

Nicolle Wallace Talks Hope, Optimism, and Opportunity for Small Businesses



Gene Marks

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Nicolle Wallace

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Deadline: White House

Full transcript

Gene Marks:

Hey I'd like to introduce to you our guest, Nicolle Wallace, she's a best-selling author, a political analyst, a top strategist for the GOP and the former special assistant to the president and director of communications at the White House under president George W. Bush. She is currently the host of Deadline: White House, a frequent contributor and guest host on the 11th hour with Brian Williams and Morning Joe, and a contributor on The Today Show, making her one of the most visible faces on cable news history. So, Nicolle, thrilled to have you here with us and before anything else and to get into the conversation, because I know there's a lot we want to talk about regarding small business. You're anchoring Deadline: White House, you had quite an interesting road to get there. So as briefly as you can, just tell us how you got to where you are.

Nicolle Wallace:

I think my career parallel is best embodied in the Forrest Gump character. I happen to be working for Jeb Bush when the Florida recount happened, I had happened to go work for John McCain, who I adored when I was White House communications director, and Sarah Palin happened. I was tapped to work on the view and got fired after one calamitous season, refusing to clash with Whoopi Goldberg and Rosie Perez and Rosie O'Donnell literally the only three famous people I'd ever really met. And then I really landed on my feet by a stroke of good fortune and some great mentors at NBC and MSNBC and worked my way up to having my own show. And recently they expanded it to two hours. So I'm, I'm the beneficiary of a lot of lucky breaks and never really giving up and having a lot of great people that I've worked for.

Nicolle Wallace:

So I think the moment has helped a lot too. I mean, to work on all those extraordinary moments makes covering this even more extraordinary moment, more natural. The few historical parallels that they are, are ones that I happen to live through. So it's really the culmination. And I feel blessed every day to get to be part of covering and covering the coverage of this moment. The background noise is very of this moment. I am broadcasting from home like every anchor at MSNBC and my son is in third grade, a few rooms away having a violin lesson. So I'm sorry [crosstalk 00:04:14].

Gene Marks:

I'm hoping he's playing Vivaldi and not Kansas. You know, just a recommendation.

Nicolle Wallace:

I was thinking this morning, as I sat down when people try to create this era in film and television, they will try to make a soundtrack and they would probably come back and look at interviews like this to see what did it sound like when people were trying to work and do speeches from home, this is what it sounds like.

Gene Marks:

That's great and it's genuine and all that. And by the way, you got your dog right to the side of you as well.

Nicolle Wallace:

What, like a screen off to the right.

Gene Marks:

Fair enough. Fair enough. Yeah. So Nicolle it's this conversation is all about hope and optimism and opportunities. And a lot of small businesses are concerned with Biden administration at that it would have an impact on their potential opportunities and he says, he goes out and he wants to tax just the wealthy, or he wants to go after larger corporations and corporate tax rate would be increased. And a lot of small businesses depend. I mean, my company are our best clients are some large companies and employees in large companies buy pizzas and go to restaurants and get their dry cleaning done at small businesses. So, again, what are your thoughts? Does that have any kind of a limitation on opportunities for small businesses when you have a president coming in that says that they want to increase taxes on the wealthy or on big corporations?

Nicolle Wallace:

I think there will be a lot more to worry about if Joe Biden hailed from the Elizabeth Warren and Bernie Sanders wing of the democratic party. He does not. I think that at this point he hasn't been sworn in, but he has committed himself to a more targeted sort of scalpel to tax policy, not blanket tax increases for every profitable business. That is not his philosophy. That is not what he believes. And that is not his record. I have as a Republican operative, been a part of branding the democratic party as bad for small businesses for more than two decades. At this point, I could say, I'm not sure that's fair or accurate. I think that what you're talking about, companies paying people enough so that some of that is psychology and the psychological impact of running a business in the time of a Republican administration that just wants to lift every regulation and lower taxes.

Nicolle Wallace:

And Trump benefited from that brand. He also backed it up with some policies. I mean, they had a stated policy of deregulation, but they actually administered through the counsel's office at the white house and all of the council's offices at the administration. And that is part of his legacy that is good. And that is part of why 76 million Americans voted for him. And, but Joe Biden has not run as a redistributor of wealth the way Bernie Sanders did and Elizabeth Warren did. And I think some of his appointments signal that he's going to govern as someone acutely aware of the frailty of the economy. And I think that this question is also on corporate America. The country's been hit with a 9/11 attack size blow every day for the last seven days. I mean, we've lost almost 300,000 Americans. And the things that we have done to try to sort of spare more loss of life, have hurt our economy. Joe Biden ran as someone who understands that who wants to beat the virus without stomping out economic revitalization. And we'll see, we'll all get to watch it in real time.

Gene Marks:

So that does give you some confidence and that's good. And I think that might be a fair reason why small business optimism remains at historic high. I think people look at it regardless of who they supported. They can see that at least with this next administration, that there will be opportunities once we emerge from this pandemic. All right. Listen, I love the fact that we're talking to you from home. I'm hearing your son playing the violin in the background. We got like this stuff going on in the kitchen, the sunlight's flowing in. I'm expecting like the UPS driver to like start banging on your door.

Nicolle Wallace:

You'll see him.

Gene Marks:

Yeah, with an Amazon package. But you know, you like millions of the rest of us have been working from home, right? So it has been a huge, huge change in workplace culture this year.

Nicolle Wallace:

I think when you talk about the optimism of small business owners, I mean, there are all sorts of things we never knew we needed. I mean, my computer and my Zoom is on a stand that a small business made that they can't keep in stock. I work from my phone too, because I don't always Zoom from my computer. Small business ... I try to, you can tell an Amazon where things are sourced. And I think it is ... A massive change is an opportunity for people who innovate. And as a consumer you come up with things that you never knew you needed so desperately. I've also bought more gadgets for my kitchen. I now have a slow cooker. I now have an air fryer. I now have more cookbooks than I ever would have bought if I were living in Manhattan and I could order takeout like this.

I think the next thing I will look for is some soundproofing, but it isn't a time when people start ... And let me just say it is a privilege to get to work at home. So I think it is a more divided and polarized workforce now, perhaps. It's a privilege to get to work at home and not everybody has that. So I think you can expect just to bring it back to Biden, a lot of the policy to be focused on people who don't have that privilege, we've adapted, we've adjusted. And I think that the people that haven't people are people that get left out when a lot of our jobs are ones that we can do from home.

Gene Marks:

Yeah. I agree. You know, it's funny too. You look at the impact of the millennial generation on all of this. I mean the guys my age we always do complain, Oh, there's people, they just want to work remotely. They want independence. And I have some clients it's like, thank God for their millennial employees. Because they push them into setting up these types of remote connections. So when the pandemic hit, they were ready to go.

Nicolle Wallace:

And I think they were proven correct. And they easily could have gone the other way. I mean, in my industry, even when I'm back at 30 rock, I can't imagine demanding that my whole team come back. If they would rather work from home, we've been at ... Our shift doubled very early in the pandemic. I started anchoring a second hour, which it doesn't seem like much, but in TV twice as much time on air for all the people that support you are producing twice as many segments, making twice as many bookings for guests, hooking up twice as many satellite feeds. So my team became twice as productive like this from home. So it's just a slice of that adjustment. But I think a lot of employers will look at whether the millennials had a point and you could be just as, or not more focused and in some cases happier. I mean, it's noisy, but I love that my little boy is in the next room and my dog is behind me.

Gene Marks:

Okay, I'm going to throw a number at you as well. And again, maybe you already know this, you probably do. But in the third quarter of this year, there was an 86% increase in startup applications, new business filings compared to the same quarter from the prior year. Now, my belief is that a lot of these corporate employees that are working from home they're, remember how they were also busy and slammed and couldn't find time to do anything. Kind of seems that now they're working from home. They're able to get their stuff done and have a few extra hours to start up some side gigs. What do you think of that?

Nicolle Wallace:

I think it's amazing. And it says something wonderful and I'm sure that that's happening at a global level, but I would bet it's happening at a more accelerated rate here. We do have this entrepreneurial spirit and it's a real opportunity for this new administration to sort of see that and boost it. I mean, that is part of the solution and those people who were at home and maybe in some instance, forced home, if they have applied for a new business, it's either solving your own problem if your job became insecure or creating new opportunities and new jobs. And I think that's something to really nurture and make sure that it flourishes.

Gene Marks:

You had also mentioned e-commerce. I mean, we're getting deliveries all the time. We're buying. I mean, personal savings rates are up, right? I mean, people are not traveling or going out and e-commerce sales are through the roof, which is another huge thing for small businesses.

Nicolle Wallace:

It's wonderful. And I think that my dad had a retail store, so it was always bitter sweet for me. I wonder if this had happened when he relied on people walking into his two antique stores in Walnut Creek and Danville, California, and he would not have thrived. People don't buy armoires online. Maybe now they do. I'm sure through 1stdibs they do. But I think everywhere where there's a bright spot in terms of economic policy, if I were in a White House, I would say, sometimes it is zero-sum, especially when things are challenging. And I guess my only cautionary point on that would be e-commerce is great, but who are the losers? And I think a White House can celebrate the good numbers, but it is a White House's responsibility to take care of people left behind that bright spot.

Gene Marks:

So Nicolle, I mean, you're right. I mean, a lot of people have moved online and I think that as e-commerce sales are growing, I think that it is another huge opportunity for small businesses. I mean you take a walk down Seventh Avenue in New York and you look at the shops that are there today and you compare them to the shops that were there back in the early 60s, again, I don't know if you watch like Mrs. Basil on Amazon and you see them walking down the streets. There's dress shops, there's shoe shops.

Nicolle Wallace:

[crosstalk 00:14:08] shops.

Gene Marks:

Yeah, all that stuff's being sold online now. And now it's been replaced by stores that are providing experiences and services, food and smoothies and haircuts, not that I've taken advantage of those, but those stores themselves are ... For businesses looking for retail opportunities and you want to be brick and mortar. That's where the opportunity is in experience. But with all the debate about whether the Etsys and the Amazons and the eBays have been good for small business, I truly believe that just millions of small businesses have been created opportunities for entrepreneurs to sell stuff online out of their homes and out of their apartments. And I'm curious what your thoughts are on that.

Nicolle Wallace:

I think that's right, and they should be lifted up and celebrated, and we should point people toward them. So they don't skip the handcrafted alternative to what they might buy on Amazon. I think though, having a father who had to antique stores and retail, and my sister is a manager in retail now. It's just, you can't turn a blind eye to how the pandemic has hurt them and how the dip in foot traffic has hurt them. And on my block and New York is a gym that's been shuttered since March 15th. There's a bakery that's been shuttered since March 15th and a clothing store where the things they sell probably have moved online. So it is true that a lot of people are thriving. It is unknown whether they can afford health insurance and whether they have economic security week after week after week, or just enjoying this sort of rush to the e-commerce right now, during the pandemic, while we're all home, we wanted to make sure they survive after this period of working from home and quarantines.

And then I think it is the job of a White House policy council to make sure that the gym that's closed, that those people have made a transition if they choose to, or that they can reopen their gym when the vaccine is available widely. Because I just think it's as you'd warned earlier, generalizations have the danger of leaving some small businesses who did nothing wrong, through no fault of their own. They can't open the doors, they can't pay their employees. I mean, SoulCycle, I was a regular at SoulCycle. All those instructors have not worked since March. So there're not winners and losers. There're just people that have been able to continue and in your example, innovate and thrive, but there's still, it is a White House's job to make sure that the people who through no fault of their own can't work have either an alternative or a way back when the pandemic ends.

Gene Marks:

Yeah, it's funny that you mentioned SoulCycle and with all the struggles that they've had. And then meanwhile, on the other side of the coin, there are independent freelancers, the people that do the training, all that, that have found work with Peloton or found work with some of these online services.

Nicolle Wallace:

And if you can afford a \$2,000 bike, you're not struggling in this pandemic I mean it's a generalization, but I feel confident making it. So, again, it was a boon to those who were involved in Peloton, either making it, shipping it or delivering it, or as you said, teaching the classes. But I think you just have to always, again, it's from a policy perspective inside a White House, look over your shoulder and make sure that there weren't people that fell through the cracks. There were a lot of brick and mortar bike class studios with a lot of young people who work there. And I would just want to make sure that they were able to transition to something else.

Gene Marks:

This pandemic for a lot of my clients has sort of been like the last straw. They want out and then you've got a growing number. We talked about this millennial generation that they're not just kids out of college anymore. These are people who've been in the workforce now for a good part of a decade and are prepped. They're looking for opportunities. So do you think the opportunity if you want to get into a business, is it starting up from scratch or do you think there are a lot of opportunities to just to buy an existing business? Do you see a trend going that way?

Nicolle Wallace:

Well, I think that some of this goes back to the psychology. How did people feel about making those choices and those big moves in a democratic administration. And I think some of this is on this new White House and this new administration to make people feel confident doing that. But I think that is too ... If I made a prediction, I don't even make political predictions anymore. So I'm not about to start making economic predictions. But I think that is one of the tests that this new White House will face, whether they can inspire confidence to make big moves and big purchases like that.

Gene Marks:

All right, so Nicolle, I do want to share a little bit of advice for our audience. I mean, people are running businesses, they're trying to navigate their way through this pandemic and make grow their businesses next year. And so yeah, people also ask me like so, okay, we're at the end of 2020, what advice do you have for small businesses to not only survive, but to profit in the months and the years to come. So I do have a few pieces of advice. I'm putting on my accounting hat. I'm a CPA. So of course if you haven't figured that out yet just by looking at me. But first I do want to talk about financials and the numbers. And I can only share with you what my best clients do.

And my best clients right now are not only looking at their numbers, but they're heavily into forecasting and I don't care what size business that you are, but to put together just an ongoing 90 day rolling forecast, where you're looking at your numbers year to date, and then just you're stretching it out for the next 90 days. The smartest people I've met, they don't like surprises and it's just so critical to keep track of every dollar that you have in the bank right now, so that you can navigate your way through the next three months. You know? So, Nicolle, I mean, cash forecasting it's a big deal. So, and I'm assuming that you would agree with that. I don't know if you have any thoughts on what considerations a business should be making when they're forecasting over the next few months. So we're talking policy and what's going on in the economy.

Nicolle Wallace:

Well, I think that my sense from, again, working in the White House and advising a president and after 9/11, and then watching an administration navigate the waters after 2008, is that what businesses want and need most is certainty. And I think sadly that is not available. I mean, I think the pandemic has made everything so uncertain. But my advice would be to really cultivate reliable streams of information about economic policy, partisan stuff aside watch whatever you want at night, but in terms of economic information, just make sure it's from a trusted source in terms of-

Gene Marks:

Okay. Okay. Okay. So, where do you go? I mean, if I'm looking for some reliable economic data that's not politicized, do you have any recommendations? Like where will we get that?

Nicolle Wallace:

Every morning and all day long, I read the New York times the Wall Street Journal, and then I get online and I read local papers, because I think there're national economic trends, but I think even the pandemic is a local story and I think shutdowns have become pretty regionalized. So my home state of California is 10 different stories. If you own a restaurant in Los Angeles, your life and your planning is different than if you own a restaurant, frankly, in San Francisco or Napa. So I think cultivating reliable sources of local news is really important right now, too. I think the other thing to do is to really talk to your employees.

I mean, sometimes as the business owner, you're trying to solve problems that have changed. And so I would make sure that ... And that requires you to follow the health care news, to really understand what a Biden White House is going to do with Obamacare. The stated policy of the last White House is very different from the state of policy of this White House and all that affects your planning. It's not going to happen quickly, but it does affect maybe not the 90 day projections, but certainly the six month and nine month projection. So I think being informed is the best way to do what you just articulated, plan.

Gene Marks:

I think that's great advice. And by the way, I'm going to add one other ones is I've a couple economics websites I go to. One of them that I really recommend to everyone is called Calculated Risk Blog, which is maintained by a retired financial guy named Bill McBride. And he puts just every everyday post different economic metrics on there of what's going on in the world. He's been tracking certain metrics that track the economy. For example, every week he publishes reservations data at OpenTable, the app. [Crosstalk 00:31:33]. It shows you, right? And obviously we're like 60% nationally below what it was pre COVID. But when you start seeing that spike up again, you'll know that things are recovering. He also posts every week TSAs airport traffic numbers as well. And he compares it to this time last year. So you can see.

So you're absolutely right having good economic data. It reduces your uncertainty and it helps you forecast. So, okay. That's number one. Here's my next thing that I've been telling a lot of business owners and really important. You got to watch out for your mental health. I mean, this is a ... Mental health startups right now have received, this was through the end of October, over a billion and a half dollars in funding so far this year. It is sadly, it is a wildly explosive industry because some of the things you mentioned earlier about the stresses that we're under and working from home and all that.

So, tell me what you think. I mean, I have a few clients... One guy I remember he's about my age. He just revealed to me just recently that for the past five years, he's been going every week to see a therapist. And he's a business owner and he's like, "You know what? I go, I talked to this woman about my business, my personal life, whatever I'm paying her by the hour, she's a trained professional, no agenda." And it's been incredibly helpful for his mental health. And I'm curious, do you do anything like that or do you know people that do that? Or do you [crosstalk 00:33:00]-

Nicolle Wallace:

I have, and I should be doing it more. And I do have people that I turn to because you our lives changed so much and they have stayed changed after September 11th, which is in my lifetime, my adulthood, the closest parallel to what we're going through in our politics and in our lives. We had a very deep crisis and then a very accelerated recovery. We were urged to get back on planes to get back outside. We are now being told a very different thing from our leaders to stay at home. I think, and there's some reporting out just this week, that the mental health crisis is the fourth wave of the coronavirus pandemic. And I think some of those, there are meditation apps that are always advertised now on the gift guides, the Calm app, Headspace app.

Nicolle Wallace:

I think that if business owners start to treat their mental health, the way professional athletes treat theirs, and if you pay attention to any of these meditation apps that Tiger Woods and LeBron James are big advocates of, and consumers of these strategies. And I think if business leaders and small business owners become consumers of this kind of ... It's not self-help, but it's like having a personal trainer, but it's for your mental fitness, not your physical fitness. I think it could really have an impact on that part of the economy, the sort of mental health tools. I think some of it is in the branding.

I think if you turn them into performance tools and not dial up therapists, I think business owners ... I think it releases some of the stigma. And we can say that it's bad that there's a stigma, or we can innovate ways around the stigma. And the truth is in our society there's still a stigma to mental health treatment. So I think making it about performance and stability and economic vitality is a great way for people to bring that into their lives.

Gene Marks:

Working from home has been an enormous opportunity. Don't belittle your millennial employees. These people have good ideas. They're older. They know what to do. I think working from home is a benefit more so than anything else. And I think that as, Nicolle, as you raised, is a great thing. Startups are an opportunity.

We've seen an impressive number of startup filings, and that's not just from people that need extra money, but a lot of people working from home and have the chance to be entrepreneurial. So have I missed anything? Is there anything else that you'd like to share with our audience before we let you go?

Nicolle Wallace:

I mean, I think after this conversation, I think the business that needs to be created is one, they've got Zoom backdrops, I think we need Zoom sound walls. So if anyone can innovate their way out of third grade taking place in the background, I'm buying.

Gene Marks:

I actually don't mind it at all. I think it's real. I think it's genuine. I think it's great you've got a third grader there that's playing the violin and it's just, I don't know, it's just, you're not in a studio, you're at home and I think that that's -

Nicolle Wallace:

Real life.

Gene Marks:

It's your life. And I think that's great. Hey Nicolle, thank you so much for joining. Nicolle Wallace, she's the anchor of MSNBC's Deadline: White House on for two hours every day, right? So thank you for spending the time with us, your insights and your opinions are very valuable. So we appreciate it.

Nicolle Wallace:

Thank you so much.