

some enormous work, and I want to thank everybody sitting around this table to continue to make our forces leaner, meaner, more effective, more tailored to the particular challenges that we're going to face in the 21st century.

But we also have to make sure that Congress is working with us to avoid, for example, some of the draconian cuts that are called for in sequestration and to make sure that, if we're asking this much of our Armed Forces, that they've got the equipment and the technology that's necessary for them to be able to succeed at their mission and that we're supporting their families at a time when, even after ending one war and winding down another, they continue to have enormous demands placed on them each and every day.

So I want to thank everybody around this table. A special thank you to General Austin for the enormous amount of work that's been done by CENTCOM in what is a very challenging situation. We very much appreciate him. I want to thank General Rodriguez for the great

work in standing up our operations in West Africa.

And finally, I want to say publicly a hearty thank you to Jim Amos, who somewhere between 8 to 10 days from now—[laughter]—will be retiring from his command. He is the 35th Commandant of the Marine Corps, the first aviator to command our Marine Corps. I know that he could not be prouder of the men and women under his command. They continue to make us proud. They certainly make him proud. We want to thank him and Mrs. Amos and the entire family for the great service that they've rendered to our country.

So thank you very much.

NOTE: The President spoke at 4:20 p.m. In his remarks, he referred to Gen. David M. Rodriguez, USA, commander, U.S. Africa Command; Gen. Philip M. Breedlove, USAF, Supreme Allied Commander Europe; and Bonnie Amos, wife of Gen. James F. Amos, USMC, Commandant, U.S. Marine Corps. He also referred to the Islamic State of Iraq and the Levant (ISIL) terrorist organization.

## Remarks and a Question-and-Answer Session at a Town Hall Meeting at Cross Campus in Santa Monica, California October 9, 2014

*The President.* Thank you, everybody. Well, it's good to see all of you. And this is really interesting stuff. I want to spend more time tooling around on there and maybe buy an appliance. [Laughter] But we've got limited time. I want to be able to have a conversation with all of you.

This environment, I think, is reflective of what's best in America, because it shows the kind of energy and entrepreneurship, the dynamism, the creativity and innovation that's always been the hallmark of the American economy.

There are a couple of people here who I want to acknowledge because they are encouraging this kind of startup culture here in Los Angeles, which has really gotten going. We've got Mayor Eric Garcetti in the house. Where'd he go? There is he. We've got the mayor of

Santa Monica, which sounds like a really good job—Pam O'Connor is here. And I want to thank all the folks at Cross Campus who helped bring this together. So, Cross Campus folks, stand up. Where are you?

So both Pam and Eric and a lot of folks, I think, are working hard to make L.A. a model for innovation here in California, but also a model for what we need to see all across the country.

And just this week, I want to acknowledge, L.A. schools announced a plan to offer computer science classes to every K-through-12 student in the district, which is going to make a huge difference. It's the kind of drive and creativity, but also the investment of hard dollars in our future that is going to be so important and part of what brings me here today.

I'm not going to give a long speech, because I want to basically have a conversation with all of you. But I do want you to consider a few things.

Last month, our businesses added 236,000 new jobs. Over the past 55 months, we've added about 10.3 million new jobs across America. And what we've seen is the longest uninterrupted stretch of private sector job growth in our history. And that's why, for the first time in more than 6 years, the unemployment rate has now dropped below 6 percent. And today, we're on pace for the strongest job growth since the 1990s. Interesting statistic: All told, over these last 6 years, the United States has put more people back to work than Japan, Europe, and every advanced economy combined, which gives us a sense of the kind of momentum that we could be building.

And beneath that, all kinds of good stuff is happening. I mean, we have cut our deficit by more than half. High school graduation rates are higher than ever. College attendance is higher than ever.

On the energy front, we're producing more traditional energy than ever before, but we're also more energy efficient than we've ever been before. We're doubling fuel efficiency standards on cars, and in fact, car fuel efficiency is the highest it's ever been on record.

We've doubled the production of clean energy, increased solar energy by tenfold, wind energy by threefold, all of which is giving a huge advantage to our manufacturers. And instead of seeing outsourcing, we're now starting to see companies actually wanting to move manufacturing back from China here to the United States of America. Our manufacturing is growing faster than at any time since the nineties. And obviously, our auto industry, which was barely hanging on when we first came into office, now is not only producing a lot of cars and hiring more folks than they have in two decades, but the cars are actually good, and you guys are actually buying them and driving them. *[Laughter]*

And perhaps the best thing that's happening is, is that we've got a rising generation of talented, striving, innovative young people. And I

know that there's a few of us here who are only young at heart, but a lot of you are part of the millennial generation that's going to change how we do things.

Today, more of our young people are earning a college degree than ever before. More and more children of low-income parents are enrolling in college and earning their shot at the American Dream. Along with higher education levels, millennials have a lower gender pay gap than other generations, and we're working to close that gap even further.

And what we're seeing here is the way that technology is changing not just how you do business, not just how you buy products, but also how you interact, how you organize politically, how you get involved in the community, and how you solve problems. And all of that can support millions of new jobs.

So, in some ways, entrepreneurship is in the DNA of this generation. And a lot of that is taking place all across the country. Obviously, California is an epicenter of it, and Silicon Valley is the crown jewel of our innovation economy, but it's happening in Kansas City. It's happening in places in Colorado. It's happening in towns in Ohio. And everywhere you go, you see people turning great ideas into great companies.

Today my administration is putting out a report on what the economy is going to look like for millennials. A lot of you entered into the workforce during the worst financial crisis and then the worst recession since the Great Depression. And a lot of cynics have said, well, that makes many of you part of a lost generation. But I don't buy that, because when I travel around the country, I see the kind of energy and hope and determination that so many of you are displaying here.

We're coming out of this recession with the best educated, the most diverse, the most digitally fluent generation of adults in American history. And we also have, as I said before, a shift where more women are now getting college degrees, getting higher degrees, and that's part of what's closing not only the pay gap, but also the entrepreneurship gap, all across the country.

I think we can do better, though, than we're doing even right now. And that's why we've expanded grants and tax credits and loans to help more families get to college. We've acted to give nearly 5 million Americans the chance to cap their student loan payments at 10 percent of their income, which means that they can afford to go out and take a risk. The Affordable Care Act means that if you're a young entrepreneur, you don't have to be locked into a job worrying that otherwise you won't have health insurance because now you're able to get an affordable plan through the marketplace exchanges that have been set up. And all of this creates or at least provides a platform for some of the stuff that you guys are already doing.

And I want to make this other point. When I took office, the deficit was nearly 10 percent; today, it's under 3. That's below the average deficit over the past 40 years. And the reason this is important is, it means we can shore up America's long-term finances without falling back into either mindless cuts on things like R&D and education or suddenly seeing the deficit explode. We can manage the country's finances while still investing in you.

But—and this is the last point I'm going to make, and then we'll open up for questions—the one area where we have not made progress is, even though the economy is growing, productivity is growing, wages and incomes have been flat. And so the gains in the economy, not just over the last 6 years, but really over the last 20, have more and more been going to the top of the economic pyramid, and the average middle class person, person who's working to get into the middle class, they have not seen any meaningful increase in their wages and incomes, their take-home pay.

Part of that has to do with globalization and technology. It makes the world more competitive, and it gives workers less leverage. But part of it is also, we haven't been adjusting our policies to make sure that our economy and economic growth is broadly based.

There are things we could do right now: increasing the minimum wage, which hasn't increased in 7 years; making sure that fair pay laws are strong enough so that women are no

longer making 77 cents for every dollar that a man is making; making sure that we're investing in infrastructure, not just roads and bridges, but a smart grid to make sure that we're—our entire system is using energy more efficiently; making sure that we are in the next generation of broadband and wireless so that there's penetration not just in a place like Los Angeles, but in small rural communities that right now still feel excluded from this revolution that's taking place.

Fixing up our airports: If we changed our air traffic control system, it's estimated that the airlines could save 30 percent on their fuel costs, just because they wouldn't be circling. And by the way, they'd be cutting time on delays, which means that customers get better service, ticket prices would be lower, and you wouldn't be stuck paying exorbitant amounts of money for food at the kiosk that you really don't need anyway. [Laughter]

So those are just examples of things that we know would help grow the economy faster, increase wages and incomes, give more opportunity to entrepreneurs like so many of you. The only reason we're not doing it right now is because we've got a Congress that has been spending a little bit too much time worrying about the next election and not enough time worrying about the next generation.

But the good news is, is that despite some of the gridlock in Washington, we're making progress. And when I come to places like this, it inspires me and reminds me of why I am chronically optimistic about the future of America. [Applause] Thanks very much.

All right, let's—[applause].

All right. So this is really informal. And what I'm going to do is, I'm just going to call on anybody who's got their hand up. But I am going to go boy, girl, boy, girl. [Laughter] If you can stand up, introduce yourself before you ask the question. We've got folks with mikes in the back. Wait for the microphone so we can hear you. And if you keep your question relatively short, then I will—I can't guarantee it, but I'll try to keep my answers relatively short. So, all right?

Okay, we've got this gentleman with—in the white shirt right there. That's it, you. Yes. Introduce yourself.

*Health Care Reform/Health Care Costs/Genetic Research/Medical Innovation*

*Q.* My name is Ramin Bastani, my company is Healthvana. It's an honor to be here. So the reforms that you did in health care have spurred innovation in companies like mine, where we can now help health care providers engage their patients at a clip of ten times better than the Mayo Clinic is doing, with the tools we're using. So my question for you is, what kind of health and technology would you like for you and your family to help monitor and make your health better?

*The President.* Well, this is an area where there is going to be a revolution. It's coming; sounds like you're at the forefront of it. You can sit down; you don't have to—[laughter]—it doesn't have to be too formal. [Laughter]

The—we have excellent health care in this country, but hugely inefficient health care in this country. So, if you can access the Mayo Clinic or Cleveland Clinic or some of the best hospitals in the world, you're doing great. If you've got good insurance, great.

But if you don't, all too often, we've got a system that is clunky, bureaucratic, spends too much money. We spend about 6 percent more than other advanced countries, and our outcomes are no better. And that's what spurred my insistence that we were going to have to reform the system. Now, it's a massive part of our economy; it's one-sixth of our economy. You're talking trillions of dollars.

And so it was going to be bumpy to get reform through. But what we've now seen is, not only so far do we have 10 million people who have health insurance that didn't have it before, but what's also happened is, because of the delivery system reforms that we're driving, we're—we've seen health cost inflation slow to the lowest rate in 50 years.

Now, that may not seem a big deal to you, but if you get health insurance from your employer, on average, you're paying about \$1,600 less per family than you would have been pay-

ing if the pace of health care inflation had continued, which is like a \$1,600 tax cut. Nobody notices it, but that's what's happened.

At the Federal budget level, we're saving about \$188 billion over the next 10 years in reduced costs for things like Medicare. So it helps us balance the books, it helps families reducing costs, it helps businesses.

But we've still got huge amounts of waste, and you're identifying part of the reason that there's so much waste in the system. We've got a—we don't really have a health care system, we have a "sick care" system. So our system is built around treating illnesses; rarely is our system incentivizing people to stay healthy in the first place.

And part of what technology is going to be able to do is to give each of us information that allows us to stay healthier. Now, some of it is as simple as a Fitbit and encouraging people to walk a certain number of steps. But part of what we're now seeing is, not only ways to keep track of your health and how much exercise you're getting and what you're eating; what's really going to be interesting over the next decade, two decades, is precision medicine, or personalized medicine.

Because of the work that's been done on the human genome and the breakdown of—and the ability to sequence your genetic makeup, and—the costs are going down actually faster than Moore's Law. It's—they're plummeting, so that pretty soon, you're looking at, for a hundred bucks or less, you can get your entire human genome sequenced. And what that means, then, is, at minimum, you're going to know there's certain diseases that you may be more prone to get. You're going to know that you're more predisposed to Alzheimer's for example. And if you think about the power of the web, then giving you that information and then saying, here's what we know about this particular disease and how you can reduce your risks, now suddenly, each person is in a position to really do something about it and be proactive.

Now, we're going to have to change how we regulate some of this stuff. We don't want bad information going out. We don't—we want to make sure that there's not a lot of hucksterism

in this whole process. We are still going to need doctors and hospitals to make sure, when you're thinking about actual interventions, like taking a certain drug, that that's regulated.

But the potential of this to really change how people think about their own health care is tremendous. And this is a change that we want to encourage. In fact, I've been putting together sort of a working group, not just inside the White House, but with all our various agencies, to start thinking about how do we create a platform for us to really take advantage of this, and how do we make sure that we're giving entrepreneurs the ability, if we build an effective platform, to essentially develop apps that work off this new information. So—all right.

Yes, right here. Sorry, there's a light in my eye. But—

*Women in the Sciences/Science, Technology, Engineering, and Math Education*

Q. Hi.

*The President.* Hi.

Q. I'm Kara Nortman, and my company is P.S. XO. And just quick background on my question: I am the CEO of a tech startup and also the mother of three daughters.

*The President.* There you go. Can't beat daughters.

Q. Yes. Yes, daughters are wonderful.

*The President.* They are outstanding. [Laughter] Yes, how old are your daughters?

Q. Six, four, and one.

*The President.* Oh, you're still in the busy stage.

Q. Yes, we're in the—yes, we're in the joyful stage.

*The President.* I'm in the stage where they still love me, but I'm boring. [Laughter]

Q. I long for and lament getting to that stage. [Laughter] My question is—an issue that I'm really passionate about is women in technology. And so, as we see the outpaced growth of tech jobs and the impact those jobs have on the economy, what can we really do to accelerate moving women into more technology-related jobs and fields? And I struggle to

bring women into those roles in my companies, and I try very hard.

*The President.* Great question. This is something we're spending a lot of time thinking about: How do we encourage more women, but also minorities into STEM fields: science, technology, engineering, math? On average, wages are about 33-percent higher than non-STEM occupations, and yet women are not at all represented the way they should be in these fields. Neither are African Americans or Latinos.

A lot of it starts early. And how do we teach math, and how do we teach science, and how are we encouraging girls to excel in these fields? And some of it is just socialization that has lingered for a long, long time. So we've got a whole bunch of different agencies thinking about this. We have an entire effort, through the Department of Education, giving grants and incentives to school districts to encourage traditionally underrepresented groups to get into STEM.

We're doing a lot of research and then trying to apply that research to think about how the best way to teach STEM is to girls, because their learning patterns may be different. The classic tech nerd is this isolated person, right, sitting on a—I mean, that's the stereotype. Well, it may turn out that girls, up to a certain age, want a more social environment, in which case, if you then have group learning and projects as a way of teaching math, science, then, suddenly, you may get more interest.

So that's sort of at the K-through-12 level, thinking about how are we teaching it more effectively; how are we encouraging young people to get into it; how are we publicizing women who are already in science, engineering, math, and publicizing that.

Just an interesting example: Apparently, when you see an engineer or a tech person on a TV show or movies, something like 90 percent of them are male. Right? So, if you never see you in that position, it's hard to imagine, well, that's something I should be doing. And here's how much just a change like that can make a difference. Apparently, when CSI starting coming out, there were a number of women

who were in forensics, and the number of women who applied to go—to get into forensics and started studying that field skyrocketed, just from CSI. So we know that just these cultural cues that we send out can make an enormous difference.

And then, the last part of this is working with schools of engineering. A lot of talented—and this is a problem that is especially acute for women and minorities, but it's actually true generally—too many of folks who have talent in math or science, when they get to college suddenly find themselves steered into finance because it looks as if that's the path of least resistance and more lucrative. And there's nothing wrong with folks obviously going into finance, but if our best talent for numbers are all ending up on Wall Street instead of ending up as engineers, then over time, our economy is going to be out of balance. And that's something that we're going to spend a lot of time working on. And we've actually got a public-private initiative to get a hundred thousand more engineers. A lot of that then is trying to tap new talent, people who probably would make great engineers, but right are ending up being diverted someplace else.

Great question. All right, gentleman right here with the cool sweater. [Laughter] Or jacket.

Q. I get a lot of compliments on this jacket. [Laughter]

*The President.* Yes, it's cool.

### *Transportation/Infrastructure*

Q. Thanks. So I run a company called RideAmigos.

*The President.* What's your name?

Q. My name is Jeffrey Chernick. I'm the CEO of RideAmigos. And we have a transportation-mobility platform that we license to cities like Denver and San Diego and the Salt Lake City Chamber of Commerce and different cities across the United States, and it helps people not drive alone. So it helps people find ways to commute without getting in the car alone, like transit, carpooling, biking, walking, skateboarding, all of the above. And we do so with interesting technology in GIS and just

tracking and helping people find information that they don't normally have access to.

*The President.* Okay.

Q. So my question is around, when it comes to the Government stance on spending money on new transportation infrastructure, maintaining infrastructure, and then actually investing in having people use the infrastructure we already have, just not drive alone, most of the programs that our company have, they're all Government—federally funded. So what is your stance on the, I guess, the choices that we have as far as spending goes and what the priorities are?

*The President.* Well, I think it's all of the above, right? America is a car nation, historically. All right? We built the Interstate Highway System in the fifties, and ever since, America has been synonymous with the open road and driving. Right? It's sort of in our DNA. And that's not going to change overnight.

You are starting to see different patterns with millennials, though, partly because they're more urbanized, where the notion of, "I just want to get to where I want to go, and I don't feel like I have to have my own car to do it, and there are a number of options that I may want to exercise depending on the day," is giving rise to a bunch of different opportunities.

So, when you think about infrastructure, we do have roads that are busted up and broken. Out here in California, it doesn't look as bad because you don't get snow and salt. But if you go—colder climate areas, our roads in a lot of places are in bad shape. They need to be repaired. We should repair them partly because when you put folks back to work, it's not just the hard hats that benefit from road construction, it's also cement makers and manufacturers and engineers and so forth. You get a big ripple effect from infrastructure investment.

And by the way, when I talk infrastructure, it's also hidden infrastructure that we don't see: water mains, sewer systems, huge inefficiencies there. And I already mentioned the smart grid, where the amount of leakage that we have on energy is a real problem. I mean, we could make—we could reduce carbon

emissions, reduce pollution, reduce power consumption without changing our lifestyles just with a better, more resilient power grid.

But what we also have to do is make sure that we're investing in mass transit. And so every budget that I've put forward has tried to increase the amount of mass transit spending in our budget, rather than simply invest in the same existing mix that we've had.

We are constantly working with municipalities like Los Angeles to figure out, all right, you guys are thinking about bike lanes, you're thinking about this, you're thinking about that. Let's put that in the mix. And so what we want is an all-of-the-above strategy that can take advantage of different preferences that this next generation may have in terms of how to move.

And by the way, we can afford all this without blowing up our deficits in some fashion. My budget basically said that if we close some corporate tax loopholes as part of an overall tax reform package to make the system more efficient, not only can we lower corporate tax rates, make capital allocations more efficient, but we can actually take some of that money that we save and put that into infrastructure spending.

So, bottom line is—as you might not be surprised to hear—Congress has not done that yet. Hope springs eternal though. And—because traditionally this wasn't a partisan issue. It didn't use to be that building stuff was a Democratic issue.

My—the first Republican President was a guy named Lincoln, helped to get railroads across this continent. And Eisenhower, as I said, built the Interstate Highway System. So, traditionally, this is something that we should be able to get together and do.

There are always politics in transportation funding and infrastructure funding, mainly because different States all want a little bit of their share. And some of the traditional players like the folks that pour concrete, they tend to have a little additional influence with Congress on that stuff.

But there's so much that we can do. And the kind of service that you're providing, when you combine it with some of the stuff that's hap-

pening in the share economy, means that we need to think 10, 15, 20 years ahead and anticipate how people are going to be living and how they want to travel, as opposed to just looking backwards and expecting that the same old patterns are going to be there for the next 20 years.

Yes. Got a mike? You can always use mine, but here, you'll get your own. [*Laughter*]

### *Internet Neutrality/Intellectual Property/Patent Reform*

*Q.* Hi, I'm Julianna Raye, and I have a company called Pop Go Zen. I train people in mindfulness meditation. And I also—

*The President.* I need that.

*Q.* Huh? Yes.

*The President.* Yes.

*Q.* It's fantastic. It's preventative.

*The President.* Absolutely.

*Q.* Speaking about preventative health care. And I also have been a professional musician for about 20 years. So I want to speak to the issues that the little guy is facing in terms of their innovation being protected and in terms of boot-strapping their entrepreneurial endeavor. I want to speak to net neutrality and to intellectual property rights protection.

*The President.* Yes, well, the—this is obviously an issue that we've been working on for a long time. It was something that I spoke about back in '08. And we're continually trying to fine-tune it and stay focused on.

On net neutrality, I made a commitment very early on that I am unequivocally committed to net neutrality. I think that it is what has—[*applause*—I think it's what has unleashed the power of the Internet, and we don't want to lose that or clog up the pipes.

And so there are a lot of aspects to net neutrality. I know one of the things that people are most concerned about is paid prioritization, the notion that somehow, some folks can pay a little more money and get better service, more exclusive access to customers through the Internet. That's something I'm opposed. I'm—I was opposed to it when I ran. I continue to be opposed to it now.

Now, the FCC is an independent agency. They came out with some preliminary rules that I think the Netroots and a lot of folks in favor of net neutrality were concerned with. My appointee, Tom Wheeler, knows my position. I can't—now that he's there, I can't just call him up and tell him exactly what to do. But what I've been clear about, what the White House has been clear about is, is that we expect whatever final rules to emerge to make sure that we're not creating two or three or four tiers of Internet. That ends up being a big priority of mine.

When it comes to intellectual property protection, this is a trickier issue because you end up getting the tech community divided, people are on different sides of it. In some cases, the same company will be really concerned about protecting this aspect of their intellectual property, but feel free to want to stream somebody else's intellectual property. And so trying to get the right balance is important.

I think the basic concept is that you want to have sufficient IP, and—whether patents or copyrights—that you are continually encouraging and rewarding innovation and creativity. But you don't want those structures so tight, in terms of protecting that intellectual property, that that ends up being actually an inhibitor to people getting good information, folks coming up with new uses for existing information.

And then, one of the biggest problems that we've been working on is how do we deal with these folks who basically are filing phony patents and are costing some of our best innovators tons of money in court, or if they don't go to court, they end up having to pay them off even though they're making a bogus claim just because it's not worth it for you to incur all the litigation costs.

So we've made some progress on patent reform. We continue to work with Congress to do more. But if we can maintain net neutrality, get the balance right on patents and copyrights, then I'm confident that we're going to continue to—and by the way, and then enforce intellectual property, because a lot of the theft of intellectual property that takes place isn't

happening here in the United States, it's offshore.

And that's why we actually have to have an international system to deal with this. That's not always easy. I'll be honest with you that piracy ends up being a huge problem overseas, and that's an area that—where we've stepped up enforcement and tried to get some multinational—multilateral agreements to do something about it. Okay?

All right, right here.

### *Immigration Reform*

*Q.* Hi, my name is Blair Golson, and I'm a member of the management team here at Cross Campus. I'd like to know how—what's your vision for how the immigration code should be amended to encourage more immigrants with technical skills to be able to work legally in the United States? And given the political climate in Washington, what do you think the prospects are for getting some movement on that before you leave office?

*The President.* Good. It's a great question. Well, as I think some of you know—Eric Garcetti certainly knows—this is an issue that I've been fighting for for a long time now, dating back to when I was in the U.S. Senate. We are a nation of immigrants. Part of the reason America has always thrived has been because we attract talent from around the world: strivers, folks who are full of new ideas, energy, and are willing to take risks. And that continues to this day.

We know that when it comes to tech, a huge percentage of some of our biggest startups, like Intel and Google, were started by first-generation Americans, immigrants. We know that about 25 percent of our Nobel Prize winners in the sciences are naturalized Americans. And so the idea that we would make it harder for talent to come here—especially when so often that talent is coming to study here, going to school here, wants to stay here, wants to work here, wants to invest here—makes no sense.

The good news is that we were able to pass out of the Senate a comprehensive immigration reform bill that would simplify and make more efficient legal immigration by talented

folks, and at the same time would deal with the millions of undocumented workers who live here—California obviously has a huge number of them—who oftentimes have been here for more than a decade, their kids have grown up here, for all practical purposes are Americans, but don't have the right papers. And would also, by the way, then give us more resources to deal with the border. The House Republicans have refused to call that bill.

So we are in a position now where we're going to have to see what the Republicans are going to do after the election. In the meantime, though, I'm not waiting. So I already signed an Executive order that allowed young people who had been brought here as children—so-called DREAM kids—to stay here without fear of deportation. And what I've committed to is, is that assuming Congress does not act, I will use all the executive authority that I legally have in order to make fixes in some of the system. And that includes potentially making the H-1B system that's often used by tech companies and some of the other elements of our legal immigration system more efficient so we can encourage more folks to stay here.

But whatever I do through the executive branch will not be as effective as we could do through legislation. And it's anybody's guess how Republicans are thinking about this. If they were thinking long term politically, it is suicide for them not to do this. Because the demographics of the country are such where you are going to lose an entire generation of immigrants who are looking around and saying, you know what, that party does not seem to care much about me and my life. And I think the smarter Republicans understand this. Short term, though, they've got a problem, and the Tea Party and others who oftentimes express virulently anti-immigrant sentiment.

And the politics of this got a little tougher during the summer when these unaccompanied children from Central America showed up. It was a small section of our border. We've gotten the numbers of them that were coming here down to a lower level than we saw last

year. But that 2 or 3 weeks of publicity, I think, fanned concern about that situation.

I'm confident, though, eventually—and I think it will happen over the next 2 years—this is going to get fixed and Congress will see the light. Because the logic of it is too compelling. One of the biggest advantages that we have over our competitors around the world is we're a younger population. China is aging. Japan is aging. Europe is aging. We are younger than them. And younger populations grow faster. You have more workers, fewer retirees. The reason we're younger is because of immigration. Native-born Americans, our pattern in terms of the number of kids is actually fairly similar to Europe's. But because we attract all this new talent all the time, we're constantly replenishing our economic energy.

And so economists have looked at it and they've said, you know what, if you pass the immigration bill that passed out of the Senate, you can anticipate faster growth, lower deficits, a more dynamic economy, more startups. And my general theory is, if something makes a lot of sense, then we should go ahead and do it rather than not do it. But that's just me. [Laughter] We'll—so we'll see. I'm going to keep on fighting on this.

How are we doing on time, guys? I just want to make sure—where's my tall guy? Got time for one more? Oh, all the hands shoot up. You know what, what I'll do is, I will do two, all right? So we're going to do two. I've been a little biased towards, I think, this side of the room. So I've got to turn here, and I think I'll call on this young lady because it's a young lady's turn right here. All right, we've got a mike?

#### *Manufacturing Industry/Advanced Manufacturing Hubs*

Q. So my name is “Z” Holly—  
*The President.* Hey, Z.

Q. —and I'm Entrepreneur-in-Residence for the city of L.A., Mayor Garcetti. [Applause]  
*The President.* Uh-oh.

Q. I don't know why they let troublemakers like me into City Hall. [Laughter] So my question is, I'm actually focusing at the intersection of entrepreneurship and manufacturing. I'm

real excited about the numbers that you're stating about the growing jobs in manufacturing. And most people don't know that L.A. actually is the largest manufacturing center in the country by a factor of two. We're often ignored.

So my question is really around—things are changing so much with digital manufacturing, advanced manufacturing. The people and the companies that are going to really be at the forefront and pushing forward are not necessarily the same ones that are—have been successful in the past.

*The President.* Right.

Q. How do we bridge the gap? How do we make sure that the folks that have been manufacturing in the past can take advantage of this big wave?

*The President.* Well, it's a great question. So one of the great things about being President is you get to go to factories. [*Laughter*] No, really. It's like—it's really fun. You can pretty much go anywhere and see how something is made. And so I spend a lot of time doing this. You go to glass manufacturers, steel manufacturers, all kinds of gadgets, gizmos. And I put on a hard hat, and I get my safety glasses, and then people will just explain to me all the cool stuff that's taking place.

And you take an example like the auto industry, which obviously was the hub of the explosion of American manufacturing, and you walk into a factory these days and it is not at all like what you pictured from the movies back in the sixties or the seventies.

First of all, it's really quiet. It's really clean. [*Laughter*] And you might have a 3-football-field-size factory, but where you might have 2,000 people 20, 30 years ago, now you have maybe 300 because everything has become so automated, and a lot of the jobs require the kind of technical training in STEM and computer fluency that we've been talking about.

And I say all that because, even in the traditional industries, they're making huge adjustments, and the nature of jobs in the traditional industries are changing. So we want both new companies that are creating new products and services, like some of the outstanding folks be-

hind me, but we—you're right, we also want the traditional industries to be able to figure out, A, how do we upgrade what we do to make them more efficient, drive down costs, increase markets; and also, how do we get innovation inside those companies. And there are a couple things we can do.

Number one, we've been promoting what we call "manufacturing hubs." So far, we've got four. I actually want 20. Germany has 60. And the idea is real simple, and actually, folks here at Cross Campus probably can relate to it: The idea is, is that you can get some synergy if you connect universities and research labs with businesses, with government, and focus on where is a new set of technologies that we know is about to take off.

So the one that I just announced last week is around photonics—phototonics? I should have probably remembered this before I used this as an example. [*Laughter*] But it's basically new technologies around transmission of information through light and photons. Right? We did one of these for 3-D printing, which we know is going to be taking off.

And so the idea is that what we want to do is create these ecosystems where a bunch of companies can use this as a platform to be talking to researchers, universities, engineers as something is being developed and start thinking about, how do we apply this, how do we commercialize it faster, how do we get it to market faster. And that's one of the ways in which existing companies can now be plugged into some cutting-edge stuff. And they may end up seeing that a new technology can revolutionize the processes for the products that they're already making.

Now, the good news about this is that there's enormous interest and enormous hunger for this. But as I said, the bad news is, is that Germany, which is significantly smaller in population and size, has right now 15 times more of these things than we do. And this is an example of where we just need to make some investments.

It's not going to cost us a gazillion dollars. We just have to make some strategic investments. We've got the money to do it, and we've

got the model to make it work, but we've got to push.

The other thing we're going to have to do is to train more folks to take advantage of these new jobs. As I said, if you want to work at an auto plant today, you've got to have some familiarity with computers. You've got to have some familiarity with math. And if in fact we can start encouraging young people as early as high school to start looking at some of these jobs and give them some hands-on experience in these jobs, then they may end up going to the community college, getting a 2-year degree. The program may have been designed by the manufacturer so that they know they've got a job when they go in, which means that their costs for college are going to be a lot lower. They're not going to be burdened with a bunch of debt, and they may end up making enormous amounts of money and having a good living.

So what we're trying to do is link up universities, community colleges, high schools, so we're creating a pipeline of folks who have the kind of technical aptitude that's going to be required to get these new jobs for the future.

All right, I promised I would take one more question. This is always the hardest part, you know? It's like the last one. Everybody here looks very attractive. [Laughter] And I like all of you, but I feel obliged to just call on one. So this gentleman, he's got his laptop up. Go ahead. Here you go. I hope he was actually listening. [Laughter] I mean, I should have checked actually to see if he was watching old episodes of "Sponge Bob" or something. [Laughter]

### *Entrepreneurship*

Q. My name is Ariel Jalali, and I am the co-founder of Sensay here at Cross Campus. And, my question—

*The President.* What does Sensay do?

Q. So we're the marketplace for help. We provide the ability for you to monetize your most valuable asset, which is your mind. And the question is really more in the form of an offer. I wanted to get a jump on the competition and offer you your next gig. It's super rewarding. You get to help people.

*The President.* You're offering me a job?

Q. That's right. [Laughter]

*The President.* Wow, okay.

Q. That's right, that's right. And it's—you can help anyone from anywhere using nothing more than your brain and a smartphone. And you can do it anonymously. So what do you think? [Laughter]

*The President.* Well, I've actually heard—I don't know whether I was reading about Sensay, but I've heard of the notion—I mean, this is part of what technology is enabling folks to do is to be able to essentially—everybody can be an entrepreneur. Even if you've got a full-time job, you can essentially market yourself and services and skills and talents that you have in ways that somebody couldn't do just a few years ago.

And I must admit that it is an extraordinary privilege to be President. I think 8 years is a good stretch of time to be President. And constitutionally, I can't run again, and so the idea of still being able to dabble a little bit in the issues of the day while being in sweatpants and a baseball cap sounds pretty attractive. [Laughter]

But I think I'd have to check out your perks. I mean, I don't know—[laughter]—do I—do you have, like, a sushi bar at Sensay? [Laughter] I'm teasing.

But what I'm not teasing about is, this is representative of what your generation is going to be confronted with. There are challenges and downsides, as well as opportunities. The upside I think everybody here understands and is taking advantage of, which is, you have the opportunity in ways that previous generations did not have to create something yourself, to be your own boss, to have flexibility with respect to your hours, to pursue your dreams, to raise capital in creative ways, to bust down some of the barriers that—and gatekeepers that traditionally existed in every industry. And that's hugely exciting.

The challenge is that you have less of a safety net, because the tradition of getting one job, working your way up in a company knowing that you're going to have regular benefits, knowing that you have a clear career path,

that's what your parents' generation, the generation before you, had.

Part of my job, part of Congress's job, part of your mayor's job is to figure out how do we create platforms where we can duplicate some of the foundation that everybody needs. Right? How do we make sure you're getting the education you need to be able to compete in this economy? How are we making sure that we've got the infrastructure that you need, whether it's cyberinfrastructure or hard infrastructure, for you to be able to move services, move goods, move ideas not just around the country, but globally? How do we make sure that our research engine continues to thrive here in the United States? How do we make sure that you've got health care if it's not tied to a traditional 9-to-5 job? How do we make sure that you—you have a platform for savings, for retirement if the traditional pension doesn't work?

Because statistically, I'm sure everybody here is going to succeed, but not everybody here is going to have an IPO and make a gazillion dollars, and you're going to do really interesting, exciting work, but you're still going to have to worry about, at some point, how do I pay for my kid's college education and how do I make sure that I can retire with some security. Right?

So part of what we want to do is to build portability into the system, to build flexibility into the system, to duplicate in new ways and using new models the kind of baseline security that you had in previous generations. And that is something that we're starting on. The Af-

fordable Care Act was an example of that. Some of the proposals that we have for new ways of saving is an example of that. But we're not quite there yet. And it's going to be up to you, this generation, to come up with innovative, creative ideas, and then to help mobilize the passion and energy that you're showing in the private sector and direct some of that into the public sector.

That's the one thing that I want to leave everybody here with, and that is: As clunky and as frustrating as government and politics can sometimes be, the fact of the matter is, is that it is still vital. It still makes a huge difference. It is going to help determine whether or not you've got the platform to succeed.

It's still going to be educating the vast majority of our kids. It's still going to be the lion's share of our research dollars. It's still going to be what makes airports function. And even with new technologies and new models, it's going to be the basis by which you're able to get from A to B. And the decisions we make now will help determine how successful we are collectively and individually for years to come.

So, even as you're doing all this neat, cool, interesting stuff, do pay attention to what's not always as neat and cool, but really necessary, in Washington, DC, and in your local communities.

Thanks, everybody. It was great.

NOTE: The President spoke at 3:01 p.m. In his remarks, he referred to Mayor Eric M. Garcetti of Los Angeles, CA; and White House Trip Director Marvin D. Nicholson, Jr.

## Remarks at a Democratic National Committee Fundraiser in Los Angeles, California

October 9, 2014

Thank you so much. Thank you, everybody. It is good to see you. And I want to thank Gwyneth and Apple and Moses for letting us crash your house. [Laughter] I promised that I would put everything back. But they are so generous. And, Gwyneth, thank you for not just what you did this time, but what you did

last time, because it did make a huge difference to us. Even though I couldn't go, I wanted to go, but they said there are no voters that I can knock on doors in London. [Laughter] I'm trying to remember who drew the tough job of attending that event. I think it was Messina, wasn't it? What a scam. [Laughter]