

THE BROOKINGS INSTITUTION

A CONVERSATION WITH MAYOR RAHM EMANUEL

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THE HONORABLE RAHM EMANUEL
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P R O C E E D I N G S

MS. LIU: Good morning. I think it's almost good afternoon. Welcome to Brookings. And for those of you who are viewing online via the live webcast, we are pleased you can join us.

Now, there's a national conversation underway about the pace of the economic recovery and the extent to which families are benefiting from it or not. But the economic inequality is not just by people, it is also by place. We look at one-third of the hundred largest metropolitan areas, one-third of them are actually defying the national trend. They are enjoying job growth, with more jobs today than they did pre-recession.

But that also means that there are another two-thirds of the largest metro areas that are still facing job deficits. This is evidence that the U.S. is not one monolithic economy, but a network of distinct metro economies that need to be navigated and steered by their own unique economic assets and circumstances. And with Washington often quarreling about how to grow the economy, it's the reason why our program remains really bullish about the promise of states, and especially metropolitan areas.

Cities and metro areas are not only the centers of trade and commerce, and the hubs of talent and innovation, but they are also the places where the most creative systemic solutions to some of the toughest social and economic challenges can be found. And that is the basic premise of the Metropolitan Policy Program at Brookings and it's also the premise of a book recently published by Bruce Katz and Jennifer Bradley. And if you have not purchased a book, you can actually buy one today at the Brookings library at a 20 percent discount. But I wanted to note that the first chapter in the book starts off with a quote from Mayor Rahm Emanuel.

And it says --

MR. EMANUEL: This is the clean version. (Laughter) A couple of edits,

but we got there.

MS. LIU: "I will not tie this city's future to the dysfunction in Washington and Springfield." And he is not joking. Since he has entered office, Mayor Emanuel has been in a sprint and he is not slowing down.

One of the first things he did when he came into office is he created an economic plan for the city and the region, a plan for economic growth and jobs. Now, when we work with mayors on their economic efforts, most of them, with their economic partners, maybe they start with two or three transformative initiatives. Not Rahm. I think at last count there are at least 30 initiatives underway and these are not small potatoes efforts.

For instance, there's the first-ever local infrastructure bank; a series of career academies in partnership with the city colleges; a merger of the city/county workforce investment boards; a new entrepreneurship center, 1871, and including a new center for biotech start-ups; an economic partnership with Mexico City on trade, on innovation, on talent development; and most recently a new digital manufacturing innovation center blessed by the White House this past week. So, I would say that he is trying to lead this metropolitan revolution. And, in fact, there's certainly no shortage of topics for a conversation with Mayor Emanuel and he is certainly doing phenomenal things in the city.

The conversation today is going to be led by a very able and brilliant David Brooks. And many of you know David. He is a columnist for *The New York Times*. But one of the things you may not know about David is he is a graduate of the University of Chicago and he got his early start in the Windy City. I know all of you are really eager for this conversation to begin. I just wanted to mention a few logistical information first.

One is we are going to make time for audience Q&A about 35 minutes

into the conversation. I believe there are cards at everyone's chair. We are going to be taking those questions by cards today, so if you have questions while you're listening to the conversation today, go ahead and write them out and we will have staff walking up and down the aisles who will be collecting them.

We have an overflow room, I believe, who are enjoying the program from there. All of you in the overflow room will also have an opportunity to provide comments through your cards. Again, don't be shy in the other rooms.

And, without further ado, let me hand the program over to Mayor Emanuel and David Brooks. (Applause)

MR. BROOKS: Thank you.

MR. EMANUEL: Thank you.

MR. BROOKS: Thank you. So it's a pleasure to be joined in Brookings, we're a little policy wonky, so this is the man known as Zeke Emanuel's brother. Rahm was a --

MR. EMANUEL: As long as you introduce Ari as Rahm Emanuel's brother, I'm okay with that.

MR. BROOKS: In L.A., you're definitely Ari's brother.

So, Rahm was born in Chicago, went to Sarah Lawrence, was a ballet dancer for a little while, learned was an early education student. I got to know Rahm when he was in Congress representing the seat recently held by Rob Blagojevich, filling big shoes there. (Laughter)

MR. EMANUEL: We all get graded on a curve. (Laughter)

MR. BROOKS: Then, as everyone knows, he became President Obama's chief of staff at the beginning of the administration, and then went off to become -- run for and become elected as mayor of Chicago. And when Rahm went off to

Chicago, I started getting these calls from Chicago saying what an amazing job Rahm was doing as mayor, and Rahm was the source of all these calls. (Laughter)

MR. EMANUEL: They all came out of the 911 center. (Laughter)

MR. BROOKS: So let me ask you the first general question. When you went to the city, you were as happy as I've seen you, leaving the White House and going there. Describe the difference between governing at a city level and governing here.

MR. EMANUEL: Well, I'm not so sure here is governing, so that would be the first test. (Laughter) Let me -- the reason I wanted to go to the city, the reason I think Bruce wanted to write this book, I think there's 100 cities around the world that drive the world economy: economic, intellectual, and cultural. They're the driving force. Chicago is one of those cities. I happen to think it's obviously in the top half of that, if not better than that, in the quintile. And a lot of IBM economists have all cited Chicago as the second most competitive economy in all of North America and in the top 10 worldwide, for a host of reasons.

But that said, you can do certain things locally and really put your thumb on the scale. And if you're interested in policy and interested in making economic social change, you can actually see it. Just a couple -- I mean, I worked and helped the President think of Race to the Top and Negotiate, I think, is a tremendously successful program.

The city of Chicago, we added an hour and 15 minutes to every child's school day, every day, and 2 weeks to every year from kindergarten to high school. That's 2-1/2 more years in the classroom than otherwise. It's the largest increase in time anywhere by any public school system ever. That's a dramatic impact, without any federal participation or any help from the state. This year we have universal kindergarten for every child. Where half the kids -- 20,000 -- used to have 2 hours a day, the most

expensive babysitting in America, they now have a 7-1/2-hour day, learning their colors, their shapes, their numbers, which is essential.

When I ran for office, 54 percent of our kids were graduating, which meant 46 obviously were not. We're at 65 and, according to the University of Chicago, on target. In 4 years, we'll be at 80 percent.

Now, I loved working on Race to the Top. Where else can you -- that's 400,000 children -- where else can you have a bigger impact on the future?

I talked about community colleges when I worked for the President. Each community college, which has now been cited by the World Bank as the best career and skill development of any system in America, each system -- Malcolm X, healthcare, Abbott, Baxter, Walgreen's, Allscripts, Rush Presbyterian, Northwestern Children's, the Cook County -- all design the curriculum, train the teachers, and they educate just for healthcare.

We just won, as you know, you just said it, the digital manufacturing hub for America. Richard J. Daley Community College just does advanced manufacturing with the industry as the curriculum development and the training. And you can actually not talk about it, but actually do it. And, in fact, our community colleges -- and I'll give you an example -- one of them is transportation, distribution, logistics because we're the inland port of America. I was in negotiations with AirTran, they're now building a 10,000 person facility at O'Hare, the largest gateway airport intermodal facility. And one of, but not the reason, one of the reasons we could lure them to Chicago besides our airport was one of our schools was totally focused -- community colleges -- on transportation, distributions, logistics, and helping get CDL driver's licenses and other things. And so designing that helped us secure a major expansion of our intermodal facility at the airport. And you can actually move things if you have the will, the persistence, and sometimes

the insanity to do it.

MR. BROOKS: So let's talk about job growth. So you've done these things, but there are sort of big global trends, there are big national trends.

MR. EMANUEL: Uh-huh.

MR. BROOKS: And Chicago is not where it was even pre-recession in job levels, right?

MR. EMANUEL: Not news.

MR. BROOKS: And so, I saw some ranking where you were 81st out of 100 --

MR. EMANUEL: So here's the --

MR. BROOKS: -- among the cities in job creation, so --

MR. EMANUEL: Right, here's our strength, here's our weakness, and they're the same. Unlike a New York that's tied to financial, or L.A. to entertainment, no one sector of our economy in the city of Chicago is more than 13 percent of our employment. It's the most diversified of any of the major economies. It's the 23rd largest -- the metropolitan area, the 23rd largest economy in the world. It's now rated second in the most economically competitive in all of North America and, as I said, depending on either IBM or economists, in the top 10 either 9th or 7th.

And we've got more corporations moving. Twenty-seven have moved their headquarters; major ones, like G.E., Transportation Worldwide, moved their headquarters. But we kind of go in ebb and flow. We don't have oil. We don't have a singular industry, if it's hot, drives it. So our diversity is our strength as well as what's, I wouldn't say holding us back, but helps us grow. And one of the things that I've been trying to do, given what we inherited, is build on those strengths, which are mainly in the research area, the job training area, and the transportation.

And we have seen -- you say that and then you see the tech sector was nowhere in Chicago. It's added 33 percent new jobs from 30,000 to 40,000, and we're on our way to 80,000 in the next 4 years. I can say that in the convention and hospitality, Chicago was fifth and now it's second in that area, which drives about 135,000 jobs in the Chicagoland area. So that's what we're trying to do is have a sector-by-sector, let alone a macro approach to this.

MR. BROOKS: But so when you do this stuff, do you find it's easy to help the lakefront and harder to help the neighborhoods?

For people who don't know Chicago, lakefront is the affluent part and the neighborhoods are more ethnic, poorer, less skilled.

MR. EMANUEL: Well, it depends. Right. I think -- let me say the key part, the way we've approached it when we did this economic report, the first of its kind, between McKinsey and Brookings, kind of an economic strategy 10 years out, where do we want to be? And then by sector.

What are the strengths that we have? Thirty-five percent of all the people in Chicago have a four-year college degree or better. In the United States, it's 27 percent. We have to have that edge and constantly grow it because that's why corporations in this massive race worldwide for talent, they're going to go to a place not only with great work skill and educated workforce, but one that has the institutions to continue to support it. We have 13 four-year institutions in the city, not counting the state. And we have more alumnae from the Big 10 state universities than anybody else in the entire country.

As I said, between Madison, Wisconsin, and Chicago; South Bend and Chicago; Ann Arbor and Chicago, on graduation day, don't get on the highway. You're going to be roadkill. (Laughter) That's a good thing. It creates great promise. But we

have to make sure everybody participates, which is why I've driven so hard on the community colleges because the truth is, prior to our college to career program. Our community colleges were the last stages in your remedial education. They were your fifth and sixth year of high school because the high schools weren't doing their job. Now we're giving them an education that ensures them a job.

And I'll give you this one example. We're building a new school at Olive Harvey on transportation, distribution, logistics. One of the women there is getting her CDL to be a truck driver, and I said, really, why? And she goes, because I want to go back to Malcolm X and get a nursing job, but I don't want to go into debt doing it, so I'm getting my job here. We're guaranteeing her an education that gives her an economic and a position that she can then go and pursue an education at what she wants to do. And prior to this, our community colleges that used to have a 7 percent graduation rate -- and now is 13, on its way to 20 -- was absent from our economic strategy. And pushing these pieces into place is essential to do.

MR. BROOKS: So community colleges now have a 20 percent graduation rate?

MR. EMANUEL: No, they're -- it's 7 when I was there --

MR. BROOKS: Right.

MR. EMANUEL: -- 13 today, and on track to get to 20.

MR. BROOKS: Yeah, so that doesn't sound very good.

MR. EMANUEL: Have you seen community colleges nationwide?

MR. BROOKS: Yeah.

MR. EMANUEL: And completion rates?

MR. BROOKS: Right.

MR. EMANUEL: Both at four-year and two-year institutions are in

trouble, and that's why I think the President's right to align scholarships and grant money to completion rates, not to acceptance rates.

MR. BROOKS: Right. So when I -- one of the first times we knew each other, you had written a book called, *The Plan* -- I guess we'd known each other for a while -- with Bruce Reed.

MR. EMANUEL: Right.

MR. BROOKS: And you were of dear departed memory, sort of a member of the DLC, you were a centrist Democrat. And now the trend in urban mayors, as elected in New York, de Blasio, is to go a little further left. Does that ideological distinction make sense? Are there certain policies, like de Blasio's championing of raising the minimum wage, do you think in those terms? Does that apply to you?

MR. EMANUEL: Look, I think these are categories so people can easily try to identify you. I think in terms of forward or not. I don't have -- and the reason -- I mean, Amy has kind of talked about the pace. Chicago was at a place where I think we were, for a host of national and otherwise reasons, not moving forward. And I don't think we could afford to kind of come to a standstill, both from financial, economic, social, cultural, and education reasons.

My question is, I've made kindergarten, without any federal or state help, universal. I didn't consider it left, right, center. I considered it a good policy that I made sure that those kids, regardless of income, regardless of background, regardless of family structure, had a great shot at high school graduation.

MR. BROOKS: Yeah.

MR. EMANUEL: We've added 5,000 kids to full-day pre-K, with wraparound for their parents, and 6,000 more kids are already in pre-K. But to give their parents the wraparound education, I didn't consider what ideological strip it got. I happen

to think it's a good investment as the son of a pediatrician and somebody who studies early childhood education.

Doing infrastructure, at our airport we're adding enough capacity that it's the equivalent of if I took Midway Airport and put it at O'Hare. It's a third airport, basically. Our mass transit system, every bus, every train has been replaced, every station is being rehabbed, and we've rebuilt the equivalent of two to three lines. I don't consider it left, right, center. I consider it a great economic strategy to move people from home to work faster and make us more economically competitive.

So I understand the desire to ask, where does this idea fit in between these two goalposts? I'm about getting the ball through the goalpost, not about which side of the goalpost it's on. And I think it's about --

MR. BROOKS: What about the minimum wage?

MR. EMANUEL: What's that?

MR. BROOKS: What about the minimum wage?

MR. EMANUEL: We're, at the state, right at \$8.25, and I've said already that we're going to move to \$10.10 if the Feds and the state don't move. I happen to think -- but I said it in this way, also. Not only am I for increasing the minimum wage, I am for a robust expanded earned income tax credit.

The only time in the last 30 years that you have seen a decline or the movement in which people minimum wage or right around that space saw their income as well as their capacity -- or the narrowing between rich and poor was in the '90s when you doubled the earned income tax credit. Bill Clinton in '93 doubled what he inherited from George Bush and Ronald Reagan, and doubled it again in the '97 balanced budget.

A minimum wage without the earned income tax credit is good, it's just not good enough. No child should grow up in a home who's parent is working and grow

up in poverty. And the minimum wage at \$10.10 won't do it. A robust expanded earned income tax credit will. And the quicker you make it not only bigger, but simpler to get, the better we're all going to be. Now, I'm for \$10.10, but when I was mayor -- presently -- I worked with the state, we expanded our state EITC and it's the best, as Ronald Reagan said, best pro-work, anti-poverty program in the country.

MR. BROOKS: And I'm going to ask you to praise a competitor. I know this goes against your genetic makeup.

MR. EMANUEL: So why don't we skip the question? (Laughter)

MR. BROOKS: So what cities do you look around and you say, you know, Houston's really -- they're doing it right; or, you know, L.A.? What do you see out there?

MR. EMANUEL: Well, first of all, I want you to see -- we have a lot of mayors and we all learn from each other. And one of the things Mayor Bloomberg used to do is bring us together -- about 10 or 12 of us -- to spend 2 days or a day and a half kind of learning from each other.

The mayor from Houston is doing some interesting things in the sense of recycling. We just expanded it, but she's doing some real interesting things that saved cost as well as expanding it in dramatic ways.

We're building the largest rail-to-trail in Chicago, the Bloomingdale Trail or 606. I think what Kasim's done in Atlanta with the entire circle is fascinating. We don't have that kind of area. We're looking now at something in Englewood, also. So, I'll tell you, from Mayor Bloomberg, I thought his idea of Cornell and the Polytech from Israel was, oh, I would say, a 14 out of 10. It was not close.

So what I went off and did -- and part of our plank that we did with Brookings and McKinsey was a driver of research for jobs. So, since I've been mayor, I

agreed to take down Prentice Hospital, so Northwestern could put a 2,000-person biomedical research center. Went after the Department of Energy for a grant for the next battery, a grant which also is next-generation storage, and that's now at Argon and U of C.

Next week we're breaking ground at IIT for the new design institute and research there, and then this recent Digital Manufacturing grant that's going to be a five-year grant in the city of Chicago. Research and your universities -- the single biggest economic driver of the country, let alone the city. Single biggest. And I think what Mike did in New York -- the fifth one was I negotiated between Ben-Gurion and U of C a water research project because water's going to be the most important commodity, and I want Chicago, given our proximity to Lake Michigan, to be the center of water management and water research.

Each of those, you can't count the licenses, the patents, the talent, the companies that are going to come out of there, that are going to drive your economics. And while New York has one and I don't want to -- I'm not competitive, but I decided to get five instead of one -- (Laughter) -- but in the sense of these are game changers that recruiting a corporate new headquarters, which we have done, don't have the multiplier effect that a major research capacity can do.

And so when I look at what Mike did, when I look at what Kasim's done, I look at what Houston's done -- I'll give you an example. One thing we've done that 10 other cities -- L.A. is now using, we have this massive Summer of Learning, which is why I'm now -- the kids are at 2 million books during the summer. I'm doing this polar plunge. As I said to you jokingly, I'm asking for a recount before Sunday. (Laughter)

MR. BROOKS: We're going to ask about that later.

MR. EMANUEL: I know, but here's the thing, our libraries have Rahm's

Readers; 70,000 books got read. Our park district, for the first time ever, we have a program that has a half an hour of reading during summer camp. All our museums have an academic program that we have worked with them. Kids earn electronic badges. Ten cities now around the United States are copying the Summer of Learning. Why? Because you can't afford three months off from education. We can't afford it anymore. Can't get a year-round school, so what do we do? We came up with this coordinated Summer of Learning program.

MR. BROOKS: And you call them Rahm's Readers?

MR. EMANUEL: Yeah. I used to do it in Congress and I did it in the city and then we had 74,000 kids participate.

MR. BROOKS: Nice branding.

MR. EMANUEL: Well, we could always take David's Details, but it just doesn't have that snap to it, okay? (Laughter)

MR. BROOKS: It doesn't have that. I wasn't -- you were blessed and cursed with that name.

MR. EMANUEL: Yeah, yeah.

MR. BROOKS: Talk about -- you know, when I covered -- I started my reporting career in Chicago and I covered the council wars, and it was Eddy Vrdolyak and Harold Washington and it was white-black.

MR. EMANUEL: Yeah.

MR. BROOKS: That's not politics anymore. So what -- you know, you've got a gigantic Mexican-American population, Latino population generally, what's the difference between the old Chicago, which was white-black? Like what are the political difficulties? What are the rivalries?

MR. EMANUEL: Well, let me -- there are two or three things I would say.

Pre-that, you would also say it was independent versus regular.

MR. BROOKS: Yeah, right.

MR. EMANUEL: The racial divide came when Harold got elected. Hold there. Let me put a parenthesis. If Chicago's Mexican -- first of all, Chicago has the second largest Mexican-American population of any city in American. If it was in Mexico, it's the fourth largest city in Mexico. Our Polish community is the second largest Polish community in the world outside of Warsaw, so to give you a size of the ethnicities that drive Chicago. We're a city not just of neighborhoods, but of ethnic identities, et cetera.

I would say the biggest challenge for the city is not divisiveness in politics -- I'll get there, okay? -- but racial still because of Chicago's history, and not just because of Harold, but longer than that, is still there. What you do on the North Side versus the South Side versus the West Side, you know, there's still divisions, neighborhood, downtown, which I think are false in the sense of if downtown's not doing well, the city won't do well. If our neighborhoods aren't strong, it doesn't matter what's going on downtown. And I want to come to that for a second.

I think the biggest challenge for cities, and I would say this specifically, that then drive our politics is can a city still be affordable and livable for middle class families? That's the biggest challenge. We have the fastest growing central business district in America by a factor of two. If you do a two-mile radius around downtown, it's the fastest growing in America by a factor of two. Not even close. You go four miles, six miles, you have pockets of poverty that are as bad as anywhere in the country. And then you have other neighborhoods because of long legacies that are stable middle class neighborhoods.

I think the biggest challenge I have as mayor is can I still make the city still affordable and livable for middle class families? You don't want to become a city

that's a bell curve without the bell. That's not good for your politics, that's not good for your long term of your city's capacity. It drives what I'm doing on community colleges, it drives what I'm doing on schools. And let me say a couple things.

There's five things that we can do as a city that really make a difference in the neighborhood: education, parks, libraries, transportation, and safety. The private sector can't do it. We've got to do those things. If we do these things right, both commercial, retail, and residential living can really prosper; small businesses can happen; et cetera.

And I just -- each of them -- let me walk you through. I'm very proud of the fact that our library was rated number one in America and third worldwide. And libraries are not what you're thinking of. It's not a place for books. No, it isn't. It's not just for books. We have YOUmedia centers. We have the only library system you can do online tutoring, English or Spanish, any subject, kindergarten all the way to college, free. So the library goes with you if you have a library card. We instituted it this year.

We have a teacher in every library from 3:00 to 6:00 to do homework help. You go during the day, people are on computers doing employment and resume working. It is not check out a book at the card catalogue. That's upstairs in the attic. Now, that's one.

Two, a great neighborhood school.

Three, public safety in our neighborhoods.

Four, you put a transportation system where people can get from home to work or whatever, you're going to have not only great retail and commercial space off of there, you'll also have a great capacity for people to live where they are and get to work. It has a huge multiplier.

Fifth, which I'm very proud of, is every home next to a park or new park

facility is 20 percent greater in value than if it wasn't. Every playground in the city of Chicago is being totally rebuilt. Every one of them. All paid for. We're adding five new millennium project-sized parks throughout the city. The largest nature preserve in the neighborhood, the largest rail-to-trail, the largest brown field conversion at Silitech, Maggie Daley's park, and we're turning all of Northerly Island into a nature preserve and a music venue.

You put a good park in a neighborhood, watch it go. Good public transportation, safety, those are the things you invest in, and the key question for cities today, given shrinking resources making strategic investments that strengthen a neighborhood to be thriving. And then affordable and livable, so middle class families do not leave, which is why you also need good schools and high schools so they don't get crazed in fifth and sixth grade in our city and say, you know what I'm worried about? There's only a few good high schools, I want to leave for the suburbs.

MR. BROOKS: Do you have swings and jungle gyms in the playgrounds?

MR. EMANUEL: That's part of Dave's Details. (Laughter) So, actually, in seriousness, last year the city of Chicago won an award from KaBOOM! for having the most playground strategy in effort.

But let me say this, the friendships that get formed in a neighborhood happen at playgrounds. And as two Saturday dads, we know about playgrounds, okay? And it creates real bonding and it creates a real opportunity and I think it centers a neighborhood in a way that other things can't.

MR. BROOKS: I should clarify, on Saturday mornings we're both in schul. (Laughter)

MR. EMANUEL: You can clarify that if you need to.

MR. BROOKS: I'm actually lying about that.

MR. EMANUEL: I'm up my rabbi's nose. I'm a lost cause on that.

MR. BROOKS: Actually, we're going to get the questions from the floor in a second, a little bit more serious a subject, you had a murder spike and you made national headlines with it. Just walk us through what you did and how you reacted and what -- you know, what was it like to be in the middle of that?

MR. EMANUEL: Sure. You're obviously seeing that from my perspective. I think the bigger thing is the perspective of, obviously, what goes on in the city and, in a sense, the neighborhoods and community?

Now the good news is we've put into place a series of things, what I call the four Ps: policing, prevention, penalties, and parenting. Last year, we had the lowest homicide rates since '71 and the lowest crime rates since '65. But every day -- and we're making progress now, but every day is a real day-in and day-out, you've got to adopt different tactics.

We made some changes in the police department, number one. There was some weather impact. There were other things that were the right things to do that also I don't think we were totally where we needed to be. And what I mean by that is we had arrested the gang leadership -- part of my tenure -- correctly, so there was no leadership of these gangs and they had broken down and dissolved. And then there was internecine gang warfare. So it wasn't two gangs fighting each other, it was two groups inside a gang fighting each other for turf, with leadership that was much younger than 30. They have a different perspective.

And we were, as a police department, as a city, slow to react to that. Once we caught on with what we're doing with both the Impact Zones, Two Degrees of Separation, this new thing we're doing just recently out, of custom notification is

interceding before the retribitional shooting.

Last year, I want to make a big plug for this and I really want everybody who -- you all study this, I'm living this, we had a 25 percent reduction in shootings. Not just off of 2012, but 20 percent off of 2011, so it's not just one year. Among juveniles, 40 percent reduction, so it's beating the city-wide average.

I increased summer jobs by 150 percent, 20,000 kids, the largest since the War on Poverty. We increased our afterschool investments by 25 percent. I'm participating in a program today, this thing that the President's highlighting, we expanded it, called BAM, "Become a Man," a mentoring program. We changed how we deal with what restorative justice from, you know, expulsion first to expulsion last in a comprehensive way. You can't get to a 40 percent reduction among juveniles just on policing. Don't just, oh, it's afterschool, it's midnight basketball, and that. It works. These are good kids, really good kids, looking, needing just a moment for somebody to care.

Now, what I want to -- and it relates, David, to what I was talking about earlier. We have an unbelievable downtown, unbelievable excitement. The success and failure for me as mayor, well beyond the two-mile radius, every child can see downtown coming out of school, coming out of home, coming out of church, or sitting on a corner. And the question is, when they look at it, if we've done our job at school and we've done our job with the places of worship, if they think they can -- not that they're going to work downtown if that's not what they want, but if they think that excitement is part of their future, we're golden; if they think the future they have is in front of them.

We've got bigger problems than any one mayor can solve. And everything I do, from our schools to our camps, to our readings at the library, to our park investment, to our transportation, to our college and community college, to our mentoring,

is all making sure that every child in the city of Chicago thinks they have a better future than the one that's in front of them regardless of where they live.

MR. BROOKS: I've --

MR. EMANUEL: No, you got me started, so I'm going to --

MR. BROOKS: I'm not interrupting you. You're on a roll, go ahead.

(Laughter)

MR. EMANUEL: All right. No, because you guys are here and you're like, you know, Chicago, wow, what an interesting anthropological experiment.

(Laughter) No, but I want you to understand this. These investments in kids, Isaiah Thomas and I did 12 basketball courts, Friday and Saturday night from 8:00 to 10:00 -- or 7:00 to 10:00. You get not only a basketball court, you get a coach, you get a score keeper, you get a uniform. We thought 800 kids. I want to tell you this story: 2,500 showed up. I don't have enough -- I mean, if I open up 43 of them, I couldn't supply all the kids that want to come.

I went to the first one opening on Columbus Park on the West Side near Austin-Garfield area. So I sat down, this kid, he'd just gotten off the court, sweating, Martel. I started talking to him and I was going to walk around and talk to all the kids. Well, he was so engaging and I just could not get up. And he just came Friday night; lives upstairs in a three-bed flat with his mom. And I couldn't get up because he was just so engaging, so I said get me a card. I wrote his mother. I said, Mom, one parent to another, you've done well. I'm just telling you I know how hard it is. I've got a teenager at home -- three of them. You've really done well.

So I gave it to him. I finally got up and walked around and said hello. I'm walking out and he's walking out. I said, where are you going? He says, I'm going home. I said, come on in the car and I'll give you a ride. We're on the West Side of Chicago.

Now, he'd come to play basketball. He's got two Tahoes, four cops, and the mayor in the car with him. (Laughter) and he's at a charter school. It's all African-American male; there's three of them in the city. We get to his house, I'm about to get out because I'm going to walk him to the door. He puts his hand on my hand. He goes, Mr. Mayor. I go, yeah, Martel. He goes, may you have a blessed evening.

I've got four cops and two Tahoes, and he's telling me to have a blessed evening. These are good kids. Invest in them. Give them a shot, a somebody that cares about them, and they're going to be fine in life. And that's what's missing. Government's not a good replacement to a parent, but as long as there's a breakdown in the family, we have to step up and do our replacement investments that give these kids the equal shot that your children and my children are having. And if we do it, we're going to be really successful.

MR. BROOKS: Amen. (Applause) Okay, I'm going to go to questions from the floor, and they're depressing. Pensions --

MR. EMANUEL: Depressing?

MR. BROOKS: Depressing.

MR. EMANUEL: Obviously, talking about children really caught you. (Laughter) Go ahead.

MR. BROOKS: Pensions. Illinois as a state, Chicago as a city, have underfunded pensions. It's got to be squeezing you now. What do you do about it? Maybe you could describe some of the talks you've had with some of your public employees and their unions.

MR. EMANUEL: Well, let's do -- first of all, we worked an agreement with our park district employees, which is about 2,500, and now they have a pension. You see, all that question is about fiscal. It's true, but I actually look at it as a

commitment. I've got people showing up every day working, putting money into a paycheck that goes into a retirement system that is not going to be able to keep its commitment. I owe them that peace of mind, but I owe our taxpayers the same sense of certainty that they're going to get peace of mind.

We worked through a deal that dealt with cost of living -- amount of years worked, amount of money contributed -- and the thing is now going to be 100 percent, or in 40 years, fully funded. I think that's what I owe people. You've got to make compromises. Some of it reform, some of it revenue, and you can work these things out. It's not just a threat to the economic well-being of the city from a fiscal standpoint. It is that. You didn't need me to come all the way here to tell you that. But to work through this is not you are greedy, now compromise and give it all up.

These are things everybody agreed to and, the fact of the matter is, everybody negotiating it in the years past -- not just in Chicago, all over the place -- everybody knew, you know, you couldn't work out the wage part, well, here, this is what we'll do on pensions. And nobody ever funded it to the level and everybody agreed to it. It's not workable. You are owed, since you work, the peace of mind that you're going to have a retirement plan. To get there we're going to have to make changes. And the cities (inaudible) on behalf of the taxpayers are going to have to step up in a way we hadn't, but in a way that doesn't put all the burden on taxpayers or all the burden on those that are planning on retiring.

The cost of living adjustment has to be adjusted, the years you worked have to be adjusted, and what you contribute. Those are kind of like the three basics, plus what we do. And if you do that -- like the park district employees, I want that for teachers, I want it for police, I want it for fire, I want it for our carpenters, I want it for everybody. You will know, when you show up at work, you're going to have a retirement

at the end of the track. Under today it's not and I want to have a commitment that you can have confidence in.

MR. BROOKS: This is a question from a George Washington University student. What advice do you have for those aspiring to public service, especially at the local level?

MR. EMANUEL: Look, I am big into public service and, I want to say, this country's been great to my family. My family -- my grandfather on my mother's side came here in 1917, 13 years old by himself, not a word of English, and he came to Chicago. My father came in 1959. I was raised with the notion of giving something back. You have a great country. I don't know where you live. I don't know where you're from, but you have a great country. You have an obligation to give them something back, whether that's AmeriCorps, Peace Corps, environmental group. It doesn't mean running for office and it doesn't mean working in politics, but it means making sure your neighborhood, your community, your city, or state is better.

And I do believe, as you know since you referenced the book, I believe in some form of universal national service. I really do. I think we are a country that's breaking up too much. We should have one unifying experience as a country and it shouldn't just be on Facebook. It should be when you contribute to the betterment of your community. I really do. And I think whatever course you pick, you will find that giving something to other people, meaning your community, is the best reward and growth period of your life ever. And I think national public service in some capacity, and I mean mayor, congressman, chief of staff, truly not a columnist (Laughter), but I mean any contribution you can make.

MR. BROOKS: Practically Dorothy Day sitting here, I ought to be edified.

MR. EMANUEL: Actually, that's right. But I really do. And I encourage you not to listen to the cynics about public service. It's an honorable thing to do.

MR. BROOKS: Well, you're in politics. What's the biggest character challenge you face as a politician?

MR. EMANUEL: Well, okay, I'll just -- the biggest character I face?

MR. BROOKS: Well, you know, there are parts of the job that are better trying --

MR. EMANUEL: Yeah, because you all say we're guilty until proven innocent. We're wrong. We're not telling the truth. I just -- you know, you can be critical without being cynical. I think the post-Watergate era has ruined your profession. I think it's also ruined our profession, you know, for a whole host of reasons, okay? And I think we owe the public better. That's what I think. I think we owe ourselves something better. I think you have a job -- and I don't mean David Brooks --

MR. BROOKS: You know, I asked about your character challenges really, not so much mine. (Laughter)

MR. EMANUEL: Well, obviously you forgot you were talking to an Emanuel. I'm here to help you, whether you ask for it or not. (Laughter) No, I think the character assumption is like I have to -- the assumption is that we're not telling the truth or that we're guilty before we have to prove our innocence with the presumption. And I understand a number of people in public service gave you a good reason to be cynical about it, but not everybody should be thrown in together. That's number one. So I think the character piece is that piece.

I also think there's one other thing I would say, that one of the biggest challenges, people want -- and it's not to do more with less, that's overused. But they do want still the same level of or even more out of the public space, while they're more

cynical about its potential and their willingness to support it. So there's higher expectations of performance or expectations of outcome with less capacity, or bandwidth, to get there. And that gets translated into we've got to do more with less. And I say it myself that's very, very hard.

Now, what's exciting and what I love about being mayor -- I was thinking about this -- this is a place of government people think is closest to how they live their lives. What about the library? What about the street, you know, the speed bump in their neighborhood? It's how they live their life. It's tough. It's Disneyland on the Potomac, man. (Laughter)

And even you guys say, out in the real world, you know, it's not even real. And this is the thing that's most farthest removed from their lives and in many ways can have the biggest impact, also, besides what I do. And there's that kind of dichotomy. But I do believe people expect more from government, but give it less capacity to do -- for a whole host of reasons, and it's not like we're innocent in how we got here. In fact, we're big contributors to it and so that would be the other character piece.

MR. BROOKS: On my impression, I would say that the primary bias of journalism is to prove we're smarter than whoever it is we're writing about. And, as a result, we have hundreds --

MR. EMANUEL: Well, we give you a lot of material to work with.
(Laughter)

MR. BROOKS: Yeah, I know that, I know that.

MR. EMANUEL: As I used to say around the House of Representatives, all of America is represented, and I mean all of America. (Laughter)

MR. BROOKS: Okay, the --

MR. EMANUEL: I do want to say one shout-out to Robin Kelly from

Chicago, the congresswoman, is here and she's been a great partner in what we're doing in the city. So, Robin, stand up, man. I'm giving you Andy Warhol time, man.

(Applause) A real pal, a true public servant.

MR. BROOKS: Okay, question: Given your experience, what advice would you give to the Washington, D.C., region to diversify its industry? And then, especially, I want you to talk especially on this point, once a plan is in place, how do you get suburban jurisdictions to participate with the effort? So, really, I'm asking you about the city-suburb relationship both here and in Chicago.

MR. EMANUEL: Yeah. I can't do -- let me parallel park into this answer.

MR. BROOKS: I'm just paying for the meters. (Laughter)

MR. EMANUEL: Yeah. You got another hour? (Laughter) I refused to pay those bums a long time ago. They're now going to finally put Pay By Cell and we have free Sundays in our neighborhoods.

MR. BROOKS: Oh, okay.

MR. EMANUEL: One, when I wrote *The Plan*, or had *The Plan* written with McKinsey and Brookings, under World Business Chicago's auspices, I said the first thing that you do is go to Cook County and go the metropolitan areas, because Chicago's a metropolitan economy, and coordinate our strategy with them so we're all synced up.

Second, one of the first things I did as mayor with the Cook County, we did a collaboration. We've now saved, because of certain things, \$73 million. We've set a new goal of another 20. There are things that the county does that we don't have to do; things that we do that they don't do. I'll give you a simple thing.

To qualify for minority-owned business certification you used to have one application for Chicago, one for county. My view is, if you're certified at county, you don't have to pay for it, it's good enough for us. The same thing with Chicago. If you're

certified city, you don't have to go get a -- and if you want minority women-owned businesses, they're not major, they can't afford the legal and accounting expenses, so we simplified it.

Second, an enforcement for the companies that distribute tobacco. An example of this, if they were cheating county, they weren't probably paying city. If they were cheating city, they weren't paying county. So, when they do their enforcement county level, they check for the city and they collect our piece. When we do it and we found a cheater, the same thing. We collected much more money and we saved each other a lot of money on the enforcement side. So a lot of government collaboration, county and city.

As one of the things I'm constantly saying, we've set up a thing I inherited from Mayor Daley, which I've been a big supporter of, is the metropolitan mayors of the six-county area of Chicago. The old debate when you went to school and I was growing up, Chicago versus everybody else in the state, is hogwash. It doesn't work. It's yesterday's politics. We are a regional economy. We're obviously at the center of it as the city, but we have to be aligned in our efforts.

I can't speak to D.C. You're so reliant because of, obviously, the public sector, but there's major healthcare, there's a major technology piece going on in Virginia, and having a metropolitan strategy rather than what are we doing in D.C. is the wrong way to look at it.

Now, we're different because of Chicago's center, but we do it as kind of a center out, in a line. An example, transportation. One-third of all rail cargo in America comes through our city. That's true about roads and also air cargo. We're the inland port of America, Chicago. Having a coordinated strategic investment and strategy for transportation across those different areas helps not just Chicago, but the entire

metropolitan economy and the tri-state area. That's what we need to better align. We're not perfect, but we're trying to get there. Does that make sense?

MR. BROOKS: Yeah, it does. I mean, there must be some tension. The people in the suburbs don't actually vote for you. There must be times when you have to care about your voters, right?

MR. EMANUEL: You've obviously been out of Chicago long. (Laughter) Joking. No, they don't vote. Yeah, there are tensions. There's normal tension, okay? But there are places to align, and I'll give you an example. It's not like the municipalities and the suburbs aren't facing a pension challenge, too. They, too, want to see reforms. We can align our interests there.

There's places on infrastructure investment and what I do at the airport or what we do on mass transit. I'll give you a classic example. Just two weeks ago, and you would know him because when you were there, Metro Board, which coordinates all the mass transit for the suburbs into Chicago with the train, huge problems. I get an appointment, the county board gets two, and different suburbs get a couple. It's an 11-person board with nobody in accountability. We're doing major things at CTA in Chicago, so I asked the person who was there for the city that I inherited to step down and I replaced him with former Alderman Marty Oberman, Independent.

Now, Chicago gets one seat. It's a suburban operation. He was just nominated. I didn't make a single call. I mean, basically it was so screwed up here, particularly to a good guy from Chicago. Here, Mikey, here, you have it. But they just put the head from Chicago -- the head of the suburban mass transit system. Now, when you were growing up would that have every happened in the city? Never. But there's a new framework and a new paradigm because of the quality of the individual we've put on the Board and also the notion, since Metro serves people in Chicago getting to suburban

jobs, people in the suburbs getting to the city, you can't have this old politics of the Hatfields and McCoys. It just doesn't work and we're hurting ourselves. And I didn't make a single call for Marty and he got it.

MR. BROOKS: Yeah. Here's a question near and dear to my heart. I'm, as you know, a graduate of the University of Chicago. My favorite slogan about that is it's a Baptist school where atheist professors teach Jewish students St. Thomas Aquinas. (Laughter)

MR. EMANUEL: I have a feeling you've used that before. (Laughter)

MR. BROOKS: No, I just made that up on the spur.

MR. EMANUEL: Oh, okay.

MR. BROOKS: So, the question is, handicap the odds of Chicago getting the Obama Presidential Library, and especially the University of Chicago or the South Side getting it?

MR. EMANUEL: Okay. First of all, we are -- the city or all of us in (inaudible), nobody's taking this for granted in the sense Michelle's from there, you taught there, you started a political career. We will remind them, but that will not be the basis of the effort, one. (Laughter) And we're going to make it so competitive that for the President, who is the ultimate decider, it's an easy decision to make.

MR. BROOKS: It worked for the Olympics. (Laughter)

MR. EMANUEL: Second is -- see what I'm talking about, the post-Watergate symptoms? (Laughter) It's so sad.

MR. BROOKS: Sorry to interrupt you.

MR. EMANUEL: It's okay. Second is, and, you know, it's been written about, so Hyde Park, New York, Roosevelt; Atlanta, Georgia, has Carter; that Texas has the two Bushes; Little Rock has -- it would be unusual not to be where you started your

political career. That said, nobody's going to rely on it. We're going to be very competitive and we're going to put our best foot forward as a city, as well as -- let alone the universities -- and the University of Chicago to get it.

But I'm not going to run this, but the universities are and then we'll be associated with it, but we're going to be very strong -- make sure we're strong. It's important for the city.

MR. BROOKS: Okay, now this political question. I recall in 2008, you had a close friend in Barack Obama and someone you'd worked very closely with in Hillary Clinton and I remember you being studiously neutral, hiding --

MR. EMANUEL: I was under my desk.

MR. BROOKS: -- under the desk, yeah. (Laughter)

MR. EMANUEL: I was more than neutral, I was hiding.

MR. BROOKS: So give us a preview of the 2016 Democratic field?

MR. EMANUEL: Well, it's a one-person primary right now and it's, you know, it's for Hillary. I'm going to support her if she runs. And if she decides not to, that's a different game, but it's for her decision.

MR. BROOKS: You don't think there's sort of a move on the left, there's just a spirit on the left of the party that would be willing to challenge her?

MR. EMANUEL: I think you've got to, first of all, get through 2014, and I think that will have a big impact on what people are thinking.

MR. BROOKS: Okay.

MR. EMANUEL: I was avoiding an answer there.

MR. BROOKS: I noticed that, I noticed that. (Laughter) Here's another question to avoid.

MR. EMANUEL: Okay.

MR. BROOKS: Now, this is our last question, so the question is -- and I'm going to add an addendum -- I understand that Jimmy Fallon will take the Polar Plunge in Lake Michigan with you this weekend. Mr. Fallon pledges to wear a suit and tie. What will you be wearing?

MR. EMANUEL: Uh-huh.

MR. BROOKS: My addendum is, where do we donate so you don't come out?

MR. EMANUEL: Yeah, yeah, yeah. (Laughter) Wow, I thought we were really getting along here, David. (Laughter)

I want to say two things. One, the Polar Plunge has a history in the city. It raises money for the Special Olympics, so we host. That's number one.

Number two, this is the greatest year they've ever had. They're breaking records.

I need -- back up, I told you about the Summer of Learning, so I made a challenge to the kids of the city of Chicago, if you read 2 million books this summer, I'll do the Polar Plunge. (Laughter) They read 2.1 million books through the library, the park district, our whole thing, so they read the books. As I said, I'm asking for a recount.

MR. BROOKS: They can't read.

MR. EMANUEL: Yeah, I want to see it for myself. Anyway, so they read the 2.1 million books, but I did it -- Israel Idonije, the former Chicago Bear who now plays for the Detroit Lions, I put him on the Library Board. We both made this challenge, so we're going to do it. Now, I said, okay, the head of the libraries in the heart of the park district are going to do it with us and we're all going to jump and do the Polar Plunge because our kids read 2 million books in the summer. It's very important in that effort.

I will not be wearing Block 30. I will not be wearing a Speedo, which I

recommend to Mr. Fallon, don't wear these. (Laughter)

MR. BROOKS: Thank you.

MR. EMANUEL: I'll be wearing appropriate gear. You can't wear a wetsuit, so don't -- like, if somebody's wearing -- and you have to go in. So you can't kind of run in, hit your knees, and run out. You will -- don't do it if you do that, okay? So we're going to be wearing stuff that will make sure that you're fully wet. (Laughter)

MR. BROOKS: Okay, let me just say one thing about Rahm, as has been super evident in the last hour, the guy loves his city. He really loves Chicago. I knew he would be successful --

MR. EMANUEL: Thank you.

MR. BROOKS: -- because I've known the love the guy has for every block in that city.

MR. EMANUEL: Thanks, David. It's a great city and it's great because we have great people with great potential, and there really is nothing more fulfilling than being able to do something and see its impact on kids' lives or on a neighborhood. So it's exciting.

MR. BROOKS: Okay, thanks. (Applause)

MS. LIU: Great. Yes. Thank you, Mayor, and thank you, David, for that very informative, engaging hour. I just want to make two quick points.

One is that I think just listening to the mayor today, it's really clear that he is proof of the amount of passion, action, and really productive real-world problem-solving that we need to see. So you're doing a phenomenal job leading that city and the region.

And I think it's also a real testament for why Brookings and this program is so passionate about continuing to work with cities like Chicago and others, and all your partners, from everything from global cities to export and trade, to partnerships with

Mexico City or others, to even thinking about opportunities and outward mobility in the city and the county. So we look forward to continuing to work with you.

And the second piece is that I think we had an incredible display of the quality of journalism and public service that we need to continue. And I bet you, David, that this mayor is going to continue to call you. (Laughter)

Thank you so much for joining us today and enjoy the rest of the afternoon. (Applause)

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