

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY THOMAS PEREZ

SUBJECT:

MODERATOR: THOMAS BURR, PRESIDENT OF THE NATIONAL PRESS CLUB

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**THOMAS BURR:** (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Thomas Burr; I'm the Washington correspondent for the *Salt Lake Tribune* and the 109<sup>th</sup> President of the National Press Club. Our guest today is Tom Perez, the Secretary of the Department of Labor. I would like to welcome our C-SPAN and Public Radio audiences, as well as our guests from the Greater Washington Board of Trade, and District of Columbia Council Chairman, Phil Mendelson. And I want to remind you that you can follow the action on Twitter using the hashtag NPCLive. That's NPCLive.

Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced. Please hold your applause until I've finished introducing the entire table. From your right, Kevin Wensing of Wensing Enterprises, and a retired United States Navy captain; Silvana Quiroz, editor in chief and publisher of ZoomLatino.com; Mark Scheff, senior reporter for *Investment News*; Calvin Baker, managing director and head of strategic relationships for Brown Capital Management; Imar Hutchins, owner of the Florida Avenue Grill here in Washington; Eleanor Clift, Washington correspondent for the *Daily Beast* and a panelist for the McLaughlin Group; Cory McCray, a delegate in the Maryland State Legislature; Kasia Klimasinska, a reporter for Bloomberg News, and the chair of our Press Club Speakers Committee.

Skipping over our speaker for just a moment, Jerry Zremski, Washington bureau chief for *The Buffalo News*, a former Press Club president, and the Speakers Committee who organized today's luncheon. Thank you, Jerry. Christine L. Owens, executive

director of the National Employment Law Project; Susan Page, Washington bureau chief for *USA Today*; Marilyn Geewax, a senior business news editor for NPR and vice chair of our Press Club's Board of Governors; and Jonathan Salant, Washington correspondent for NJ Advance Media and the *Star Ledger*, and a former Press Club president. Thank you all. (Applause)

Our guest today is believed to be the only National Press Club luncheon speaker to ever work hauling trash off the streets. Now the U. S. Labor Secretary, Thomas E. Perez worked for a time on a garbage truck in his hometown of Buffalo while he was in college. Perhaps that helped his career that culminated in Perez becoming the working person's top man in the Obama Administration. Didn't know I was going to read that fact, did you?

He embraced that role with vigor, bringing the Labor Department out of the shadows into the headlines. Under his leadership, the department recently updated federal overtime rules in a way that will make over four million workers eligible for extra pay. In addition, the department issued new rules on exposure to silica in the workplace, rules that could save upwards of 600 lives a year. Also under Perez, the Labor Department issued a fiduciary rule that will require financial advisors to put their customers' interests first.

Adding it all up, the three years that Perez has spent at the Labor Department have been nothing if not attention grabbing. And they seem to have grabbed the attention of Hillary Clinton, the presumptive Democratic presidential nominee. The *Wall Street Journal* reported that Perez is one of nine names on Clinton's short list for the vice presidency. For Perez, that's just the latest milestone in a lifetime full of them. The son of Dominican immigrants, Perez went from Brown University to Harvard Law School. He chose a career in public service that focused on civil rights and workers rights. He worked as a civil rights lawyer in the Clinton Administration, he was Senator Ted Kennedy's top advisor on civil rights, criminal justice and constitutional issues. Now, as Labor Secretary, he's fond of saying that he's so busy at his job, he won't have another weekend off until January.

Of course, the real question is whether Perez will spend the next few months working in the Labor Department's cinder block headquarters or in the tinder box of a presidential campaign. But for now, Perez is here and to tell us more about the Obama Administration's agenda for working people, ladies and gentlemen, let's have a warm National Press Club welcome for Labor Secretary, Tom Perez. (Applause)

**SECRETARY PEREZ:** Thank you for coming here today. Tom, thank you for your kind introduction. And Jerry, we grew up in Buffalo, New York. Jerry writes for the Buffalo news, we share an affinity for the Buffalo Bills, where our mantra is every year false hope is better than no hope at all. So I checked the paper this morning, we're undefeated, we haven't lost in almost six months. And that's a good thing. And thank you whoever made the Rosie the Riveter cookies. That was something new for me as well.

A few weeks ago, the *New York Times* had a piece with the following headline that caught my attention. “When did optimism become uncool?” And I must confess that as a chronic optimist, I took it a little bit personally. I know my teenage kids think I’m uncool, and they do in fact have some factual basis for that belief. But the *Times* story hit on something that is darker within our politics. The fact that some politicians find it expedient to exploit people’s worst fears, to accentuate the negative and eliminate the positive, to turn people against each other instead of toward each other.

And for those who are peddling what I believe is fiction, that America's on the decline, I'd invite them to join me on one of my many house calls. In the Department of Labor, as the Secretary of Labor, I make a ton of house calls because I learn. I travel to the country to meet with workers, businesses and local officials who are shaping a brighter future for all of us. I'd invite the naysayers to turn off the cable news, tear up the talking points and take a look around America at its best.

I see America at its best when I meet somebody like my good friend, Cory McCray. Cory is right here and Cory lives in the remarkable, resilient, charmed city of Baltimore, Maryland. Cory’s here with me because he is a first term delegate in the Maryland State House, and in his short time in office, he’s already made some big moves. First term delegates aren't supposed to get legislation passed. And Cory has done just that, sponsoring a bill, among others, to restore voting rights to some 40,000 people coming out of prison in Maryland enacted over the governor’s veto. (Applause)

But Cory’s story could have gone a different way. You all know the narrative of the city kid, the young person of color. He grew up in a tough neighborhood, made some bad choices and got involved in the juvenile justice system. Well, Cory spent his 18<sup>th</sup> birthday in a jail cell. And when he got out, his mother presented him with a list of apprenticeship opportunities that she found through the state Labor Department. Actually, the place where I used to work in Maryland, and she made him pick one. And he asked his mother, “Why do you still believe in me?” And she said, “I'm going to believe in you until you believe in yourself.”

And so Cory chose a five year apprenticeship program through the International Brotherhood of Electrical Workers, IBEW, and he graduated with flying colors because he’s got game. And reflecting on that opportunity, Cory said, and I quote, “It was a vehicle for me to achieve my dreams. It literally saved my life.” But it didn't just save Cory’s life, it lead him down a path that has positively affected the lives of thousands of people in his community and across the state of Maryland. And for that, I know I am grateful and the residents of Maryland are grateful.

My house calls to Cory, and so many others, tell me that America's at its best when it is a place where we recognize that every single person is gifted and talented. Where we invest in our people and their potential. Where a middle class life is within the reach of everyone willing to work with it. Where businesses who embrace shared prosperity succeed and thrive, and where zip code never determines destiny.

But I also know, I was born at night, but I wasn't born last night, and in my other house calls, they show me an America that can do better and, in fact, must do better. Because I met some young people in Cory's home town of Baltimore last year after the tragic unrest, they've also got game but they want to be more involved. I met a person who said, "You know what? There's no AP courses in my high school. I'm smart, I want to succeed," but they didn't get opportunity. They've got game, but they don't have a rolodex. And when I'm with young people, I got to explain to them what a rolodex is. But I digress.

You know, a young woman told me that she's sometimes late for school, and I'll never forget this, because she has trouble sleeping at night because of the gunshots. Stories like theirs keep me up at night. But the opportunity to help them gets me out of bed in the morning with a hop in my step. Everything I see in these house calls, an America at its best, an America that can and must do better inspires me.

And over the last seven years, the Obama Administration has used every tool in our toolkit to create more stories like Cory's. And we're acutely aware that government can't do it alone. So we forged remarkable partnerships with the business community and others to insure that prosperity is broadly shared.

And so I want to talk to you about what my house calls have taught me, and shown me, about how we build the best America and how we sustain that progress after we leave office. And I do, in fact, have 212 days until the weekend. And I'm not just counting the days, but we're working to make every day count.

But before we can talk about the best America, it's critical to understand that America is doing remarkably better than we were back in 2009. All those people who say optimism is uncool, frequently deny some of the facts. Despite what the Eeyore caucus often wants you to believe, we've come a long way since the depths of our economic crisis. Thanks to the grit and the determination of the American people, combined with the leadership from the private sector, sound policy decisions by the Obama Administration, tough votes to enact the stimulus bill, we are back on our feet as a nation.

In the three months before the president took office, we lost 2.3 million jobs. The auto industry was on life support and there were a number of people who were saying pull the plug. The unemployment rate was inching toward 10 percent. Weekly first time claims for unemployment were over 600,000. Today, the unemployment rate is below 5 percent. We're in the middle of the longest streak of private sector job growth on record; 75 consecutive months to the tune of 14.5 million jobs. Initial claims for unemployment benefits have remained under 300,000, less than half of those 2009 levels for 67 consecutive weeks. That's the longest streak since 1973.

According to the latest data, job openings are as high as they've ever been since we started keeping track of this data; 5.8 million jobs. In the depths of the recession, roughly seven job seekers for every job opening. Today, 1.4 job seekers for every job opening. The auto industry is back and stronger than ever. The auto industry has added

nearly 670,000 jobs since mid 2009 and auto sales were at a record high last year. Our auto exports are 85 percent above 2009 levels.

And yet despite this progress, there are some who have found it expedient to tell you, and make the argument, that we're worse off than when the president took office. That famous newspaper, The Onion, "President Obama turns 50 over Republican opposition." (Laughter) You might hear from some, and I have heard from some, that the unemployment rate is something like 40 percent. It's not what it really is. Well, I guess that's true if you counted your 98 year old grandmother or the 11.9 million Americans over 80, your high school freshmen, I have one coming up. Or the 20.7 million Americans age 10 to 14. You might hear that other countries are choosing to invest elsewhere. You might hear putting a Republican in the White House is the only way to create jobs.

Well, frankly, facts matter. And the facts prove the Eeyore caucus wrong every single time. In the first five years of the recovery, the U. S. put nearly twice as many people back to work as the U.K., Germany, France and Japan combined. The Affordable Care Act turned out not to be that job killer that so many folks predicted. Quite the contrary. Since March of 2010, we've added 1.8 million jobs in healthcare while transforming and saving even more lives. After five years of the Affordable Care Act, more than 16 million Americans have gained coverage. The uninsured rate is the lowest ever recorded and we just had a meeting of the Social Security and Medicare Board of Directors today on which I serve. The Medicare Trust Fund is more solvent today because the ACA continues to bend the cost curve.

We remain a magnet for investors. Study after study, A. T. Kearney, Boston Consulting Group, shows that a majority of business leaders say America is the best place in the world to invest. And to claim that job creation under President Obama has been anemic, once again let's do the math. If you go all the way back to 1981 and add up all of the private sector jobs that have been added under Republican and Democratic presidents, I'm talking about net new job growth; jobs gained minus jobs lost. Under the leadership of President Clinton and Obama, which is 15 years and change, and the change is 212 days, I don't know whether the 20<sup>th</sup> counts as half a day, American businesses have added a net of 31.3 million jobs compared to 15.8 million net new jobs added under Presidents Reagan, Bush 1 and Bush 2. Twenty years of Republican rule, 15.8 million jobs. Fifteen years and change of Democratic rule, 31.3 million jobs. Nearly double the number of jobs created under a Democratic administration.

And these are good jobs, too, exactly what we would expect in a solid, sustained recovery. The jobs that have been created in recent years, we've seen strong growth in middle and high wage jobs. And my house calls affirm this good news. We still have the greatest and most resilient workforce in the world. We have remarkably innovative business leaders and they give us the tools we need. And we have the tools we need to succeed and prosper.

And I truly believe that America is at its best when we make sure that we offer a hand to working people who've gotten knocked down. And undeniably, millions got knocked down. People like Catherine Hackett, whom I met and when I met her, she'd done everything right. Single mother of two. Both her kids are serving in the U. S. military with distinction. Walked into work one day, was told, "Your services are no longer needed." And when I met her, Catherine told me that she wore a winter coat in her home in Connecticut because she had to turn the heat down to 58 degrees.

She talked about what she referred to, and these are her words, not mine, her poverty of spirit. Because the dignity of work is more than simply a paycheck. It's everything that comes with it. And her spirits were lifted from the assistance she got from the workforce system. I often refer to the Department of Labor as match.com. We match job seekers who want to punch their ticket to the middle class with employers who want to grow their business. And using some of those tools, she got back on her feet and I love visiting her a year so ago with Governor Dan Malloy from Connecticut. Not only is she thriving, she's been promoted. She's back on her feet.

America's at its best when workers get a chance to share in the prosperity that they helped to create. In a town I have to talk about a New York story, in New Berlin, New York, you can visit the Chobani yogurt factory. We contribute a lot to their success in my family. And their CEO, Hamdi Ulukaya, he grew up in a small village in Turkey and came to America to study English and take a few business courses. Looks like he could teach a few business courses, my friends because with almost no experience in 2005, he took a big risk. He purchased a yogurt factory that was being closed by Kraft Foods, and over the ensuing years, he and a loyal group of employees grew Chobani into the top selling yogurt brand in the United States.

And earlier this year, he announced that their 2,000 workers would receive shares worth up to 10 percent of the company when it goes public or is sold. To state the obvious, that ain't pocket change. Chobani is believed to be worth billions of dollars. And reflecting on that decision, bless you, bless all of you for that matter, he said, "I've built something that I never thought would be a success. I cannot think of Chobani being built without all these people."

And Hamdi isn't the only adherent to the stakeholder model. Everywhere I go, I meet business leaders who think long term and reject that false choice that you either take care of your worker or you take care of your shareholder. They understand that shareholders are best served when all stakeholders including, but not limited to your workers, are well served. It's no accident that Glass Doors [?] best places to work outperformed the overall market year after year. According to the most recent reports, the companies on that list beat the return on the S&P 500 by as much as 122 percent between 2009 and 2014.

The high road is indeed the smart road, my friends. America's at its best when we look ahead instead of fighting yesterday's battles; understanding that change is a constant in America. I saw this first hand when I visited eastern Kentucky where the loss of coal

jobs continues to create challenges for so many generationally employed families. And as a kid who grew up in Buffalo, New York, I understand what they're going through. But there's a fledgling high tech industry starting to emerge. They call it the Silicon Holler. And there's a company that I went to called BitSource, which is training former coal miners to write code and to thrive in these software jobs.

And one guy that I met that week, he'd gotten a call the week before I was there from the coal mine saying, "Come on back, we got a job for you." And he told them no because you know what? I've got a future here at BitSource because we are going from coal to code. That's their motto.

I met another person there who had a screensaver shot of his one year old. And he said, "You know what? When that son of mine comes to me and says, 'Dad, I can't do something,' I'm going to tell him, 'You know what? I couldn't turn a computer on a few years ago and now I am a coder.'" You can do anything you put your mind to. That's why I am optimistic. I meet people all the time, every corner of this country, who have grit and determination, businesses who are forward leaning. And I meet so many businesses who understand that America's at its best when we give people a second chance.

Cory's story shows us that the right resources at the right time can transform a life and a community. That's why the administration has invested so much in innovative programs to help people get out of the criminal justice system. And I made a house call to Montgomery County Correctional Facility up in Pennsylvania. They have a behind the fence program for inmates so that they can get a chance at a good job upon release. The best way to reduce recidivism in this country, my friends, is to make sure that people coming out of correctional facilities have the skills to compete when they get out.

And I met a young man there named Scott Verino who took advantage of the program and got a great job at A&V Mechanical when he got out. He's back on the pathway to success and self sufficiency. And there is remarkable bipartisan consensus emerging around easing former inmates' reentry to the workforce. You might not have heard as much about it because it's not flashy. So, the reality, though, is he's brought together Van Jones, the Koch Brothers, Newt Gingrich. You know, when you've done that, you might be on to something. And criminal justice reform, I think, is an issue that is at long last meeting its moments.

I firmly believe that America is at its best when everybody has a voice in the workplace. Innovators like Sarita Gupta are getting us there. Sarita leads two organizations that are all about helping workers speak up together for better wages and benefits. Through her efforts at Jobs for Justice and carrying across generations, Sarita reminds us that the work of caregivers is truly the work that makes all other work possible. Everyone in the industry deserves a say in the decisions that affect them.

And those of us in the Obama Administration could not agree more. And that's why one of the things I'm most proud of in this job is when we issued a final rule to extend minimum wage and overtime protections to nearly two million home healthcare

workers, the overwhelming majority of whom are women of color on food stamps doing God's work, but not getting paid a fair wage. (Applause)

We are also at our best when people get the tools they need to succeed at work and at home. I've seen it in the many house calls I've made to the Florida Avenue Grill, both in my official capacity as the Secretary of Labor, and in my personal capacity as someone who loves great food and loves to spend his money at a place where I know the owner, Imar Hutchins, takes care of his workers and puts his workers at the center of his universe. He's here with me today. And what I love about Imar is he rejects the fiction that food service has to be a low wage, no benefit industry. He pays well above the minimum wage. He offers paid sick leave. He just told me today that he's initiating a 401(k) program. He hires people who've been involved in the criminal justice system.

And by the way, he is a nice guy. Don't get me wrong, but he doesn't do it because he just wants to be a nice guy. It's in his enlightened self interest and he has figured out that attrition has a real cost. And when you have a loyal workforce, you have a productive workforce.

And finally, America's at its best when we fully enforce the laws that protect workers. I don't have to make a house call to be inspired by the dedicated public servants at the Department of Labor. I've spent the majority of my career in the federal enforcement business; DOJ, HHS and DOL. The dedicated career staff at all of these places are truly the backbone of these organizations. And it frosts me to no end when politicians go after the dedicated career professionals who work in federal, state and local governments. Every day, they help millions of people punch their ticket to the middle class. (Applause) Since 2009, we have recovered in our wage and hour division alone nearly \$1.6 billion in back wages for more than 1.7 million workers. And in just the last few months, we have completed historic rule making on issues at the heart of what it means to be middle class in America. Worker safety, wages, retirement security.

The rule that limits worker exposure to deadly silica dust has quite literally been decades in the making. Frances Perkins convened a national conference on it in 1938. Go to our website, you can hear her talk in 1938 about the dangers of silica. And here we were in 2016, finally public policy caught up with the science. Because you know what? We're protecting 2.3 million workers who are exposed to crystalline silica.

And we've also updated our overtime rules so that more people get extra pay for extra work. When I grew up in Buffalo, New York, my friends whose parents were managers, those were middle class jobs and middle class jobs should pay a middle class wage. And our rule has more than doubled the salary threshold, helping 4.2 million people become newly eligible for overtime. And it will raise Americans' pay by an estimated \$12 billion over the next ten years. And by the way, and there were a few folks, and I'm using FDR's term when he referred to the Fair Labor Standards Act, he referred to the calamity howlers who say this will be the end of the world as we know it.

The total payroll increases associated with this rule are well under 1/10<sup>th</sup> of 1 percent of total payroll costs, 1/10<sup>th</sup> of 1 percent. This rule, again, stands for the idea that low wages and no benefits are not, and I repeat not, the cost of doing business in the 21<sup>st</sup> century America.

Our conflict of interest rule established a fundamental principle of consumer protection in the American retirement marketplace. Your best interests should come before your advisor's financial interest. The three most important decisions we make, medical, legal and financial in our lives. When you go to your doctor or lawyer, they have a legal and ethical obligation to put your interests first. Financial advisors should have the same obligation, and they do now as a result of this rule, which is akin to a \$20 billion tax cut for working families who are trying to save for retirement. (Applause)

Traveling around the country and meeting these people and keeping a close eye on these economic indicators absolutely shows me America at its best. But as I said earlier, I also see an America that can and must do better. Because for all the [00:03:07] who understand that prosperity must be broadly shared, there are still some who are trapped in what one business leader called the quarter by quarter results vortex. They refuse to make investments in the long-term health of their company because it won't show up in the balance sheet right away.

Another CEO once told me that a renegade shareholder who wasn't interested in thinking long-term and when she tried to reason with him by telling that person that this would be good for the company because we will be wealthy in the long term instead of thinking short-term. And he said, and I quote, "I'd rather be rich than right." For all the Sarita Guptas and all the Chris Owens from the National Employment Law Program who are fighting for people to have a voice at work, we got to be honest. There are a lot of folks who are seeking to quash it. Last year, a prominent conservative was caught on tape boasting that he wakes up every morning trying to figure out how to screw with unions. When you screw with unions, in my opinion, you screw with the middle class and with the livelihoods of millions of working people across the nation.

Because for all the leaders like Imar who are providing paid leave, and Microsoft and Nestle and Spotify, there are way too many people out there when faced with the untenable choice between the job that they need and the family that they love-- and you shouldn't have to win the boss lottery to get access to paid leave, or a decent wage or the geographic lottery.

I met a woman in Connecticut named Corinne. She gave birth via C section. She's a bus driver. And because of the absence of paid leave, her only choice was to go back on that school bus a couple of weeks after her child was born and put that newborn on that front row. And all the little kids who have the sniffles were getting on that bus as well. We can do better than that.

I met a woman named Alicia in Detroit, she works a full time job, but she's barely making ends meet. She slept in her car with her three children the night before I met her. We can do better. We can do better by all of these people.

And in the year 2016, it is unconscionable that we're still having these debates. We must move forward, but regrettably we have not had a dance partner in the Republican Congress. And that's why the Obama Administration has used every tool in our toolkit to make change. And I believe the question before us is whether we can sustain and scale this progress that we've made during the Obama Administration, or whether we're going to turn the clock back.

And, you know, as I reflect on history, this is not the first time we have been at a crossroads like this. We've seen this movie before. I remember the know nothing movement of the mid 19<sup>th</sup> century which ran on a platform of nativist fear and ignorance. It was anti-Catholic, it was anti-immigrant and it failed because it was fundamentally un-American. In the 1880s, Congress actually passed a law called the Chinese Exclusion Act. A few decades later, the Senate was gripped by a communist witch hunt. But every single time we've been at these crossroads, we have appealed to our better angels of inclusion and opportunity and optimism, and we've returned to those first principles.

One of my favorite people is Walter Isaacson, and he's a remarkable storyteller. And he tells the story of Albert Einstein, who came to the U. S. from Germany the year Hitler took power. And during the McCarthy era, Walter tells the story of a letter that Einstein wrote to his son because he was very worried about the direction of this nation, the United States. He felt like McCarthy was no different than Hitler. And he said he'd seen it before and he was worried he was going to see it again because that brand of hysteria was all too familiar.

And then as the movement fizzled, he wrote another letter to his son, and I quote, "There's something amazing about America's democracy. It's got a gyroscope and just when you think it's going to go off the cliff, it rights itself." But here's the thing about the gyroscope, my friends. It doesn't kick into high gear by accident. The gyroscope re-centers us only when we come together. It takes all of us standing together to help keep America moving toward the best America. It takes the collective power of we, the two letter word Barack Obama rightfully calls the most important word in the democracy.

Over the last seven years, we materially improved the lives of working families, millions of them. We've been able to bounce back from the worst economic crisis of our lifetime. We've been able to extend overtime protections. We've been able to protect people in the retirement space. But we in the administration didn't do it alone. We had partners in this room, partners across America and we can't do it alone.

I'm so appreciative of so many leaders in the business community that supported our conflict of interest rule; people like Jack Bogle who said, "You know what I learned in this business? When I put my customer first, it's great for my customer and it's great for business." He knows a little bit about the retirement space. I've met so many business

leaders who understand the importance of the stakeholder model of governance, people like Kip Tindell, the CEO of the Container Store, who's one of the leaders in the conscious capitalism movement. And going forward, we need leaders like Kip and like Imar and so many others to be the rule and not the exception.

We have to scale the progress that I see across the country, and the progress that our evidence, our fact base notes. That's why I spend a lot of time going to business schools and law schools talking to tomorrow's leaders about the fact that we can do better as a nation. You don't have an obligation to genuflect at the altar of quarterly earnings. The gyroscope runs on that brand of leadership and it also takes innovation, forethought, fearlessness, and that leadership that involves thinking long term, rejecting those false choices and understanding that idealism and pragmatism are not mutually exclusive. I've seen that work done by my former boss, Senator Kennedy. I see that work done by my current boss, Barack Obama, on so many issues.

Innovation means moving forward without leaving anyone behind. Innovation, we've always known to be America's middle name. And the key to long-term success is to make sure that innovation is indeed inclusive innovation that benefits everyone. Innovation I see in people like Dan Teran who founded a startup Managed by Q. It's the quintessential 21<sup>st</sup> century startup, an on demand app for office management. Dan insisted that all of his employees be W2s, have access to training opportunities and get stock options. That's what it's about. He understands that culture matters in every workplace and he has built that culture of inclusion into a very, very successful business model.

Forethought means seeing around corners, it means playing chess instead of checkers. It means not allowing the challenges of today to blind your ability to envision a better tomorrow. I saw that forethought when I visited Ford. They were in an existential crisis in 2007, but coming together, Ford and the UAW were able to develop a vision of shared prosperity, shared sacrifice in the days of the great recession that lead to shared prosperity.

I had the privilege recently of spending some time with the CWA and the IBEW and the folks at Verizon, and Verizon and its workers understand that they are stronger together. It was a tough 13 days, but we got through it. Collective bargaining can sometimes be a little messy. But you know what? I believe to my core that collective bargaining is one of the single most important forces that has brought us middle class prosperity in our nation's history.

And we need to keep being that way. We need to keep being fearless. Fearless is Craig Boyan, the CEO of the H-E-B grocery chain, a \$23 billion grocery chain competing in a low margin industry. And Craig was one of the strongest supporters of our overtime rule. And he supported it because he understands that his workers are at the center of his business model. He understands it because he believes that the low road is a dangerous road and we need to take the high road.

All of these people fuel my chronic optimism. But people will also tell me that, you know what? You need to be impatient as well. And I'm chronically impatient, as well as chronically optimistic. And I'm chronically impatient because I meet a lot of people every single day who are running out of time, Alicia in Detroit, so many others, and I am confident that as we approach this crossroad and choose our path, that when we summon and continue to summon our leadership innovation, forethought and fearlessness, we can move forward and scale and sustain our progress. Because that's what it's all about, building upon the foundation, scaling it and sustaining it and make sure that we build an America that works for everyone, an America of shared prosperity for all, not simply prosperity for a few at the time.

That's the unfinished business of this recovery. I got 212 days to keep working on it and I'm going to try my hardest every single day to wake up making sure that we're helping on that road to shared prosperity. Thank you so much, and I look forward to your questions. (Applause)

**MR. BURR:** Thank you, Mr. Secretary. It almost seems like you're running for a certain job out there, but we'll get to that in a few minutes. Wanted to ask you first starting off, many states and cities have raised the minimum wage significantly already. What has been the impact so far?

**SECRETARY PEREZ:** Well, you know what's interesting is a few years ago, if you talked about the fight for 15 movement, people laughed about it. "Oh, that's just SEATAC out in Washington State." Well, that brush fire turned into a prairie fire that's been an out and out wildfire, a furnace. Now roughly 20 percent of the U. S. population lives in a state or locality that either has passed, or is about to pass, a \$15 minimum wage. And I talked to a lot of my Republican friends here in D.C., and I say, "Boy, that 10/10 that you refused to pass, it kind of looks like pocket change now, doesn't it?" And we need a federal floor and a federal floor which vindicates the basic principle of the Fair Labor Standards Act that nobody who works a full time job should have to live in poverty.

And the proposals from Bobby Scott and Patty Murray does just that. And then we need to have the opportunity for state and local governments to go higher than that for it to reflect what's happening in their communities. And we've been actively involved at the president's direction with state and local efforts to go above the federal floor. It's unfortunate that our politics are broken here because the minimum wage historically has been a bipartisan issue. Every president, except two, since FDR has signed an increase in the minimum wage and I hope the president will not make it to the third person on that list, and we're going to try like heck to make sure that we do pass one this year.

**MR. BURR:** Thank you. Let's say it's Friday morning. You wake up and learn the United Kingdom voted in favor of Brexit. What do you do next? Are there White House emergency meetings planned for Friday to handle a Brexit exit?

**SECRETARY PEREZ:** Well, first of all I believe the premise of that question will be wrong, because I believe that in moments like this, it's not simply people here in the United States that summon our better angels of inclusion and opportunity and come together as opposed to tearing apart. The country that just elected the first Muslim mayor of London is the country that will send an important message to the world. We've obviously been monitoring it very carefully. The folks in the U.K. need to make those judgments and I am confident that in the end of the day, they are going to make a judgment that we're stronger together. And that's why, while again we're preparing for the worst, we believe that the worst will not come to bear.

**MR. BURR:** Okay, let's say you're wrong. What does a Brexit leave vote do to American workers?

**SECRETARY PEREZ:** Well, we'll have to examine all of that. There's a lot of relationships, trade relationships. It's not just American workers, but what does it do to folks in adjoining countries to the U.K.? And that's why I think we're going to succeed, because again, the reason the no knowing movement fizzled is because we were able to summon our better angels. This is not the first time in world history or in our nation's history that we're going through a moment like this. And I think that gyroscope is going to calibrate in a positive direction in the U.K. and elsewhere.

**MR. BURR:** Thank you. Law 360, a legal publisher in New York, recently agreed to drop non-compete agreements with its employees. How important is this decision for working people and what types of broader change would you like to see going forward on non-compete agreements?

**SECRETARY PEREZ:** Yeah, I have real issue with non-compete agreements, and let me give you one example. Jimmy Johns, you know they sell sandwiches, they have a non-compete that every employee-- so you're making a sandwich at Jimmy Johns and you leave because Subway'll pay you more. You've signed a non-compete with Jimmy Johns. I rest my case, your honor. They are not right. We need to make sure that we have leveled the playing field for workers. And I can't, for the life of me, understand either that one or really any of the others. And what we have right now is a patchwork quilt of state laws. In some states, you can do this, in other states you can't. In every state where I think they do have one, I think it really creates an unlevel playing field for workers.

**MR. BURR:** What do you think of the trend for employers to ask employees who are about to lose their jobs to sign an agreement not to sue? This job loss is usually accompanied by a one-time payment.

**SECRETARY PEREZ:** When you are about to lose your job, you are not exactly in a position of advantage. And when you then add insult to injury by saying, "You can't sue me," that borders on unfairness as a matter of law. And so I have real issues with that. And sometimes there will be a settlement that is an arm's length settlement and both parties agree to it and a non-suit is part of that settlement. And so that

may be useful in some contexts. But in the work that I've done over the course of the last 20 years seen too many examples of somebody who had no choice and the inequality of bargaining power at that point really tilts the playing field against workers.

**MR. BURR:** Talk about something in the news today. The House is expected to override the president's veto of a resolution to kill the fiduciary rule. Although the override isn't likely to succeed, there is a clear divide. Democrats support it, Republicans oppose it. Why has this issue become partisan?

**SECRETARY PEREZ:** You'll have to ask Paul Ryan and others. I speak to folks-- the interesting thing-- by the way, they're going to have another vote and the president's veto will be sustained. When this came up the first time, every single Democrat voted the right way. And by the way, we're not going to have a vote today on Flint. We're not going to have a vote today on the minimum wage. We're not going to have a vote today on so many other issues that are pressing in America, but we're going to have another vote on this. I don't know if they're going to schedule another ACA vote #65.

I mean, we have a controlled experiment, my friends, that has been going on across America for decades, which is that there are some financial advisors like the one my wife and I use who already hold themselves out as fiduciaries. They're certified financial planners, so they're already doing it. So if the hypothesis that making an advisor put your best interests first is going to dry up the industry and result in everyone going to heck in a hand basket, if that's correct, then it should have happened. But the financial planners and others have been able to move forward and to thrive because you know what? When you do put your customers' best interests first, it's great for your customers and it's great for business.

Go look at the marketing materials that the businesses put out. We put your interests first. And our rule simply says it's no longer a marketing slogan, it's the law. And I don't think that's too much to ask. There's five lawsuits now. And one of them, my favorite claim, is it infringes on their first amendment freedoms. I have four siblings, they're all doctors, I called them up and said afterward, "If you ever get sued for malpractice, assert a first amendment right to give crappy advice to your patient. See how far that gets you."

**MR. BURR:** You just referenced the five lawsuits. You said before that it's going to withstand legal and legislative scrutiny. You remain confident none of the points in all five are going to stand up?

**SECRETARY PEREZ:** I'm very confident for two reasons. Number one, the process. We had a very, very inclusive and deliberate process. And one of the most frequent things we heard after our final rule, from industry, was thank you for listening. And number two, we got the outcome right. We no longer live in the "Leave it to Beaver," Ozzie and Harriet world where you work 30 years in the same place and you retired and you had a pen, a party and a defined benefit plan, you know? 401(k) was a

rural highway in Missouri and Uncle Ira was your very nice 75 year old uncle. And now in today's world of IRAs and 401(k)s, the consumers, workers, have to make those choices. And so we need a 21<sup>st</sup> century regulatory landscape to reflect 21<sup>st</sup> century reality.

**MR. BURR:** Question from the audience. How do you reconcile the fact that the fiduciary rule will have a disparate impact on smaller advisors, unlike larger firms?

**SECRETARY PEREZ:** It actually doesn't. And I heard that time and time again. And I got so many calls from people who are already fiduciaries, small and midsized and larger who said, "When people say I won't be able to stay in the business as a result of this rule, could you do me a favor, Tom? Could you give them my email and my phone number, because I'm going gangbusters." Technology is a remarkable advantage in this world. Go on the website of Wealthfront. They're going gangbusters because they've been able to help people of all means move forward.

And as one person in the industry said, the market rewards those who are innovative, it rewards those who put their customers first. And that's why Jack Bogle, who's been world, in this space for 60 plus years, Vanguard's a pretty large company. That's why they've been able to succeed.

**MR. BURR:** One more on the fiduciary rule. I'm wondering about for millennials who often change jobs, will this help or hurt them rolling 401(k)s into IRAs?

**SECRETARY PEREZ:** I'm glad you asked that question. It's particularly important-- people look at this rule and they think, "Oh, this just applies to me when I retire." every time you leave a job, if you have a 401(k) or an IRA, this rule is very relevant. A big part of the leakage is when people, the 24 year old's been at the company for three years. They leave and it's entirely permissible and sometimes the best idea just to keep your money parked where you just were. And what happens right now is people come at you because they see you've left and say, "Give your money to me. Roll it over with me and I'll take care of you."

Unbeknownst to you, you've just paid a huge fee. By the way, do me one favor. Go to John Oliver, watch his show from about ten days ago if you want to learn why this matters. Because I thought he had a pretty good summary of what was going on. Twenty minutes of his show was about this rule. You kind of know where it leans.

**MR. BURR:** Any thoughts on the coming retirement of a huge number of baby-boomers and what that's going to do and how that's going to affect the labor market?

**SECRETARY PEREZ:** Sure. Our skills opportunities right now are in no small measure a function of the grain of the marketplace. I visited Boeing a couple of years ago, their plant in Renton, Washington, and 30 percent of the workforce is within five years of retirement. So that's a tremendous opportunity. And one of the few bipartisan bills that have been passed in Congress 18 months or so ago was the Workforce Innovation and Opportunity Act. It is incumbent on us to build the skills highway of the

21<sup>st</sup> century. And the good news is this is one of those areas where there's bipartisan consensus. We've invested a lot of money and energy in apprenticeship, more money than ever before. We're building that 21<sup>st</sup> century skill super highway because the grain of the population, Tom, presents tremendous opportunities. The most frequent thing I hear from employers is this. "Tom, I'm bullish about the future. I want to grow my business. The thing that keeps me up as much as anything at night is I got to make sure I have that skilled workforce to compete."

That's why we invest so much in the skills space in partnership with business, in partnership with state and local governments and in partnership with labor unions and other key stakeholders.

**MR. BURR:** Thanks. Let's turn to politics for just a few moments.

**SECRETARY PEREZ:** I know nothing about politics, you know.

**MR. BURR:** Thank you, Mr. Vice President. I mean, Mr. Secretary, excuse me. Do you know if you're being vetted by the Hillary Clinton campaign? And how do you feel about being vetted by the campaign?

**SECRETARY PEREZ:** You'll have to ask the campaign if I'm being vetted. What I know is that I love my work right now and I got 212 days left of that work and I'm going to make sure I do everything possible to leave the Department of Labor better than I found it and to help more people get access to opportunity in that process.

**MR. BURR:** Okay, so leave yourself out of this for a second. Who do you think would be the strongest vice presidential candidate for Hillary?

**SECRETARY PEREZ:** I will also leave that for the campaign to decide.

**MR. BURR:** I'm not stopping on this.

**SECRETARY PEREZ:** I figured that.

**MR. BURR:** If you're not selected as Secretary Clinton's running mate, what will you do next?

**SECRETARY PEREZ:** I have no idea. You know, one of the things that I don't like about Washington is when people have the privilege of doing jobs like this, they immediately pivot to how do I leverage this for my next job? And if I went out and had a two hour lunch with someone to talk about my future, that's two hours I can't get back. That's two hours where I can't help Alicia in Detroit who slept with her kids, when I met her, in her car. And I have a deep faith that whatever will happen will happen. My mother always taught me if you just work hard and have a deep faith, things will work out. And that advice has proven to be pretty good. So I'll think about that when the time comes.

But I don't want to think about that while I'm still on the clock because then I'm doing a disservice to the taxpayers of this country.

**MR. BURR:** Just to clarify, off the clock, have you met with anyone from the Clinton campaign?

**SECRETARY PEREZ:** (Laughter) Again, I am continuing to my best on the clock and off the clock to make sure I build an America that works for everyone.

**MR. BURR:** Do you practice that in the mirror often, that--?

**SECRETARY PEREZ:** No, I just-- we're making a ton of progress. For those of us who are a little bit longer in the tooth that Reagan-Mondale debate, are you better off now than you were four years ago? Well, I think that is an appropriate question now. Is the nation better off than we were in the end of 2008? And I think the answer is absolutely. Are we where we need to be? The answer is absolutely not. And we have a lot of unfinished business. But the journey of American history has been about the journey to build a more perfect union. It's a timeless journey and there's never been a president that did not-- that came into office that had no unfinished business. And there's a lot of it and I want to make sure that we, to use the phrase of a former Speaker, that we clear out the barn as much as we can so that there's more and more opportunity.

**MR. BURR:** Pivoting back to politics again, what would you recommend Hillary Clinton do to address the most aggrieved and angry segment of the electorate right now, which is white working class men without college degrees?

**SECRETARY PEREZ:** Well, I'm here in my official capacity, so I don't want to pretend, especially in my official capacity, to give her advice. What I can tell you is that something I said at the outset, which is zip code should never determine destiny. And I know that this president has an every zip code strategy. One of the most impactful trips I took was when I went down to eastern Kentucky. I spent some time later that day with Harold Rogers, who's the Republican chair of the Appropriations Committee. A fundamentally decent person of incredible integrity and accomplishment.

And I went down there because I grew up in Buffalo, New York. I saw what happened when the steel mills shut down. I understand the steel work wasn't simply a way to get your paycheck, it was part of your identity just as coal has been generational. And I often refer to myself as Buffalominican because I'm proud of my Dominican roots and I'm proud of my roots growing up in Buffalo. And what I learned from growing up in Buffalo is every person's got talent. And moving forward, this president has continued to emphasize through his Rural Council, for instance, Tom Vilsack leading that charge, that we have to expand opportunity to every single zip code. We've got to expand broadband into eastern Kentucky because if we want to build the jobs of tomorrow, we've got to have the broadband infrastructure, things of that nature.

**MR. BURR:** Let's talk about the other presidential candidate for a second, if we can. What impact do you think a Donald Trump presidency would have on Latino citizens?

**SECRETARY PEREZ:** Well, again, because I'm here in my official capacity, I won't comment on any particular candidate. What I will simply say here is that America is at its best when we marshal the collective power of we. And I remember vividly going down to Selma a year and a half ago or so to mark the 50<sup>th</sup> anniversary of Bloody Sunday. And that's where the president said the most important word in a democracy is we. And when we come together as a nation, we do great things. When we come together, business and labor working together, we do great things.

And those who wish to divide us understand that-- they understand the flipside of that as well, to divide us is to defeat us. And the reason why the no nothing movement fizzled was because we marshaled those better angels of inclusion, opportunity, optimism and stick-to-itiveness. And the reason we survived a great depression is the same. And the reason we gave the right to vote for women with the 19<sup>th</sup> amendment was the same. We marshaled that collective power of we. And that's when America is at its best.

**MR. BURR:** As Labor Secretary, in your official capacity, what advice would you give the presidential candidates when it comes to workers' rights, minimum wage, et cetera?

**SECRETARY PEREZ:** Well, I don't want to pretend to give advice in my official capacity. What I can say here to candidates, that is, what I can say here is what I have said many times, which is that Henry Ford kind of got it right. He doubled the wages of the people on the assembly line, which was kind of a radical thing to do. Well, why'd he do it? Well, he did it because he had attrition that was over 300 percent. He did it because he understood that consumption is two-thirds, roughly, of GDP. He did it because he understood that the folks who were making his product ought to be able to afford to buy his product.

And when we pay people a decent wage, we create a virtuous cycle. And that is what we need to do as a nation. Nobody who works a full time job should have to live in poverty. And right now, a \$7.25 an hour minimum wage is not a livable wage. It's a poverty wage and why we subsidize the low wage business models of so many large companies in this country is something I don't understand. So I say to my conservative friends about the minimum wage, "We can save literally billions of dollars and remove people from the rolls of food stamps by doing something very simple that won't cost you - it's not going to raise your taxes, it's just raise the minimum wage."

And so this Henry Ford economics is why minimum wage has been bipartisan since the passage of the Fair Labor Standards Act.

**MR. BURR:** Before I ask the last question, a few announcements. A quick reminder, the National Press Club is the world's leading professional organization for

journalists. And we fight for a free press worldwide. For more information about the club, please visit [www.Press.org](http://www.Press.org). Once again, it's [www.Press.org](http://www.Press.org).

Also like to remind you about some upcoming programs. On June 30, National Transportation Safety Board Chairman, Christopher Hart, will address the club. On July 7, Libertarian Party presidential nominee, Gary Johnson, and his running mate, William Weld, will speak. And on July 14, Admiral Mike Rogers, the Director of the National Security Agency, will speak at a Press Club luncheon. Finally, I would ask that you respectfully stay in your seats until our speaker has left the room. He has an appointment he needs to get to immediately.

Now, I'd like to give our speaker the traditional National Press Club mug.

**SECRETARY PEREZ:** Thanks. (Applause) Thank you.

**MR. BURR:** So for my last question, I should have, I guess, asked you before if you're a pop culture person, but do you watch the show "Veep," and have you learned any lessons from it? (Laughter)

**SECRETARY PEREZ:** Well, you know, when I said at the outset of my remarks that the story about it's uncool to be an optimist, and I mentioned that pop culture is not my strength, one ramification of that fact is that I actually have watched "Veep" I think once, and my favorite memory of "Veep" was that the correspondents dinner when they had the five minute video of Joe Biden and the Veep, the real Veep, and the mythical Veep riding together. And that was a lot of fun, especially when the first lady caught him eating very unhealthy food in the White House mess.

**MR. BURR:** Well, thank you, Mr. Secretary. We'll send you a DVD of it, if you like, for studying up. Thank you, everyone. (Applause) I'd like to give a thank you to the National Press Club staff, as well as the staff of our Journalism Institute. And again, I ask that you remain seated for now until the Secretary has left the room. We are adjourned.

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