



The Economic Club of New York

113th Year
543rd Meeting

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Vice Chairman, Citigroup
Chairman, Citi's Banking,
Capital Markets and Advisory

June 23, 2020

Webinar

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Introduction

Welcome everyone. Good afternoon. This is Barbara Van Allen, President of the Economic Club. And we will get started in a minute and a half. Thank you.

Marie-Josée Kravis: Good afternoon. I'm Marie-Josée Kravis, and I'd like to welcome all of you to the 543rd meeting of The Economic Club of New York. I'm the Chair of The Economic Club of New York and a Senior Fellow at The Hudson Institute. And I'm proud to say that The Economic Club of New York is really one of the nation's leading nonpartisan forum for discussion on economic and political issues. And we think that our mission is as important today as ever as we continue to try to separate noise from facts and encourage conversations that bring people together as a catalyst for innovation and progress. I want to emphasize that we proudly stand with all communities seeking inclusion, tolerance, and respect.

I welcome today, a special welcome, to guests of our members and also to members of The Economic Clubs of Chicago and Washington, D.C. whom we've invited to join the webinar today. And, in addition, I'm delighted that members of The Economic Club of New York Class of 2020 Fellows are participating today. Before we begin, I'd like to thank our healthcare workers and our frontline workers for all they do during these challenging times to keep us healthy and safe. Thank you so much.

And a special thanks today to our guest, Raymond J. McGuire, who is the Vice Chairman of Citigroup and Chairman of Citi's Banking, Capital Markets and Advisory Business. Prior to this current role, Ray had a 13-year tenure as Citi's Global Head of Corporate and Investment Banking whose clients generate over \$20 billion of global revenue annually. He has advised on numerous transactions valued at well over \$600 billion.

Prior to joining Citi, Ray was the Global Co-Head of Mergers and Acquisitions at Morgan Stanley. And prior to that, Managing Director in the Mergers and Acquisitions Group of Merrill Lynch, and one of the original members of Wasserstein Perella, where he became a Partner and Managing Director.

Ray is from Ohio. He studied at Hotchkiss, Harvard College, obtained a J.D., an M.B.A. at Harvard. He's received numerous honors and distinctions including the Theodore Roosevelt Award from the Legal Aid Society and the John C. Whitehead Social Enterprise Award from the Harvard Business School Club of New York. He was inducted by Morehouse College as one of the inaugural members of the Martin Luther King, Jr. International Board of Renaissance Leaders. He was also featured in Black Enterprise Magazine as one of the "100 Most Powerful Executives in Corporate America" and he was on the cover of Black Enterprise Magazine as one of the most powerful Blacks on Wall Street.

Today's format will be a conversation and we'll end promptly at 2:45. Any questions that were sent to me from Club members in advance, I will try to share. There were a number of questions. I won't be able to share all of them. But, as a reminder, this conversation is on the record and we do have media covering the event.

Conversation with Raymond J. McGuire

CHAIRMAN MARIE-JOSEE KRAVIS: So, Ray, to you, first of all a heartfelt thanks. I should mention also because we do share an interest in common, Ray is also the Chairman of the Board of the Studio Museum in Harlem. I know you have a board meeting this afternoon and so I'm happy that between all of your professional obligations and your work at the Studio Museum you were able to meet with us. And I'd like to get a sense from you of what you're seeing in the economy, what is for you the general feeling you have of where the economy is going? Are we going towards a V-shaped, a U-shaped, a W-shaped recovery? What are you seeing?

RAYMOND J. MCGUIRE: So, first of all, thank you, Marie-Josée. It's great to be with you. It's always great to be in your presence. You're an extraordinary leader and such a strong supporter in many of the things that make a difference. So thank you for that and thank you for having me. You referenced the economy. I would separate the markets

out from the economy. I think the U.S. capital markets and some capital markets around the world are behaving on a certain stimulus package which has yet to address or yet to get to the economy as we would normally think about the economy. We now seem to be in the third or fourth phase of at least the capital markets and I'll address that and then I'll talk a little bit about the economy.

In the capital markets, remember in February we had an all-time high, historic high in the S&P of 3386 and we saw in March a low of 2327. So, off of a high, we went to a low of 2327. That was probably the first part of this. The second part was in March the Fed announced – on the 23rd of March to be specific – the 23rd/24th of March, the Fed announced that it was going to introduce a stimulus package. That reflected, my instincts there reflected the coordination amongst central banks around the world, all of whom were attempting to address the Covid crisis. We saw on March 24, 25, and 26, probably the largest gains in any consecutive trading period in 75-plus years.

Today, we are in – I would say – sort of the third phase of that, and that phase is where we're at 30 some-odd percent off our low, between 35 and 40% off of the low and that's how the capital markets have responded. In large part, that response has been aided, supported, ensured, by the extraordinary investment by the Federal Reserve. And Chairman Powell has been masterful in how he has done whatever it's taken to address at least the capital markets.

The corporate response has been, in the initial phase, to make certain that they had adequate liquidity so they drew in their revolvers. With the addition of the Fed stimulus package, they began to access the capital markets. Today you're seeing historic raises both on the debt side and now you're seeing on the equity side. And that has all been enabled by this Fed stimulus package and the deftness by which Chairman Powell has managed the situation, obviously with the Treasury's involvement as well, but the Fed has taken a pretty big lead at that.

Now, if you look at some of the, if you look at Fed Notes, if you look at the Beige Book, what Chairman Powell has now said is that they're trying to think through what happens with unemployment. We reached a high of 13.3% unemployment down from, or way up from our historical lows of 3.5%. I think the Fed is looking to the end of the year to get to 9% and change and then at the end of '21 maybe to 5% and some-odd percent change.

While making the comments, Chairman Powell also acknowledged that the deepest concern that he has is with women, Blacks and Hispanics. And so on the one hand you see the capital markets behaving at pretty significant and strong levels appearing to look through the crisis – that's in the foreground – in the background, you see an economic crisis that continues to permeate a large part of our demographics.

CHAIRMAN MARIE-JOSÉE KRAVIS: That's a really important point. And you spend a lot of time, you have an unbelievable network globally with businesspeople, they weren't investing even before the Covid crisis. Business investment was rather anemic. Are you hearing any businesspeople who are talking about investing? Because if we're going to create jobs and grow this economy, you're going to have to have some investment and some innovation.

RAYMOND J. MCGUIRE: I would look, if you look before Covid, look at the BMI index and look at the investment that was going through and we saw a trend, kind of a steady trickle down, I think you saw that more globally. If I look at the markets and the economies around the world, it appears as though Asia, across primarily Southeast Asia, Greater China and Southeast Asia, that the recovery is that there is some form of recovery or at least a new normal of some stability that's in large part given how they've addressed the Covid crisis. If I look to Europe, we see some sign in Europe of them having moved into a new state of normal. I'd say the economic underpinnings in Asia are probably stronger than what we're seeing in Europe but we do see the European capital markets moving.

We've talked briefly about the U.S. markets, the capital markets as separate from the economy. In Latin America, it's going to be a very different story. I go from Tierra del Fuego up to Mexico, I think we're going to see some continued headwinds, which may

translate into opportunities for investment. But in the short to intermediate term in that part of the world, I think we're going to see much more headwind than what we've seen in other parts of the world, in large part because of the infrastructure and the way the markets are built. So that's, I think we're going to have to manage through that.

CHAIRMAN MARIE-JOSÉE KRAVIS: So you mentioned in the U.S. the real economy and the real pain and suffering that's hitting a number of economic sectors and also minorities. And I wonder if you see that getting better or worse when you think of, for example, unemployment payments or the supplement stopping at the end of July, businesses operating, or opening, but at 50% or 25% capacity. How do you see that unfolding?

RAYMOND J. MCGUIRE: Listen, I think the challenges in the economy are more pervasive in the communities where they were challenged before notwithstanding the achievement of historic low unemployment rates. Many of these economies were still suffering, were suffering then. The magnitude of that suffering now is profound. And what the crisis has identified and what it's uncovered is the crisis that existed before, before the Covid crisis.

And I've talked about it in different forums, but you talk about the challenges that have been uncovered because of Covid, the disproportionate impact that it's had on Black

and Brown communities, especially Black communities, the systemic racism that has existed here that we've yet attended to, that we've yet to attend to. I think the Covid crisis identified at least one of those challenges which is the healthcare crisis that has existed in many of these communities, the disproportionate impact on Black communities.

The other three crises that we've essentially ignored would be the crisis in the criminal justice system and the crisis that exists in the economics and the crisis that exists in education. We've yet to address those. And so we have, at a moment in time, the opportunity to address the dangers that have been lurking, the crises that have been lurking, that have been existent for the past 50 years.

CHAIRMAN MARIE-JOSÉE KRAVIS: So let's take some of them one by one. Let's take on the economic side because many of the members have sent in questions. One of the questions that keeps recurring is the role of banks and access to capital, access to seed capital, access to start-up capital, access to mortgages, and that minorities seem to be penalized or discriminated against in many of those instances. And notably, recently, if you look at PPP payments, that they did not receive a proportionate share.

RAYMOND J. MCGUIRE: So let's look at what I'll call the economic racism that has existed in this country for _____. It gets highlighted with some of the following. If I look at

the Fortune 500 which was created in 1955, in its 65-year history there have been maybe twenty Black CEOs. Today there are five. If I look at report that is done, I think this is the second time it's done, the Knight Foundation, which looks at the allocation of foundation capital to what they call minority managers, of the \$70 trillion of assets under management, less than 1% is managed by diverse managers. In New York City, which is 65% minority, they get 3% of the contracts.

Of the minority firms, there is a landmark transaction that was just publicized here yesterday or the day before, Bill Ackman is going to access the public markets with an extraordinary special acquisition vehicle. What's extraordinary about that, in addition to a structure is the fact that he had the courage and conviction to include minority firms as co-managers with 365 basis points of fees, 20% fees to that group. Other issuers, other corporate issuers have allocated 20 basis points each, 20 basis points. And then they decided that that is something that is, it's certainly a "check the box" but is anything there material? No. It's a feel good "check the box" but it's certainly not advancing any of this.

Then I look at the pipeline to many of the corporations and to the economic system and I look at my alma mater of which I have the highest level of pride, which is Harvard, three decades – Dean Nohria just wrote a letter during the Covid crisis and during the George Floyd crisis – three decades the average attendance for a Harvard MBA is 50.

This year there are 900 and some-odd Class of '21 and I'm assuming that those averages, those 30-year averages remain at 50 and I use that as a proxy for the other educational institutions.

If I then I look at the PPP and I look at the percentage of the dollars that have gotten into these communities, it's de minimis. It may be 2%. It may be 2%. And then I look at what you referenced in terms of the banks, there are – let's call it – 4,700 banks in this country. There are probably more but let me round it to say 4,700 banks. That latest St. Louis Fed number is \$20 trillion of assets, \$20 trillion. I have 19 minority depository institutions, 19 with \$5 billion of assets in aggregate, 19 -\$5 billion; 4,700 - \$20 trillion. So how does capital get into the community? And what is most needed in the community is there's capital – this is just on the economic front – there's necessity for capital. There's a necessity for mentorship. There's a necessity for vocational training. So, as you think about the economic challenges, the systemic economic racism that I referenced, just look at those facts and ask how is that unless we make some material investments into these communities, into the economic infrastructure, how will this picture ever change?

Today, I'm encouraged by the relatable messages that we've gotten from – and heartfelt messages – that we've gotten from corporate, the corporate American world, to date I would say we're close to maybe \$2 billion of identifiable funds to address this systemic

challenge. I think that is a good start. It's a moment.

CHAIRMAN MARIE-JOSÉE KRAVIS: How do we prolong the moment? Because you've said very eloquently that it's not enough to check the box, we've got to change the culture. And I think that, you know, I think all of us are complicit, but now there's a different message that we have the capacity to make change. So you've mentioned vocational training, mentorship, recruitment. What about procurement? Is that an area where companies should be looking at their suppliers and trying to bring in more people from the community? Are there other measures, specific measures they should be considering?

RAYMOND J. MCGUIRE: The answer is that's certainly a start. And I'm dealing now just with the economic challenges. I haven't gotten to vocational challenges, other challenges. But if I look at many of the corporations out there and the corporations that are managed by the largest asset managers, they employ hundreds of thousands of people – they're some of the largest employers that exist – it would be an important initiative for them to review their supply chain. Who their suppliers are, have they achieved diversity in their supply chain? And have they actually invested in their supply chain? And do they know what level of involvement do the principals have through the businesses that they manage? What level does the senior ownership have? What level of involvement? Have they owned it? That's one.

Two, I would think, and I'm separating sponsorship away from mentorship, if I look at the pipeline of talent, what are the senior leaders doing to add to this pipeline of talent? Who are they sponsoring? What programs are they initiating? Have they gone to dinner with anybody senior in their firm? Anybody in the middle ranks? Do they have any familiarity? Do they know anything about their families? Have they sponsored someone, and sponsorship is going to be very different to mentorship? Through my, this year it'll be 36 years in September on Wall Street, and I can remember through different moments in time we've talked about mentorship. These get to be somewhat manufactured because you don't develop the relationship. I don't dismiss them, but they're of the moment.

And so as I think about what people can do, they can sponsor, know about people who are the high-level performers in these corporations. And does the board know about them? Does senior management know about them? And what's the sponsorship? That's for the existing pool of talent. And what about the emerging pool of talent? There are programs that are out there, one of which you have a high degree of familiarity with, which is the SEO, the Sponsors for Educational Opportunity. This year, they have 427 students from 150 colleges and universities and they train these students. And they train them against the metrics of the majority, recognizing that they have to be better in order to be equal. And that's exactly what SEO trains these kids to do. And so the sponsorship of SEO, the care and investment in SEO is one prime example of where at

least we can begin to address the pipeline along the economic spectrum.

CHAIRMAN MARIE-JOSÉE KRAVIS: Well, I'm glad to hear you be such an advocate of SEO because I, as you know, am a great fan and supporter along with Henry. But let's go to health because that has, I mean the Covid crisis was a real tragedy in the African-American community, but there are also underlying health issues, lack of access to public health, that are not just Covid. It's a day-to-day issue with public health in those poorer and African-American communities.

RAYMOND J. MCGUIRE: Well, if you look at the lack of investment into these communities, look at – if you will – the number of either health stores or gymnasiums in these communities and you'll find that number relative to the number of other kinds of food services in these communities. So you will find a preponderance of fast food stores, if you will. And so as I look at that preponderance of fast food stores and I have a minimum wage, I have minimum wage income, it is much easier for me to fill up on a super-sized meal with a super-sized drink where there's less emphasis on calorie count, or I can go and look at where the grease to cook the food is used multiple times today. And it costs me less to buy a super-sized entree than it will be to buy a salad. As a matter of fact, there may not be a salad offering or a healthy choice offering.

So we have to look at the infrastructure in these communities to get to some sense of

how that translates into the obesity, the diabetes, it comes down to diet. It comes down to being able to access a gymnasium or a healthcare facility. And it also comes down to the ability to access health care. And so if you don't have adequate health care and you have conditions that are being supported by lack of infrastructure in the community, no wonder, and you have less access to healthcare professionals, that translates directly into not being able to, or in a situation like the Covid situation or the Covid crisis, to have a disproportionate impact on the Black community which is what we're experiencing. That's just a ___ of a crisis, right? So I have a crisis in economics, I have a crisis in healthcare, and I have a crisis in criminal justice which we've talked about, and I have a crisis which is the most fundamental crisis which is education.

CHAIRMAN MARIE-JOSÉE KRAVIS: Well, that was, I was going to bring that up. It's true that in many neighborhoods, many minority neighborhoods, the quality of the schools has declined substantially over the last two decades or three decades even. How do you address that?

RAYMOND J. MCGUIRE: So let's look at this, 66 years ago, in 1954, the great Thurgood Marshall argued Brown vs. Board of Education and the Supreme Court said that the educational system was separate and inherently unequal. And it decreed that we should, with all deliberate speed, change that. Today, let me just go back to 2019, and I'll use that as a proxy for today because the numbers in 2019 are better than they

are today. But the numbers in 2019, New York State issued the results for 3rd through 8th graders in testing. Black students scored, 65%, below proficient, 6.5 out of 10, line them up, below proficient. There's a pipeline there, 65% below proficient.

And the reason I say that number is probably better than it is now is because when the Covid shut down the schools and resorted to home schooling, that requires internet and computers. In a community where the mobile device is what connects you to the outside world, many of these kids found themselves with no computer and no internet.

CHAIRMAN MARIE-JOSÉE KRAVIS: And no space at home and having to take care of younger siblings.

RAYMOND J. MCGUIRE: And transitioning, and so it was until, long into this crisis that many of these kids got access. And so the access to the internet was provided, and thank goodness for the New York Public Library, who had hot spots. So wouldn't a prescription be for us to offer broadband in these communities? Wouldn't a prescription be for us to offer devices – iPad, laptop, desktop computer? Wouldn't that allow for us to at least address this 65% below proficiency, 65%, so that means 35% are above compared to the White students, 67% are proficient – 65% below, 67% above.

So explain to me then how the pipeline exists 3rd through 8th grade, how will this

demographic ever, ever have the opportunity? And what the demographic wants is the same opportunity that you want for your children or that for any participants on this phone want for their children. Give me the opportunity to get an education so that I can be trained, so that I can get the training so that I can then get access to capital, so I can then put food on the table, so I can get a job, so I can have a level of dignity, so that I can do more than exist at minimum wage.

The educational system, I am actually supportive of the people who are out protesting but why don't we protest something that has a fundamental impact in addition to protesting those things which clearly need to be protested, against what's needed to be protested. But what about education? I got here through education. You were kind enough to cite the educational history that I have. I've been on scholarships since sixth grade. I was raised by a single mother. I got bussed, I walked a mile and a half to school and then I got bussed for two miles, or not that long, but for a lot of miles to school, in the suburbs where they had the wealthiest kids who were getting an education. I was on scholarship from sixth grade until I finished graduate school at Harvard.

CHAIRMAN MARIE-JOSÉE KRAVIS: That's an interesting, I mean you point, you make a very interesting point. We often talk about, well, you were on scholarship and you had the good fortune and the commitment and then the willingness and you put in the work

and so on, but we often talk about racial issues, or it's often said that racial issues are really an issue of class and not race and that it's because these poor children don't have the opportunity and so on. And there is some truth to that. But my experience is that racism or racial prejudice exists at every level. And I was listening to a blog that Ken Chenault had recently where he talked about his, I think it was one of his first days at American Express and he's on the executive floor and he's waiting in the reception area and all of a sudden, another executive comes in and says what are you doing here? And I'd like you to maybe talk about that because the issue is not just about poor Black kids, it permeates all levels, all classes in the Black community, doesn't it?

RAYMOND J. MCGUIRE: This is not, this is all about race. Let me be very bright clear and unequivocal, I am really proud to be one of the only members, the sole, S-O-L-E, and then the S-O-U-L member of the 4H Club, that is Hotchkiss and three Harvards. When I go into a major department store, I'm one of three things. I'm security. I'm men's room. I'm men's suits. And that is if I'm dressed up. If I walk down, if I walk in any neighborhood, including my own, they have no idea of that which I do for a living. They see me as a 6'4" 200 lb. Black man, and I can easily be George Floyd. I can easily be George Floyd.

And so people fail to recognize that because I've been given an opportunity and because I have been from the bricks to the boardroom, from the bottom up. And as the

great philosopher of the 21st century, Biggie says, you know, “If you don’t know, now you know. Remember, we used to fuss when the landlord dissed us, no heat. Wonder why Christmas missed us. Birthdays were the worst days.” That is every Black person out there. And so we celebrate, we celebrate those who’ve had the opportunity and we hope for those who’ve not had the opportunity. I can easily be George Floyd or Ahmaud Arbery, and the list goes on and on, or Trayvon Martin. I could be Emmett Till. Just because I have those degrees and have benefitted from all of the great education, the greatest institutions that exist on the planet, I’m still Black.

CHAIRMAN MARIE-JOSÉE KRAVIS: So going back to your changing the culture rather than ticking the box...

RAYMOND J. MCGUIRE: Well, listen, I think we have the opportunity, today we have the opportunity, this can be a moment. And I see all the relatable messages and a lot of investment dollars, and I think that is commendable. But we need to move, we need to move from a moment to a movement. And a movement is going to require all of us to invest and invest significantly. Invest to the point where we’re uncomfortable investing recognizing that long term, we’ll generate a return and long term if we don’t invest, it will be to our collective peril.

CHAIRMAN MARIE-JOSÉE KRAVIS: Well, you’re talking about calling us all to a

movement, calling us all to service. I think I'd be remiss if I didn't ask you about a service that many people have inquired about and I'd say the mayoral election in New York is coming up soon, I can't avoid asking you if that is a call to service that you're considering?

RAYMOND J. MCGUIRE: There's an election coming up for the mayoral race, there's an election today, hope you all vote and exercise your right. I will vote. My wife has already voted. Service is something that, especially at this time in our history, we have the opportunity to change the course of history, to change the course of 400 years of history, and I will continue to do my part. Service is an important and necessary part of my journey, an important and necessary part of all of our journeys. And so wherever I think I can be best and most highly effective, that's the path that I will follow. It is a journey of service and I've been fortunate through opportunities and through sponsorships to be here and to be in this chat with you, and I'm honored to be here.

CHAIRMAN MARIE-JOSÉE KRAVIS: So you seem to be really convinced that this time is different or this time can be different.

RAYMOND J. MCGUIRE: We have the potential for it to be different. There's a potential, in large part because the George Floyd situation showed America its face and it showed America that this is the ugliest moment that we can all witness – eight

minutes and forty-six seconds – the ugliest time that any of us have ever experienced. Well, some of the ugliest times. We are hard-pressed to tell our children why it is that eight minutes and forty-six seconds this policeman had his knee on the neck of a Black man with no one helping him. We saw that. We witnessed that. And each of us has a challenge in telling our children how it is that we allowed that to happen and what are we going to do to change that? Are we going to witness it and be a bystander like those other three policeman? Or are we going to do something to change the fundamental course of history?

So each of us has to challenge ourselves, and for some, we'll check the box, and that'll be okay. History will have moved past this moment. It shouldn't be just another funeral. It shouldn't just be another ceremony. Each of us has the opportunity to change the course of history. I've been on Wall Street for 36 years, the longest standing head of investment banking in the history of Wall Street who happens to be Black. It is through prayer, preparation, performance, and paranoia that I'm here. Others need to have the same opportunity. And each of us can make certain that we've given someone who doesn't look like us – or maybe in my case someone who does – the opportunity.

CHAIRMAN MARIE-JOSÉE KRAVIS: Are you heartened by the fact that when we look at protestors, you see so many White people also espousing these views and you see a lot of young people especially?

RAYMOND J. MCGUIRE: I am so encouraged to have Gen Z. I have the millennials. I have the Baby Boomers. And not only in this country, it's in other countries around the world, and many of them are White. What happened when they crossed the Pettus Bridge, the vast majority, they walked in Selma, most of those protestors were Black. Today, we have young White people out protesting because they see this is not our best selves. They saw in George Floyd we can do better. We must do better. And so I'm really encouraged by that, but I don't want this to be a moment. I don't want it to be a moment because we can change the course of history today if we all commit today.

CHAIRMAN MARIE-JOSÉE KRAVIS: But are you worried that, you know, many statements are being made, many promises are being made and expectations are high and it will take time to deliver on many of those expectations? And that either people lose their concentration, that it remains a moment, or that others are disappointed that the outcomes and the results aren't coming fast enough?

RAYMOND J. MCGUIRE: Well, listen, it is tough to, in one fell swoop, change 400 years of history so we have to commit longer term. It can't be we do this today and six months from now we forget that there was another George Floyd and it goes down in the history of all the people who were on injustices' death march.

CHAIRMAN MARIE-JOSÉE KRAVIS: And do you feel that your colleagues in the business community have that long-term commitment, that they're not also part of the ADD or the instant gratification?

RAYMOND J. MCGUIRE: You know, shall I live in hope? All men shall I think hope so, says the Great Bard. I certainly hope so. I want to see more conviction. As I said, I see the extraordinarily heartfelt messages and some commitments. We need to do more. We need to do more because what I've seen so far begins to address it. It's a seed that gets planted. We need to plant more. And they've been planted in different, in different variations. So how do you go and support the Black banks that you've referenced. We, at Citi, support a number of them. We started a mentor protégé program which allows the Black banks to access the Treasury. There needs to be other initiatives like that.

So, can corporate America do more? Absolutely. They can do more. With five CEOs in the Fortune 500, absolutely. With Black promotion of the middle ranks, yes, we can do more. And shame on us if we don't. It is highly visible. The mirror is looking, we're staring in the mirror and the mirror is us. We have the opportunity to change. We have that opportunity today. We can miss the opportunity and we can check the box that said, you know, we felt good, and it was a prayers and concern moment. But that's not sufficient to change 400 years of history. Invest, invest in SEO, invest in MLT, invest in the banks, get capital to the banks. And don't give me 20 basis points in the capital

rates, so you can check the box and say I had a bunch of minority underwriters in there and I feel good about that. Whatever.

CHAIRMAN MARIE-JOSÉE KRAVIS: Just in closing, Ray, because you do so much also in your community and you do a lot to preserve and to enhance and to encourage cultural development and cultural activity, do you want to share a few of your views on why you're doing that? Why the arts are so central to what you're doing?

RAYMOND J. MCGUIRE: Oh, the arts are fundamental to what we're doing. If you think about the impact of the arts on culture as we know it, I can go back from Benin to Nok _____. I look at the great European artists of Picasso and Modigliani and I see the impact that the African artists had on that and some of the greatest art that we celebrate. I look across the arts, not only to the visual works but to the performing arts. I look at the great stage at The Apollo Theater. I look at the richness of the Schomburg. I look at obviously the seminal place of the Studio Museum in Harlem which you've been such a great supporter. And I look, but for these institutions, where would culture be – let alone Black culture – but where would culture be?

So culture has led in how we think about race. Culture has led in the celebration of Black humanity and that's across cultures. If I didn't have the great minds of Baldwin or Langston Hughes, our culture would be less rich than it is today. If I didn't have the

great narrative of William Cuthbert Faulkner as he celebrated the south, our culture would be less rich today. If I didn't have Cuthbert Faulkner's words when he was awarded the Nobel Peace Prize and his views about humanity, to the last ding-dong, he said, not only will we endure, but we will prevail. And think about that, think about the richness that ___ contributed to our dialogue and to our narrative, The Cannon.

And what the art world today is doing is it's awakening and it's being much more, in the vernacular, awoke, than what it has been historically. Let me put it this way, some institutions, some have yet to, some have been in a pretty permanent sleep mode and I think today they're being awoken, awoken.

CHAIRMAN MARIE-JOSÉE KRAVIS: In what world do you think, not only the more classical but also the popular artists, athletes and so on, should be playing in this discourse?

RAYMOND J. MCGUIRE: Oh, I think the popular artists are, you know, art in many ways reflects where we are culturally. It reflects a certain moment in time and that gets reflected through a lot of the emerging artists. I look at a Deborah Roberts or I look at Hank Willis Thomas, there are many of these artists that are out there now who are celebrating a culture and that's being richly embraced.

And I go back and look at Gordon Parks or Moneta Sleet or the great Roy DeCarava or LeRoy Henderson or Chester Higgins, I look at the history of this art and I look at the impact it's had on how we think about ourselves as Americans, how we think about ourselves as human beings. I look at Henry Tanner, and Henry Tanner was the first African-American to have international fame. Trained in Pennsylvania by Eakins. The first to be celebrated by Ecole des Beaux-Arts.

And I look at that and I look at the richness of the culture which we all celebrate and we need to have more of that celebration because it enhances all of our lives and it allows us to be our best selves. We don't leave anything behind when we incorporate the brilliance and the excellence that history has shown us, has given us the ability to not only endure, but to prevail.

CHAIRMAN MARIE-JOSÉE KRAVIS: Well, I'm sorry but we're running out of time. But you certainly limbed the contours of a movement which we all hope that you will lead in some way. I really want to thank you, Ray, for being so candid and for sharing your time and your insights and your experiences with us and for educating all of us on an issue that's critical to our very country, that's central to our country and that's central to our future. So thank you very much.

And to all the members who joined us today, thank you very much for joining us. As you

may have noticed already, the Club Calendar of Events will extend through the summer this year, and I'm pleased to report that we have many speakers lined up. And as always, we encourage you to invite guests to our events. Tomorrow we have Larry Summers and Glenn Hubbard. On June 29th, the Managing Director of the IMF, Kristalina Georgieva. And on July 14th, the President and CEO of the Federal Reserve Bank of St. Louis. So I hope many of you will continue to join us for these conversations. And again, thank you so much, Ray, and thank you for everyone being here. Stay healthy, stay well, stay tuned. And keep on speaking to one another, there's a lot to learn and a lot to do. Let's not just have talk, let's do things. Thank you.