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President Obama's Second Term: Staffing Challenges and Opportunities

Kathryn Dunn Tenpas, PhD*

* *With expert research assistance from Emma Barnes*

EXECUTIVE SUMMARY

Recent departures of White House Chief of Staff Jack Lew and Senior Adviser David Plouffe have drawn attention to a frequently overlooked aspect of the American presidency – the men and women who work most closely with the president in the Executive Office of the President. Though Cabinet secretaries wield significant influence within the administration, no one can deny the influence of White House advisers, many of whom consult with the president on a broader range of issues and, most likely, more frequently than Cabinet members due to their closer proximity. Little is known, however, about the frequency with which these individuals come and go. This report documents staff turnover rates amongst the president's "A" team (the top tier of staff in the Executive Office of the President as designated by the *National Journal*) and compares the Obama team to those of Presidents Reagan, Clinton and Bush. By the end of the first term, 71% of President Obama's "A" team had left their original positions—a rate comparable to his predecessors. As President Obama begins his second term, less than one third of his original team will be occupying their initial positions. To be sure, staff departures affect White House operations – loss of institutional memory, costs imposed when rehiring and orienting the new people, disappearance of networking contacts and relationships on the Hill and in the Washington community – to name a few. Complicating matters further, second terms are never easy as presidents tend to overplay their hand at the start and political capital diminishes rapidly as Congress increasingly perceives the president as a lame duck. This study provides original data documenting staff turnover rates and discusses President Obama's staffing challenges and opportunities in his final term.



Kathryn Dunn Tenpas is a nonresident senior fellow with Governance Studies and a fellow and secretary of the Governance Institute. She is the director of the University of Pennsylvania's Washington Semester Program and an adjunct professor in Penn's Political Science Department.

Introduction

Over the years, the role of the president's staff has been an infrequent news story – whether it's sudden departures, scandals or the rare case in which a particular aide is lauded for unique contributions. Still, the quality of presidential staff affects presidential performance. The president's most senior staff members provide critical advice and take action on a range of issues. Given the breadth of a president's responsibilities, this input is integral. No president can fulfill the duties of the office without this expertise.

It is well known that presidents and their transition advisors select their initial staff members systematically, but over the course of four to eight years, these advisors move on to other pursuits and are replaced in an ad hoc manner. Less well known is the frequency with which these important aides come and go, or get shuffled around to other jobs within the executive branch. Staff turnover occurs at a much greater rate than most observers realize. This paper provides original data documenting this phenomenon. Understanding such personnel changes, when and why they occur advances our understanding of the modern American presidency, in part by providing the basis for further research that investigates links between turnover and presidential performance.

While turnover most likely affects presidential performance whenever it occurs, it may be especially consequential at the outset of a second term, given the additional challenges that a second term president faces—a ticking clock, diminishing political capital, and a Congress that will soon perceive the chief executive to be a lame duck. Complicating matters further, the exhausting, near-perpetual search for staff replacements gets increasingly difficult by the time the second term rolls around. By then, the first and second string of Democratic job seekers have largely come and gone. The White House Office of Presidential Personnel must dig deeply into the party talent pool in hopes of finding a trusted, knowledgeable, compatible, and competent team. The talent surely exists, but the excitement, energy, and enthusiasm for these jobs is likely a far cry from what it was at the start of the first term when Democrats were taking over after eight years of a Republican White House.

In an effort to understand the Obama administration's second term staffing challenges, a bit of historical context is in order, so part one of this report provides some background on presidential staffing, followed by the data that reveal "A" team turnover rates for two-term presidents since Reagan.¹ Part two provides an extensive discussion of departures from President Obama's "A" team, including subsequent employment, and part three narrows in on the unique staffing challenges and opportunities facing Obama in his second term.

¹ See editions of "Decision Makers" in the *National Journal* (April 25, 1981, p. 678; June 10, 1989, p. 1405; June 19, 1993, p. 1457; June 23, 2001, p. 1886; and June 20, 2009, p. 26).

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Historical Overview, Defining Turnover, and Considering the Consequences

Perhaps surprisingly, one need only go back to FDR to discuss the modern presidential staff for it was President Roosevelt who created the Executive Office of the President (EOP) in 1939 (the White House Office is but one unit in the EOP and others include the Office of Management and Budget, the Office of the Vice President, the Council on Environmental Quality, the Council of Economic Advisers and many other offices that typically focus on a single issue). The structure that he created during his second term largely remains intact, though the number of employees has skyrocketed. Part of the reason for the relatively short history of staff structure is that Congress did not even begin appropriating funds for staffing until 1857.² (Prior to that presidents often employed relatives at very low wages.) By the turn of the century, Congress appropriated enough funding for 13 staff members.³ More recently, the administration's 2012 Annual Report to Congress on White House Staff listed 468 staff members, which most likely understates the real number because staff members frequently have been "detailed" from other positions within the executive branch. Detailees working in the White House enable a president to expand the size of his staff without declaring additional staff on the White House payroll. With the new responsibilities that the New Deal created for presidents and the tremendous expansion of the federal government since then, it makes perfect sense that the birth of the Executive Office of the President occurred in FDR's administration. Commensurate with this growth has been a rising rate of staff turnover.

This paper defines "turnover" as any movement that reflects a change in employee status, including promotion within the White House to a more senior position, movement elsewhere in the executive branch or outright departure to the private sector, academia or some other destination. The reason for tracking any and all staffing changes that occur within the "A" team is because, according to a former Clinton staff member, "[i]t is very rare to have a [staff] change that isn't disruptive."⁴ Even a promotion within an office can alter procedures, requiring some form of orientation, reorganizing, or otherwise affect internal operations in some manner.

² See Dr. John P. Burke's article on "Administration of the White House," available at: <http://millercenter.org/academic/americanpresident/policy/whitehouse>

³ Ibid.

⁴ Interview with former White House speechwriter, Jeff Shesol, December 15, 2011.

The President's "A" Team

Within the first six months of a president's first year in office, the *National Journal* has produced a special edition called "Decision Makers" that identifies the "A" team – members of this highly esteemed club are perceived by the magazine's journalists to be the most influential staff members within the Executive Office of the President. The "A" team listing varies over time in terms of size (Reagan, 60, Clinton, 70, Bush 63 and Obama, 53 staff members), and the types of positions. Typically the lists contain a majority of White House staff members, with the remaining staff working in other offices within the Executive Office of the President (e.g., OMB, ONDCP, CEQ, CEA). It excludes Cabinet secretaries. Clearly, journalists at the *National Journal* have been focused solely on identifying the most influential staff members rather than systematically selecting staff members from a prescribed set of offices. Given the variation across administrations, it is difficult to provide precise figures, but one can characterize the listing as one that contains primarily political appointees (a small number of whom required Senate confirmation).

Since the Reagan administration, an average of 72% of the president's closest staff members have moved on from their initial staff position after the first four years. It is also possible to observe intra-term turnover, noting that the greatest amount of turnover tends to occur in years two and three, most likely in anticipation of the reelection campaign. As a colleague and I reported in 2002:

The growing prominence of presidential candidates' (including incumbent presidents') personal staff as purveyors of campaign expertise has had a profound impact on the stability of presidential staffs....governing and campaigning in the post-electoral reform era are, to a certain extent, relatively distinct processes.⁵

Presidents, in other words, must surround themselves with those aides possessing the requisite skills to help the president win reelection, skills that are distinctive from helping him govern. For Presidents Reagan, Clinton and Bush, however, a very small number of "A" team staff members stayed the entire eight years. They are listed in note six.⁶

⁵ Matthew J. Dickinson and Kathryn Dunn Tenpas, "Explaining Increasing Turnover Rates among Presidential Advisers, 1929-1997," *Journal of Politics*, Vol. 64, No. 2, May 2002, p. 436. For additional discussion about a modern president's difficulty in forming a staff that possesses both campaigning and governing expertise, see also, Kathryn Dunn Tenpas and Matthew J. Dickinson, "Governing, Campaigning and Organizing the Presidency: An Electoral Connection?" *Political Science Quarterly*, Vol. 112, Number 1, Spring 1997, pp. 51-66.

⁶ Two members of the Reagan "A" Team remained in their original positions for the full eight years, Craig Fuller (Director of Cabinet Administration) and A. Alan Hill (Chairman of the Council on Environmental Quality). During the Clinton administration, four staff members remained for the full eight years: Ira Magaziner (White House adviser), Bruce Reed (Assistant to the President for Domestic Policy), Leon Fuerth (National Security Advisor to Vice President) and Joseph Minarik (chief economist, OMB). During President George W. Bush's administration, six "A Team" members remained in place for all eight years: John P. Walters,

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Table 1**“A” Team Turnover for Two-Term Presidents:**

President	Y1	Y2	Y3	Y4	TOTAL Turnover	Y5	Y6	Y7	Y8
Reagan (N=60)	17%	40%	13%	8%	78%	13%	3%	2%	none
Clinton (N=70)	11%	27%	20%	16%	74%	11%	5%	3%	none
Bush (N=63)	6%	27%	25%	5%	63%	20%	3%	2%	2%
Obama (N=53)	9%	15%	43%	4%	71%				

Source: “A” team Turnover was based on an examination of the 1981, 1993, 2001 and 2009 *National Journal* “Decision Makers” editions (April 25, 1981, p. 678; June 10, 1989, p. 1405; June 19, 1993, p. 1457; June 23, 2001, p. 1886; and June 20, 2009, p. 26).

For the sake of clarity, I will use the Reagan administration to explain the table above: in 1981, the *National Journal* designated 60 staff members as the Reagan administration’s “A” team. In the first year of his administration, 17% of these staffers moved from their initial positions, an additional 40% did so in year two, 13% in year three and 8% in year four for a total of 78% of the original team departing from their original positions over the course of the first term in office.

Not all departures are equal. Those requiring Senate confirmation (very few “A” team members) or those with the title of “Assistant to the President” (who typically run a particular office) exact a higher toll on White House operations. Efforts to vet candidates for Senate-confirmed positions are more strenuous, time-consuming, and sensitive, while non-confirmed heads of various offices often spark an exodus among subordinates or close associates who choose to depart along with the principal. Complicating the hiring process further is that those in senior roles often possess influence on subjects beyond their immediate office and are called in frequently to advise the president. President Obama’s deputy national security adviser, Denis McDonough, is a prime example. A January 2013 *Washington Post* story on McDonough’s likely appointment as chief of staff reported that he “has had a far-broader portfolio that includes developing political strategy and playing enforcer for those who stray from White House talking points.”⁷ These generalist advisors are incredibly difficult, if not impossible, to replace. Many have been close

(Director, ONDCP), James J. Connaughton (CEQ Chairman), David S. Addington (Counsel to the Vice President), Austin Smyth (OMB Executive Associate Director), John D. Graham (Administrator, OIRA), and Peter F. Allgeier (Deputy U.S. Trade Rep.).

⁷ David Nakamura, “Obama Expected to Name McDonough Chief of Staff,” *The Washington Post*, January 18, 2013, p.A3.

...[S]taff departures represent a loss of institutional memory, time lost hiring and orienting a successor, the disappearance of unique networking contacts, and possible embarrassment for the president...Those in the private sector would regard as unthinkable a corporation's losing a similar percentage of its most senior staff members...

confidants to the president for years or have achieved a hard-to-replicate level of trust with the president. Of course, even those not deemed to be part of the inner circle, but still designated as a part of the "A" team, play pivotal roles within the White House and their departures impede White House operations, ultimately affecting a president's ability to pursue his favored initiatives and programs.⁸

In more concrete terms, staff departures represent a loss of institutional memory, time lost hiring and orienting a successor, the disappearance of unique networking contacts, and possible embarrassment for the president if the departure was perceived to have occurred suddenly or on adverse terms. Those in the private sector would regard as unthinkable a corporation's losing a similar percentage of its most senior staff members, even though the level of talent a president attracts, and the difficulties of the jobs they hold, is at least on par with those in senior private sector executive positions.

Examining Turnover within the Obama Team

A closer look at President Obama's "A" team turnover reveals that these individuals stayed, on average, 30 months in their initial positions. Given the long hours, stressful nature of their jobs and, for some, more lucrative opportunities in the private sector, an average stay of 2.5 years is somewhat surprising, though hardly good news for the White House Office of Presidential Personnel, which has to replace these individuals.

Table 2

Obama Departures: Length of Stay

Duration	"A" Team Departures
<i>≤1 year</i>	11%
<i>1 > and ≤ 2 years</i>	68%
<i>>2 years</i>	21%
<i>Average stay</i>	30 months

For the sake of illustration, the table above reveals that 11% of the "A" team stayed less than or equal to one entire year, 68% stayed more than one year, but less than or equal to two years and 21% of the A team stayed more than two years. Where do they go once they leave those initial appointments? In the case of President Obama's team, most left to pursue other opportunities within the executive branch. This pattern suggests that the initial experience in the White House provides an opportunity for promotion within and perhaps movement to a position that is more suited to one's principal interests or expertise. In the

⁸ Some of these observations emerged from the Shesol interview.

aftermath of a long, grueling presidential campaign and the start of a new administration, it is difficult for the president and his transition team to know who will necessarily be the best fit for White House positions. Unanticipated events and staff chemistry (or lack thereof) often call into question these initial perceptions, ultimately resulting in some restructuring and reorganization during the first couple years of the administration.

Table 3

Obama “A” Team, First Term Departures: Where They Went (Yearly)

Departures (N=38)	Y1 (2009) (N= 5)	Y2 (2010) (N = 8)	Y3 (2011) (N= 23)	Y4* (2012) (N = 2)	Y1-Y4 Total
<i>Elsewhere in EOP</i>	1	1	10	1	13
<i>Campaign Position</i>	—	—	4	—	4
<i>Other Federal Position</i>	1	2	1	—	4
<i>State or Local Politics</i>	—	1	—	—	1
<i>Private Sector</i>	2	—	4	1	7
<i>Academia</i>	—	2	2	—	4
<i>Non-profit</i>	1	1	1	—	3
<i>Other=</i>	—	1	1	—	2

= “Other” is defined as: retirement or unspecified occupation.

Table three indicates that “Elsewhere within the Executive Office of the President” was the most common destination of the “A” team members, with the bulk of these transfers occurring in the run up to the president’s reelection campaign. That campaign, like all recent reelection campaigns, was run from the White House regardless of the nominal campaign headquarters in Chicago (or northern Virginia or Little Rock). Even in 1988, one scholar noted that, “[w]hen the president runs for reelection, his real campaign headquarters is...the White House.”⁹ I have described elsewhere how former White House staffers described

⁹ Bradley H. Patterson, *The Ring of Power*, New York: Basic Books, 1988, p.87.

the extent to which the reelection campaign permeates White House operations and decision-making.¹⁰

One other way to help explain the movement within the president’s senior staff is to get a sense of the motivation for the departure from the “A” team. In this next table, we ask the question of who were moved out (forced out of position), who moved up (“better” job), who moved over (executive branch or reelection campaign) and who moved on (state or local politics, private sector, academia or non-profit).

Table 4
Obama “A” Team Departures: How They Went

Departures N=38	Y1 (2009) (N = 5)	Y2 (2010) (N= 8)	Y3 (2011) (N= 23)	Y4 (2012) (N = 2)	Y1-Y4* Total
Were Moved	1	—	1	—	2
Moved Up	1	1	—	1	3
Moved Over	1	2	15	—	18
Moved On	2	5	7	1	15

Source: Classifying staff departures relied heavily on a plethora of on-line news sources, including *The Washington Post* and CBS news.

These results provide additional confirmation that there is a substantial amount of “moving over” within the “A” team, suggesting that nearly half of the “A” team has opted for different positions within the reelection campaign or Obama administration. In short, getting one’s proverbial “foot in the door” appears to pave the way for future opportunities.

Second Term Opportunities

If history is any guide, the White House Office of Presidential Personnel will remain in overdrive as it continues to try to fill vacancies in the years ahead. The second term, however, provides an opportunity for the president to reinvigorate his team with new ideas, new blood and a new level of enthusiasm.

¹⁰ See Kathryn Dunn Tenpas, *Presidents as Candidates: Inside the White House for the Presidential Campaign*, New York: Garland Publishing, 1997, esp. chapters two and three.

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Furthermore, second terms provide presidents the freedom to pursue their goals without the shackles of a reelection campaign. Indeed, President Obama has put forth an ambitious second term agenda that includes addressing serious fiscal issues, reforming the nation's immigration system and ameliorating the effects of climate change. Even setting aside the conduct of foreign policy and trying to decrease gun violence, his agenda is nothing if not immensely challenging. Any one of these efforts could sap the energy of an incoming staff, and the prospects for success are uncertain at best. Perhaps an emphasis on recruiting from Capitol Hill will provide necessary expertise for the legislative battles that lie ahead.

Selecting new employees may also allow the president to create some good will with otherwise disgruntled constituents. Repaying political debts could advance the president's efforts to pursue a vigorous legislative agenda. In addition, while presidents need to maintain maximum flexibility in hiring and firing, selecting these new staff members with an eye toward longevity makes sense. Securing a four-year commitment will allow for the maintenance of institutional memory and expertise in understanding Capitol Hill, nourishing ongoing relationships with interest groups, the media and across the executive branch—all of which are vital to political success.

The start of a second Obama term provides a new beginning, a spark of hope for staff and supporters of the president. As such, it is best to hit the ground running in the early days and months of 2013 when the election results are fresh on the minds of pundits, the Republicans, and others. While the first eighteen months may allow the president to pursue and promote his legislative agenda, the lame-duck perception that takes hold during that sixth year may well limit President Obama's ambitious agenda—a perception that not even the best presidential staff can overcome.¹¹

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The Brookings Institution
1775 Massachusetts Ave., NW
Washington, DC 20036
Tel: 202.797.6090
Fax: 202.797.6144
www.brookings.edu/governance.aspx

Editor

Christine Jacobs

Production & Layout

Donna Ra'an-an-Lerner

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