama). Obama's narrative sought to emotionally uplift his audience, but it also needed to inspire a course of action. A leader, in a purely titular sense, is granted power after an official appointment or election. A more liberal application of the word includes that a leader receives power when a body of followers permits it.⁵⁵ A true leader uses this power to motivate his or her followers during moments of uncertainty. While acting as the nation's leader, Obama's tale of symbolic resurrection is clear: the summation of restored confidence in the country, the economy, and ourselves will lead to a brighter future. In fact, he names the American people the savior of their own story. The final passage of the October 2008 address is especially noteworthy:

Now it falls to us. Together, we cannot fail. Together, we can overcome the broken policies and divided politics of the last eight years. Together, we can renew an economy that rewards work and rebuilds the middle class. Together, we can create millions of new jobs, and deliver on the promise of health care you can afford and education that helps your kids compete. We can do this if we come together; if we have confidence in ourselves and each other; if we look beyond the darkness of the day to the bright light of

⁵⁵ Professor Wolf's philosophy lecture on business ethics (23 Jan. 2015)

hope that lies ahead. Together, we can change this country and change this world.

(Obama 34)

The essence of Obama's use of the narrative form is found in the first line of the above passage, "Now it falls to us." The mythological phoenix rising from the ashes ultimately teaches us to find water where there is drought—renewal where there is destruction. Although human error escalated the 2008 economic crisis, Obama's narrative infers that our actions are also a catalyst of good. Why would encouraging audience members to believe in their *own* abilities win *him* the presidency? Obama's narrative accounts for this discrepancy. It impresses upon the reader/listener that he is the shepherd of the American people; he will guide them to the "bright light of hope that lies ahead" (Obama 34).

Chapter Recap and Preview

As seen through Obama's 2008 campaign rhetoric, moments of crisis blur the distinction between the rhetorical genres of the candidacy and the presidency. Under such conditions, rhetoric will evoke the impression of power, regardless of whether or not it challenges the nation's status quo (Arjen et al. 707). Obama's campaign rhetoric did not just *seem* presidential, for it *was* presidential; it denotes the beginning of his "preemptive presidency."

Candidate Obama's October 2008 address successfully creates an act of identification between the American constituency and its presumptive leader. Obama, in this relationship is named *the president*, not because he claims the title, but because he has established the type of relationship with his audience that a president typically secures after the election. Further,

Obama's identification strategies signal that he will work for the interests of his audience and against the interests of an enemy who seeks to undermine America's power, authority, and exceptionalism. The effectiveness of this approach is not simply the "threat" it constructs, but its implication that the threat to America's ideological framework is not beyond America's borders, but within them. *Those who are greedy must change; those who were corrupt must be found and expelled.* This defense of the national language, identification by antithesis, is another tactic of the presidential ethos. It is the kind of "watchdog" persona that a candidate is traditionally prohibited from embracing as fully as candidate Obama does here.

The narrative form is uniquely qualified to evoke the aura of the presidency, regardless of whether or not it offends the traditional trajectory of power in American politics. Further, a speaker can employ the narrative form to vilify past leaders and commercialize the unforgivable aspects of their leadership.⁵⁶ The rhetoric does not explicitly say, "I am your solution," but it implicitly nuzzles the audience and reminds them that a potential hero is, in fact, standing right before them. For Obama, briefly mentioning the Bush administration and other culprits of the Great Recession molded the audience's perception of the present, and added a type of authenticity to his persona that would otherwise seem unfounded.⁵⁷

In Chapter 3, I explore the notion that a preemptive president and his audience will experience "growing pains" shortly after the election. Prolonged, or renewed crises in public confidence provoke this negative behavior because moments of crisis construct the impression of "failure." Subsequently, the public perceives the president as the leader who failed them. Under

⁵⁶ Heath writes that if past efforts proved unable to maintain control, the new speaker focuses on what tactics can be employed to achieve control (177).

⁵⁷ Steudeman argues that the act of Obama linking his political adversaries to the "past politics of contentiousness and deadlock," emphasizes his preemptive candidacy—one that is separate from liberalism or conservatism (87).

these conditions, how is failure defined? Is the narrative form still effective? Does the public stop believing in the abilities of a preemptive president to manage the conditions that got them elected? My final chapter examines two post-election sources, Obama's presidential rhetoric and criticism in the media to achieve a degree of closure to these questions.

Chapter 3

The Fall of the Preemptive Presidency

To attempt to understand how the events of September 2008 occurred is, of course, an important exercise, but only if its lessons are used to help strengthen the system and protect it from future crisis.

—Andrew Sorkin, *Too Big To Fail*

This quotation, from Andrew Sorkin, encapsulates the feelings of many Americans in the aftermath of the Great Recession. Despite a recovering economy and anemic job growth by 2014, the country was overwhelmed by a renewed sense of uncertainty. Not only were Americans uncertain about the causes of the recession, they also, and perhaps more importantly, were uncertain if any lessons had been learned. Could the Great Recession happen again? Did companies and financial institutions understand what precisely *had* transpired? Could a president prevent this type of crisis from ever happening in the first place? Consequently, many Americans, despite the economic turn-around, continue to believe that President Obama fumbled his handling of the very crisis he was “hired” to resolve.

This chapter examines the extent to which public perception of President Obama evolved *after* he was elected president, indeed, *after* he was granted the authority of a “preemptive presidency.” My purpose in this chapter is to grapple with what appears to be a common experience for preemptive presidents. They receive enormous power and authority prior to their election; however, within the first year of their election, these presidents suffer from a dip in the public opinion polls (Skowronek 106-115, 109-10). This decline in public opinion is rooted in

the distinction between the promises a typical candidate and a preemptive candidate make to their respective consistencies. Essentially, the American public trusts a president under the premise that he is right man for the job, but a preemptive president is trusted under the premise that he is the *only* man for the job.

Preemptive presidents demonstrate, at the opportune moment, a talent for managing crisis. The public takes notice, in turn heavily investing in their rise to power; however, the expectation that these candidates will succeed does not expire after their presidential election. The relationship between preemptive presidents and the audience is rigidly contingent on the “conditions of employment” established before a formal election takes place. In order to support this assumption, I will examine criticism in the media and Obama’s evolving narrative during the first two years of his presidency.

The Left, the Right, and the Media

Preemptive presidencies take place under conditions of crisis and those same conditions are difficult to manage once the candidate becomes president.⁵⁸ What happens when the media reflects a president’s inability, or *perceived* inability to handle these conditions? First, the media facilitates a culture of criticism that exposes the shortcomings of the president, and secondly, critics replace the word shortcomings with failure. Within the context of the “stalled recovery,”⁵⁹

⁵⁸ As Skowronek points out, a preemptive president’s self-assured vision may fall short after the general election. He argues the following: “Preemptive leaders, with their ‘neo’ parties and hybrid agendas, have characteristically held only a loose grip on the terms and conditions of national politics, and they have wielded only a temporary influence over its future course” (108).

⁵⁹ Period of slow economic recovery after the immediacy of the Great Recession

failure characterizes President Obama's struggle to meet the preconceived expectations of his constituency.

Although it is typical for the opposing political party to criticize a presidential administration, the slowed economy provided Republicans with substantial material for their arguments. It was common practice in 2010 for journalists to summarize President Obama's actions and, in the same article, provide a rebuttal or disclaimer from the Republican point of view. This precise structure is evident in a *Washington Post* article from August 2010: "Obama administration officials, although acknowledging that unemployment will probably hover near current levels for months, are pushing for passage of long-stalled measures aimed at boosting small business and giving tax breaks to homeowners who make their homes more energy-efficient," directly followed by, "Republicans said the new jobs report offered fresh evidence of the failure of President Obama's economic policies, which they say have relied on a level of government intervention in the economy that has left businesses skittish about new investment" (Fletcher). The "failure of President Obama's economic policies" is a bold but predictable accusation coming from the opposing political party. What is more significant is the structure of the article and the apprehension it creates. This article leaves little to no segue between policy description and criticism. This tactic indirectly endorses the impression that the nation is trapped in a cycle of uncertainty. The article goes on to quote Former House Republican Whip Eric Cantor (Va.): "There is so much uncertainty connected with the agenda and the bills being passed in Washington.... That matters a great deal when one is thinking about committing capital and hiring folks" (Fletcher). Here, Cantor strategically mentions two national concerns—infrastructure and job creation. What do a small business owner and CEO of a Fortune 500 company have in common? They *both* need to invest in human and physical capital and they

both need to pay for these investments. It is not surprising that the public was unable to ignore the culture of criticism growing at the time. The Republican voices constructed an off-putting scenario in which Obama's poor leadership cost Americans their personal sense of security.

The media's portrayal of neutral and potentially favorable criticism was a vessel of destruction to Obama's presidential persona. It was particularly detrimental because it generated resentment between the president and the voter base that elected him. A *Huffington Post* article from May 2011 alludes to this specific dip in opinion: "President Barack Obama's summer of discontent has been marked by rumblings within his Democratic political base over his willingness to fight congressional Republicans and his approach to fixing the economy" (Thomas). Reminiscent of the 2008 presidential campaign, the economy is still the nation's chief priority; however, the "rumblings within the Democratic political base" directly stem from the public's newfound problems with his leadership. The stalled economic recovery and his disagreements with congress, made it seem as though he failed to achieve the promises of his campaign. In a *New York Times* article discussing the challenges leading up to the 2012 presidential election, a Democratic consultant says the following: "In a way, Obama's biggest obstacle to overcome in 2012 is Obama 2008. Voters just get this overall impression of things being out of control, that change hasn't happened. It's going to be one of the toughest runs for an incumbent president and his party in a long time" (Harwood). Measuring "success" in terms of a president's ability to fulfill campaign promises has the tendency to make a president's imperfections substantially more obvious—comparing Obama's 2008 candidate to his 2011 presidential self is no exception. Could Obama's 2012 campaign run on the same narrative and themes, as his first campaign? At the time, the answer appeared to be an overwhelming NO. When a preemptive president is hired to handle crisis *X* but instead must handle crisis *Y*, the

public still believes he or she will manage it. In the minds of most citizens the economic recession and the slowed economy symbolized a single, prolonged crisis. For this reason, citizens criticized President Obama for not addressing the economic recession (job *X*), when in fact, he was facing a slightly different problem all together (job *Y*). Part of his struggle was that the sense of crisis engulfed both ideas. After his first year in office, Obama's narrative could no longer dispute or neutralize his audience's perception of failure, more specifically, his failed leadership.

The media's most valuable weapon was the Obama 2008 enthusiast who "jumped ship" when the tides began to turn, the fierce supporter who, within two years, resurfaced as the fierce critic. For example, a May 2011 *Huffington Post* article features a quote from this classification of critic: "They want to love him, but he's given them little evidence and his rhetoric is running out of steam. We find ourselves between a rock and a hard place. He's going to need high levels of enthusiasm among his base, and it's going to be hard to do that with speeches and no real serious actions or policies" (Thomas). Rather than speak of failure in political or economic terms, this quote speaks in words the average American can appreciate: *we want to love him, but please, no more words without action, no more speeches without policy*. The speaker clearly identifies the inefficacy of Obama's rhetoric. Most Americans blamed his leadership rather than calling it a "rhetorical problem," but the perception it evoked was the same. As the culture of criticism thrived, Americans began to view Obama's rhetoric, the very means by which he secured the preemptive presidency, as a signal that the country's future was no longer within his control.⁶⁰ In reaction to these pressures, Obama's narrative began to evolve into an entirely different beast.

⁶⁰ Heath's integrates narratives, crisis, and control; more specifically he contemplates the extent to which narratives are capable of losing and/or restoring control. The crises identified in my thesis did not reach a

Obama's "Stalled Recovery" Rhetoric

After his first year in office, Obama's narrative began to reflect the fears and agitations keeping the culture of criticism alive. President Obama's May 2010 address, *Remarks by the President on the Economy*, is highly defensive and noticeably weighed down by the hardened realities of the stalled recovery. At one point he says:

Job one was rescuing our economy. And that required some steps that were, frankly, unpopular -- steps like stabilizing a financial system that was on the brink of collapse, and intervening in an auto industry that was on the brink of extinction. I knew those steps would be unpopular. Even in Ohio, even in Michigan, even in auto-making states, if you polled, people said, don't do anything about the auto companies. And I knew politics being what it is, that some people would try to score political points off our decisions.

(Obama)

Instead of refuting the ongoing crisis in public confidence, Obama insists that the motivations guiding his actions still align with the nation's biggest priority—rescuing the economy; nevertheless a newfound defensiveness demonstrates significant modification to his previous rhetoric. During the 2008 presidential campaign, candidate Obama's narrative introduced his role as defender of the nation's most sacred ideologies. In contrast to this glorified demonstration of power, his more recent narrative highlights a prime vulnerability of the presidency, the vulnerability that presidents are fixed targets to criticism after making unfavorable but, arguably,

set resolution; however, Heath questions if the resolution of a narrative appeals to a primary audience (177). Arjen et al. also touches upon the notion of control. See 714 for more information.

necessary decisions. As he says in the above passage, Obama emphasizes that some actions were unpopular, but they still had to be done. In fact, Obama enacts the very narrative Barney Frank warns against: “Going to the voters and saying, ‘Boy, things really suck, but you know what? If it wasn’t for me, they would suck worse’” (Sorkin 543). He even spends the next part of his speech describing the “deeper world of hurt” that would exist without his judicious leadership (Obama).⁶¹ His newly defensive narrative exemplifies the maxim: *Don’t hate the player, hate the game*. His rhetoric demonstrates an effort to stigmatize the “game” of politics and to transfer the subject of criticism from a single person to an entire organization. The act removes Obama’s presidential inadequacies from the frontline while amplifying one of the public’s biggest neuroses of contemporary American politics—displays of juvenile and self-promoting behavior.

The second part of his defense strategy is the employment of half-hearted satire. Poorly executed humor has the propensity to project hubris. Obama’s execution elicits shades of arrogance and desperation that staggeringly contrast the steadfast optimism of *A Rescue Plan for the Middle Class*. In a forcible effort to laugh off his critics he says:

And you know what? I think those critics who have been trying to badmouth these efforts -- they know it’s working. These folks who opposed this every step of the way, predicting nothing but failure, they know it’s working because -- this always puts a smile on my face -- even as they’ve tried to score political points attacking these members of Congress, a lot of them go home and then they claim credit for the very things they voted against. They’ll show up at the -- to cut the ribbons. They’ll put out a press release.

⁶¹ “Small businesses wouldn’t have gotten those loans or those health care tax credits that they’re now eligible for. Insurance companies would still be deciding who they want to cover and when they want to cover them, and dropping your health care coverage whenever they felt like it” (Obama)

They'll send the mailings touting the very projects that they were opposing in Washington. They're trying to have it both ways (Obama).

The unabridged optimism of Obama's 2008 campaign rhetoric is replaced with a biting tone of realism. Obama makes a risky decision to play on the public's already negative perceptions of politics, because he too has failed them. The purpose of mentioning ribbons, press releases, and mailings, is to remind his constituency of the "dog and pony side" side to politics, and to prove that an immature subset of politicians, indeed, threatens the sanctity of Washington. This new narrative almost completely remodels the notion that our national ideologies transcend our differences; instead, it encourages the public to focus on the petty facets of politics that divide us. Obama's reconstructed narrative is now at odds with the rhetorical tactics that forged his preemptive persona.⁶² Further, the phrase "They're trying to have it both ways," elicits hints of irony. Obama is asking Americans to consider his presidency for what it *is*, rather than their preconceived notions of what it *should* be—but the latter is the essence of the preemptive presidency. In doing so, Obama commits a heinous crime of character; he violates the same terms of agreement that forged his preemptive rise to power.

Obama ends his speech on a bittersweet note of realism that is strikingly different to his previous appeals of transcending idealism. One of my favorite dimensions to Obama's campaign rhetoric was its ideological call to action and its emphasis on the confidence of the American people as the primary driver of success. The economy's stalled recovery dismantled this narrative on the basis that extended moments of crises further weaken public confidence and "sour" the audience's receptiveness to idealistic appeals of American exceptionalism. Obama

⁶² Skowronek argues that "signature initiatives," much like Obama and economic recovery, tend to isolate a preemptive president. See 109-110 for more about preemptive signature issues.

admits to his audience: “So I know it’s still tough. I know a lot of times the future still feels uncertain. And I’m not going to stand here and pretend that things are back to normal, or even close to where they need to be. I read too many letters each night from people who are hurting, who are still out of work. So I know things are still tough out there” (Obama). Here Obama addresses the uncertainties of today, rather than the certainty that brighter days are ahead. This distinction defies the essence of a preemptive presidency; a preemptive president is certain in their facility to handle the unforeseen pressures of the presidency. If Obama was elected under a different set of conditions, then perhaps his acknowledgment of the persisting crisis would be viewed in a more favorable light. Within the scope of the preemptive presidency, Obama’s candor calls the previous relationship he established between himself and his constituency into question.

Conclusion: When the Audience Stops Listening

Contrasting Obama’s 2008 and 2010 rhetoric demonstrates the conditions in which preemptive presidents rise to power, and the challenge to manage those same conditions once they are elected. During the 2008 presidential campaign, Obama began slowly accumulating power to assemble a preemptive presidency. As a result, the attention paid to his campaign rhetoric reached unprecedented levels; people wanted to see, in a symbolic sense, that Obama was in fact the person to solve their problems. His captive audience was both a blessing and a curse.

Obama’s 2008 rhetoric defended the nation’s most prominent ideologies but the realities of the prolonged crisis in public confidence turned his idealism to realism. Obama, in an effort to

respond to the decline in public opinion, reconstructed the very narrative that helped establish his preemptive presidency. The tactic, rather than easing the renewed crisis in public confidence, further augmented his inability to meet the public's expectations. Why do tactics that proved successful during a preemptive president's campaign prove futile after the election? This idiosyncrasy quite possibly exists because preemptive presidents forgo the right to barter or re-negotiate campaign promises *after* they become the President of the United States. In fact, re-negotiating these expectations would further support the public's perception that the president failed to manage the crisis at hand.

At the beginning of this thesis, I questioned if a preemptive president's rhetoric eventually "sours." Obama's presidency suggests that it's not the rhetoric, but rather the fantasy-like belief in a president's abilities that eventually "sours." Once it became clear that Obama was unable to deliver on his campaign promises, he lost the public's confidence, and even more so, began to lose the public's attention. His audience became desensitized; they stopped listening to him; they stopped defending the economy's sluggish progress; they stopped believing that he was the shepherd of the American people. I will go so far as to argue that under *these* conditions, a preemptive president is no longer the man that can do no wrong, but the man that can do no right.

Afterward

I was too young to vote in the 2008 presidential election. On the surface, this anecdote suggests that I harbor less resentment towards President Obama for his “failed” leadership, especially in contrast to the voters that actively endorsed his “preemptive” rise to power. Obama’s supporters were very enthusiastic about his campaign promises, but his promises were, in fact, made to *all* Americans. Even “underage” voters, like myself, were equal stakeholders in his preemptive presidency.

Obama’s 2008 campaign and 2010 presidential rhetoric are integral parts of my thesis, because I believe his rhetoric has an innate complexity that merits intellectual discussion. For example, his 2008 campaign rhetoric, with its uplifting notions of idealistic grandeur, can turn the unlikeliest of people into a captive audience. The shift in his narrative, perhaps inevitable, disappointed his audience, disappointed me, and disappointed future candidates that dream of a preemptive presidency. Did candidate Obama think he *could* fail? Did he think the public would forgive his actions if he did fail? Will his experience influence future candidates aspiring to achieve a preemptive presidency? As my thesis comes to a conclusion, these are the types of questions that remain.

Future candidates, those that desire a preemptive presidency, may not actually recognize the risks associated with this particular rise to power. Indeed, this style of leadership almost guarantees a candidate the election, yet the costs quite possibly outweigh the advantages. The early presidential relationship established between preemptive candidates and their

constituencies is not immune to post-election challenges; in fact, President Obama's experience reflects the opposite. Both Obama and the American public did not expect the series of unfortunate events that unfolded after the initial 2008 economic crisis. Although the circumstances of the Great Recession were a sounding platform for candidate Obama's inspiring narrative, once in office, the slowed economy challenged the power of his presidential ethos. Consequently, the risk of failure became a reality, and admitting this failure was inconceivable. If Obama acknowledged any difficulty in handling the continued crisis, his concession alone, would have violated the conditions of the preemptive presidency. Perhaps, Obama's experiences during and after the Great Recession will teach future candidates that the ability to adequately prepare and the ability to adequately respond are two different matters.

The preemptive presidency raises the stakes so high, that it actually reduces the control the president may have over his or her own fate. There are a number of forces that extend past a president's reach, including economic forces that are largely, though not entirely, out of the president's or the public's control. Nevertheless, preemptive presidencies have the propensity to evoke a notion of infallibility. For instance, Obama promises in his October 2008 rhetoric, "together, we cannot fail" (Obama 34). Although these promises are initially inspirational, they become a serious problem after the election. If the economy had rebounded quickly, if jobs were created and real estate prices normalized, than Obama would have likely been celebrated as the hero who manufactured the nation's glorious recovery; *those* conditions create a much different impression. In this context, the public perceives that the president has full control over his own fate, that he is able to control the uncontrollable. The economy's stalled recovery made it clear that a president only has so much power over the uncontrollable variables that exist. When national crises occur, and external conditions prove unfavorable, it appears that presidents have

far less control over the audience's reception of their presidential ethos and the persona it normally evokes. In short, these presidents lose the ability to write their own story.

Arguably, preemptive presidents are more likely to fail if their constituencies misunderstand their core messages. I believe that progressives and their resentment towards Obama's leadership contributed to the culture of criticism facilitated by the media. A 2014 *Huffington Post* article reads as a formal disclaimer to presidential candidates: "Liberals saw what they wanted to see in Obama, while turning a blind eye to what the President was actually saying. Now some Progressives are indignant that the President is essentially governing on what he campaigned about" (Rubino). This misunderstanding is no minor feat for it sets the president up for immediate failure. How can a president appease his constituency, if they operate on completely different wavelengths? In this example, there is considerable irony at play; candidate Obama relied on identification via the narrative form to establish the beginnings of his presidential relationship with the American public, but the identification strategy should, ideally, eliminate any misunderstandings between the speaker and the audience. When the public misinterprets a candidate's rhetoric, the already heightened expectations for the preemptive presidency reach unprecedented levels.

While writing my thesis, I focused on the reconstruction of a preexisting narrative during periods of crisis, rather than the introduction of an entirely *new* one. What would an argument about the introduction of a new narrative look like? If I had initially pursued this line of reasoning, my third chapter, would instead, feature Obama's May 2011 rhetoric, specifically, his narrative on the assassination of Osama bin Laden. Perhaps, if President Obama had successfully marshaled a narrative of victory for a few months time, this fresh narrative would have restored confidence in his leadership. On the other hand, I could have chosen to evaluate the presidential

ethos of Obama's health care narrative. Health care, similar to the 2008 financial crisis, exemplifies a "signature initiative"⁶³ in American politics. For instance, the assassination of Osama bin Laden is widely viewed as a counterpart to the terrorist attacks of September 11th, an event that offered a degree of closure to a horrific moment in American history. Contrastingly, health care is a highly contentious topic; narratives about health care reform do not close doors, but open them.⁶⁴ Nevertheless, without more research and formal analysis, my preliminary arguments merely graze the surface of a deeper discussion.

Perhaps the introduction of a new narrative simply reiterates the notion that preemptive presidents are destined to have a tumultuous relationship with their constituencies. As my thesis reaches its conclusion, I believe that preemptive presidents, do in fact, inverse the following maxim: *the house always win*. Instead, *the house always loses*. These candidates are given exceptional power during moments of crisis, but shortly after their elections, it becomes impossible for them to manage the public's heightened expectations. Will President Obama reconcile with the American public before the conclusion of his second term? Will his second term expand our understanding of the preemptive presidency? Only time will tell.

⁶³ Skowronek use the term, "signature initiatives" to describe moments that allow politicians to take an aggressive stand—also called "signature issues." President Clinton used health care to distinguish himself from his political adversaries (109-10).

⁶⁴ "It is true that Obama, unlike most other preemptive leaders, actually secured passage of his signature reform policy, health care form. But rather than securing the legitimacy of his alternative standard of rule, health care reform seems to have rallied his opposition" (Skowronek 193).

Appendix A

October 2008 Time Magazine Cover



Appendix B

Cartoon from The New Yorker, November 2010



Appendix D

Rescue Plan For the Middle Class

1. We meet at a moment of great uncertainty for America. The economic crisis we face is the worst since the Great Depression. Markets across the globe have become increasingly unstable, and millions of Americans will open up their 401(k) statements this week and see that so much of their hard-earned savings have disappeared.
2. The credit crisis has left businesses large and small unable to get loans, which means they can't buy new equipment, or hire new workers, or even make payroll for the workers they have. You've got auto plants right here in Ohio that have been around for decades closing their doors and laying off workers who've never known another job in their entire life.
3. 760,000 workers have lost their jobs this year. Unemployment here in Ohio is up 85% over the last eight years, which is the highest it's been in sixteen years. You've lost one of every four manufacturing jobs, the typical Ohio family has seen their income fall \$2,500, and it's getting harder and harder to make the mortgage, or fill up your gas tank, or even keep the electricity on at the end of the month. At this rate, the question isn't just "are you better off than you were four years ago?", it's "are you better off than you were four weeks ago?"
4. I know these are difficult times. I know folks are worried. But I also know this - we can steer ourselves out of this crisis. Because we are the United States of America. We are the country that has faced down war and depression; great challenges and great threats. And at each and every moment, we have risen to meet these challenges - not as Democrats, not as Republicans, but as Americans.
5. We still have the most talented, most productive workers of any country on Earth. We're still home to innovation and technology, colleges and universities that are the envy of the world. Some of the biggest ideas in history have come from our small businesses and our research facilities. It won't be easy, but there's no reason we can't make this century another American century.
6. But it will take a new direction. It will take new leadership in Washington. It will take a real change in the policies and politics of the last eight years. And that's why I'm running for President of the United States of America.
7. My opponent has made his choice. Last week, Senator McCain's campaign announced that they were going to "turn the page" on the discussion about our economy so they can spend the final weeks of this election attacking me instead. His campaign actually said,

and I quote, "if we keep talking about the economy, we're going to lose." Well Senator McCain may be worried about losing an election, but I'm worried about Americans who are losing their jobs, and their homes, and their life savings. They can't afford four more years of the economic theory that says we should give more and more to millionaires and billionaires and hope that prosperity trickles down to everyone else. We've seen where that's led us and we're not going back. It's time to turn the page.

8. Over the course of this campaign, I've laid out a set of policies that will grow our middle-class and strengthen our economy in the long-term. I'll reform our tax code so that 95% of workers and their families get a tax cut, and eliminate income taxes for seniors making under \$50,000. I'll bring down the cost of health care for families and businesses by investing in preventative care, new technology, and giving every American the chance to get the same kind of health insurance that members of Congress give themselves. We'll ensure every child can compete in the global economy by recruiting an army of new teachers and making college affordable for anyone who wants to go. We'll create five million new, high-wage jobs by investing in the renewable sources of energy that will eliminate the oil we currently import from the Middle East in ten years, and we'll create two million jobs by rebuilding our crumbling roads, schools, and bridges.
9. But that's a long-term strategy for growth. Right now, we face an immediate economic emergency that requires urgent action. We can't wait to help workers and families and communities who are struggling right now - who don't know if their job or their retirement will be there tomorrow; who don't know if next week's paycheck will cover this month's bills. We need to pass an economic rescue plan for the middle-class and we need to do it now. Today I'm proposing a number of steps that we should take immediately to stabilize our financial system, provide relief to families and communities, and help struggling homeowners. It's a plan that begins with one word that's on everyone's mind, and it's spelled J-O-B-S.
10. We've already lost three-quarters of a million jobs this year, and some experts say that unemployment may rise to 8% by the end of next year. We can't wait until then to start creating new jobs. That's why I'm proposing to give our businesses a new American jobs tax credit for each new employee they hire here in the United States over the next two years.
11. To fuel the real engine of job creation in this country, I've also proposed eliminating all capital gains taxes on investments in small businesses and start-up companies, and I've proposed an additional tax incentive through next year to encourage new small business investment. It is time to protect the jobs we have and to create the jobs of tomorrow by unlocking the drive, and ingenuity, and innovation of the American people. And we should fast track the loan guarantees we passed for our auto industry and provide more as needed so that they can build the energy-efficient cars America needs to end our dependence on foreign oil.
12. We will also save one million jobs by creating a Jobs and Growth Fund that will provide money to states and local communities so that they can move forward with projects to

rebuild and repair our roads, our bridges, and our schools. A lot of these projects and these jobs are at risk right now because of budget shortfalls, but this fund will make sure they continue.

13. The second part of my rescue plan is to provide immediate relief to families who are watching their paycheck shrink and their jobs and life savings disappear. I've already proposed a middle-class tax cut for 95% of workers and their families, but today I'm calling on Congress to pass a plan so that the IRS will mail out the first round of those tax cuts as soon as possible. We should also extend and expand unemployment benefits to those Americans who have lost their jobs and are having a harder time finding new ones in this weak economy. And we should stop making them pay taxes on those unemployment insurance benefits as well.
14. At a time when the ups and downs of the stock market have rarely been so unpredictable and dramatic, we also need to give families and retirees more flexibility and security when it comes to their retirement savings.
15. I welcome Senator McCain's proposal to waive the rules that currently force our seniors to withdraw from their 401(k)s even when the market is bad. I think that's a good idea, but I think we need to do even more. Since so many Americans will be struggling to pay the bills over the next year, I propose that we allow every family to withdraw up to 15% from their IRA or 401(k) - up to a maximum of \$10,000 - without any fine or penalty throughout 2009. This will help families get through this crisis without being forced to make painful choices like selling their homes or not sending their kids to college.
16. The third part of my rescue plan is to provide relief for homeowners who are watching their home values decline while their property taxes go up. Earlier this year I pushed for legislation that would help homeowners stay in their homes by working to modify their mortgages. When Secretary Paulson proposed his original financial rescue plan it included nothing for homeowners. When Senator McCain was silent on the issue, I insisted that it include protections for homeowners. Now the Treasury must use the authority its been granted and move aggressively to help people avoid foreclosure and stay in their homes. We don't need a new law or a new \$300 billion giveaway to banks like Senator McCain has proposed, we just need to act quickly and decisively.
17. I've already proposed a mortgage tax credit for struggling homeowners worth 10% of the interest you pay on your mortgage and we should move quickly to pass it. We should also change the unfair bankruptcy laws that allow judges to write down your mortgage if you own six or seven homes, but not if you have only one. And for all those cities and small towns that are facing a choice between cutting services like health care and education or raising property taxes, we will provide the funding to prevent those tax hikes from happening. We cannot allow homeowners and small towns to suffer because of the mess made by Wall Street and Washington.
18. For those Americans in danger of losing their homes, today I'm also proposing a three-month moratorium on foreclosures. If you are a bank or lender that is getting money from

the rescue plan that passed Congress, and your customers are making a good-faith effort to make their mortgage payments and re-negotiate their mortgages, you will not be able to foreclose on their home for three months. We need to give people the breathing room they need to get back on their feet.

19. Finally, this crisis has taught us that we cannot have a sound economy with a dysfunctional financial system. We passed a financial rescue plan that has the promise to help stabilize the financial system, but only if we act quickly, effectively and aggressively. The Treasury Department must move quickly with their plan to put more money into struggling banks so they have enough to lend, and they should do it in a way that protects taxpayers instead of enriching CEOs. There was a report yesterday that some financial institutions participating in this rescue plan are still trying to avoid restraints on CEO pay. That's not just wrong, it's an outrage to every American whose tax dollars have been put at risk. No major investor would ever make an investment if they didn't think the corporation was being prudent and responsible, and we shouldn't expect taxpayers to think any differently. We should also be prepared to extend broader guarantees if it becomes necessary to stabilize our financial system.
20. I also believe that Treasury should not limit itself to purchasing mortgage-backed securities - it should help unfreeze markets for individual mortgages, student loans, car loans, and credit card loans.. And I think we need to do even more to make loans available in two very important areas of our economy: small businesses and communities.
21. On Friday, I proposed Small Business Rescue Plan that would create an emergency lending fund to lend money directly to small businesses that need cash for their payroll or to buy inventory. It's what we did after 9/11, and it allowed us to get low-cost loans out to tens of thousands of small businesses. We'll also make it easier for private lenders to make small business loans by expanding the Small Business Administration's loan guarantee program. By temporarily eliminating fees for borrowers and lenders, we can unlock the credit that small firms need to pay their workers and keep their doors open. And today, I'm also proposing that we maintain the ability of states and local communities that are struggling to maintain basic services without raising taxes to continue to get the credit they need.
22. Congress should pass this emergency rescue plan as soon as possible. If Washington can move quickly to pass a rescue plan for our financial system, there's no reason we can't move just as quickly to pass a rescue plan for our middle-class that will create jobs, provide relief, and help homeowners. And if Congress does not act in the coming months, it will be one of the first things I do as President of the United States. Because we can't wait any longer to start creating new jobs; to help struggling communities and homeowners, and to provide real and immediate relief to families who are worried not only about this month's bills, but their entire life savings. This plan will help ease those anxieties, and along with the other economic policies I've proposed, it will begin to create new jobs, grow family incomes, and put us back on the path to prosperity.

23. I won't pretend this will be easy or come without cost. We'll have to set priorities as never before, and stick to them. That means pursuing investments in areas such as energy, education and health care that bear directly on our economic future, while deferring other things we can afford to do without. It means scouring the federal budget, line-by-line, ending programs that we don't need and making the ones we do work more efficiently and cost less.
24. It also means promoting a new ethic of responsibility. Part of the reason this crisis occurred is that everyone was living beyond their means - from Wall Street to Washington to even some on Main Street. CEOs got greedy. Politicians spent money they didn't have. Lenders tricked people into buying home they couldn't afford and some folks knew they couldn't afford them and bought them anyway.
25. We've lived through an era of easy money, in which we were allowed and even encouraged to spend without limits; to borrow instead of save.
26. Now, I know that in an age of declining wages and skyrocketing costs, for many folks this was not a choice but a necessity. People have been forced to turn to credit cards and home equity loans to keep up, just like our government has borrowed from China and other creditors to help pay its bills.
27. But we now know how dangerous that can be. Once we get past the present emergency, which requires immediate new investments, we have to break that cycle of debt. Our long-term future requires that we do what's necessary to scale down our deficits, grow wages and encourage personal savings again.
28. It's a serious challenge. But we can do it if we act now, and if we act as one nation. We can bring a new era of responsibility and accountability to Wall Street and to Washington. We can put in place common-sense regulations to prevent a crisis like this from ever happening again. We can make investments in the technology and innovation that will restore prosperity and lead to new jobs and a new economy for the 21st century. We can restore a sense of fairness and balance that will give every American a fair shot at the American dream. And above all, we can restore confidence - confidence in America, confidence in our economy, and confidence in ourselves.
29. This country and the dream it represents are being tested in a way that we haven't seen in nearly a century. And future generations will judge ours by how we respond to this test. Will they say that this was a time when America lost its way and its purpose? When we allowed our own petty differences and broken politics to plunge this country into a dark and painful recession?
30. Or will they say that this was another one of those moments when America overcame? When we battled back from adversity by recognizing that common stake that we have in each other's success?

31. This is one of those moments. I realize you're cynical and fed up with politics. I understand that you're disappointed and even angry with your leaders. You have every right to be. But despite all of this, I ask of you what's been asked of the American people in times of trial and turmoil throughout our history. I ask you to believe - to believe in yourselves, in each other, and in the future we can build together.
32. Together, we cannot fail. Not now. Not when we have a crisis to solve and an economy to save. Not when there are so many Americans without jobs and without homes. Not when there are families who can't afford to see a doctor, or send their child to college, or pay their bills at the end of the month. Not when there is a generation that is counting on us to give them the same opportunities and the same chances that we had for ourselves.
33. We can do this. Americans have done this before. Some of us had grandparents or parents who said maybe I can't go to college but my child can; maybe I can't have my own business but my child can. I may have to rent, but maybe my children will have a home they can call their own. I may not have a lot of money but maybe my child will run for Senate. I might live in a small village but maybe someday my son can be president of the United States of America.
34. Now it falls to us. Together, we cannot fail. Together, we can overcome the broken policies and divided politics of the last eight years. Together, we can renew an economy that rewards work and rebuilds the middle class. Together, we can create millions of new jobs, and deliver on the promise of health care you can afford and education that helps your kids compete. We can do this if we come together; if we have confidence in ourselves and each other; if we look beyond the darkness of the day to the bright light of hope that lies ahead. Together, we can change this country and change this world. Thank you, God bless you, and may God bless America.

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ACADEMIC VITA

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EDUCATION

The Pennsylvania State University, Schreyer Honors College **University Park, PA**
Bachelor of Arts in Communication Arts and Sciences **Class of 2015**
Minors: Economics, Business

The Institute at Palazzo Rucellai **Florence, Italy**
Department of Business: The World of Business and Italian Culture **May 2013 – June 2013**

PROFESSIONAL EXPERIENCE

FTI Consulting **New York, NY**
Strategic Communications Intern **June 2014 – August 2014**

- Developed a hypothetical billion dollar M&A communications plan and activist investor defense for senior executives to integrate into future capital markets transactions
- Generated Salesforce relationship maps targeting financial technology companies that increased the number of new business proposals (RFPs)
- Facilitated content for media monitoring reports sent to CEOs at investment advisory firms
- Pitched news stories to trade publications to solidify media exposure for clients

Undergraduate Economics Department **University Park, PA**
Grader for Intermediate Macroeconomics **August 2013 – December 2013**

- Collaborated in small teams to proctor approximately 200 students
- Assessed students' comprehension of material through five assignments and three exams
- Reported cases of student misconduct to the professor to uphold academic integrity

The ABF Journal, Xander Media Group **Rosemont, PA**
Operational Support Intern **July 2013 – August 2013**

- Designed an easily accessible archive system that categorized over 600 news articles
- Discovered website flaws and implemented user-friendly solutions in WordPress
- Researched endorsement opportunities at industry conferences that grew readership
- Gained valuable exposure to the commercial finance and asset-based lending industries

LEADERSHIP EXPERIENCE

The Schreyer Consulting Group **September 2013 – Present**
Member

Penn State IFC/Pan-Hellenic Dance Marathon "THON" **September 2011 – March 2014**
Dancer Relations Committee Member

Member of Alpha Xi Delta Sorority, Beta Lambda Chapter **September 2011 – Present**
2013 Assistant Finance and THON Chair, 2012 Greek Sing Special Events Chair

ACADEMIC HONORS

- Phi Beta Kappa **May 2015**
- Excellence in Communication Certificate **December 2014**
- Adma Hammam Shibley Memorial Scholarship, Communication Arts & Sciences **May 2014**
- Paterno Fellows Program, Liberal Arts College **January 2013**