The Economic Club of New York

114th Year
590th Meeting

Kenneth Langone
Co-Founder, The Home Depot
Founder and Chief Executive Officer
Invemed Associates, LLC

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Webinar

Moderator: Lee Ainslie
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Introduction

President Barbara Van Allen

Good afternoon and welcome to the 590th meeting of The Economic Club of New York in our 114th year. I'm Barbara Van Allen, President of the Club, and I'm honored to be with you all today. As you may know, the New York Economic Club is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and we feel our mission is as important today as it ever has been as we continue to bring together as a catalyst for conversation and innovation many different communities.

A special welcome to the ECNY 2021 Class of Fellows, which is a select group of very diverse rising next-gen business thought leaders as well as graduate students from Rutgers University, Manhattan College, the CUNY Graduate Center, the Baruch Zicklin School of Business, the NYU Stern School of Business, Columbia Business School, and the Gabelli School of Business at Fordham University. We'd also like to extend a special welcome to the students from Episcopal High School in Virginia who are joining us today where our moderator, Lee Ainslie, is Chairman of the Board. Welcome everyone.

It's a pleasure for me to now welcome our special guest and fellow member, Ken Langone. Ken is the Founder and Chief Executive Officer of Invemed Associates, LLC., a New York Stock Exchange member firm specializing in healthcare and high-tech companies. He received his Bachelor of Arts from Bucknell University and an MBA from NYU Stern School of Business, where he remains active actually in both of these institutions. He's currently serving on the board of overseers of the Stern School and on the board of trustees for New York University as well as Chairman of the Trustees of the New York University Medical Center. In 2008, the medical center was renamed the NYU Langone Medical Center.

Ken was a member of the Bucknell University Board of Trustees where he served as Chairman of its Nominating Committee, its Endowment, and as a member of the Executive Committee. He is a co-founder of Home Depot, as many of us already know, and was Lead Director and a member of the Executive Committee of the board since it was founded in 1978 until 2008. He also serves on the boards of Unifi, Inc., Micell Technologies, Relationship Sciences and Juice Press. In addition, he serves on the boards of The Center for Strategic and International Studies where he is also a member of the Executive Committee, the Horatio Alger Society Foundation and the Harlem Children's Zone and its charter school, The Promise Academy, and St. Patrick's Cathedral, where he led the fundraising effort for recent restoration and renovation.

Returning to the format today, this will be a conversation and we are fortunate to welcome trustee of the Club and Managing Partner of Maverick Capital, Lee Ainslie. As a reminder, this conversation is on the record and we do have media on the line. I'll now turn it over to you gentlemen.

Conversation with Kenneth Langone

KENNETH LANGONE: Thank you very much.

LEE AINSLIE: Thank you, Barbara. And thank you everyone for joining us and, most importantly, thank you, Ken.

KENNETH LANGONE: Thank you for having me, Lee.

LEE AINSLIE: I thought, just to kick things off, I would tell a brief story about the first day we met, which you may or may not remember. This was back in 1991. Home Depot had just opened stores in Long Island. And you and I met on a Saturday afternoon to walk some stores. I was a retail analyst. I walked up to a customer and asked, why did you shop here instead of Lowe's? How has the customer service been? And all the typical questions, and I think I've done a pretty thoughtful and thorough job. I get back to you and you say, "what are you doing?" Oh, I'm trying to understand what..."Lee, he's buying a hammer. He will buy his next hammer in 20 years. Who cares what that guy thinks?" And we spent the next four hours, you were kind enough to give me literally a master class in how one walks a retail store. And I've found, here we are 30 years later, but virtually every time we speak, I'm still learning from you. So, again, thank you for taking the time.

KENNETH LANGONE: Thank you, Lee.

LEE AINSLIE: Let's start with Covid-19. Obviously, it's had a dramatic impact on behavior of consumers, businesses, governments. What of these changes do you think will persist in the future versus what will revert pretty quickly back to how we did things before?

KENNETH LANGONE: I think there's going to be significant behavioral change. For example, I wouldn't be surprised to see people routinely wear a mask and not because we have the pandemic like we do now, but it's interesting, the flu season this year has been relatively mild. And I think you can connect the dots and say that the reason it's been mild is that the mask has helped to prevent spreading of the basic flu. I think we've gotten used to it.

Much like in 1966, when we had the subway strike – women used to come to work in their work shoes, high heels – when we had the subway strike, they had to walk a fair amount so they decided to wear sneakers and put their work shoes, their dress shoes, I should say, in a bag, and that still prevails today. Go around Manhattan and look at the number of people that go to work with sneakers on and they get in the office, they change them into their business shoes.

The thing I'm worried about, we will recover, we will recover, and I think we're going to recover stronger and smarter from the virus. The thing that I think we should all be concerned about is the enormity of the debt burden that we put on the government balance sheet. Nothing comes for nothing. And I think we want to worry about how we're going to deal with that debt going forward, especially if interest rates go up appreciably.

I mentioned this to you yesterday, Lee, but a 200-basis point increase in interest adds $600 billion to the federal budget per year. I think 200 basis point increase would be modest compared to where rates have been historically and more importantly where they might go once we come out of this period of time where we've had economic inactivity. By the way, the activity I'm seeing in all of our businesses – all of them – is phenomenal. The pace of business today is incredible and already I can assure you we're seeing wage inflation. And if that's, to me, genuine, and I think it is, then overall inflation is not far behind. And I think that's when we're going to have the rubber meet the road and that's when we're going to have challenges. We're going to have to deal with the overhang from the pandemic.

LEE AINSLIE: Let's back up on that a little bit because I also want to explore your views on inflation. But the U.S. debt relative to GDP just crossed the highs previously seen in World War II, but on top of that you have record levels of state and local debt, corporate debt, consumer debt and yet you have rates that are towards historic lows. Can that persist?

KENNETH LANGONE: No, it can't. In my opinion, it can't persist. But better than that, the people that are buying this debt are reaching for any kind of yield. You take the state pension funds, they need a certain rate of return to accommodate their draw-downs every year. And I think one of the things I worry about, about the debt environment now, Lee, is people are forced to be taking on risk that they may look back retrospectively and wish they hadn't done. You look at the deals that were done last year, the amounts of money that was poured into these, the 2 ½% bonds, 3% bonds, 40-year bonds. Home Depot borrowed money for 40 years at some ridiculously low rate. That stays there for 40 years so whoever bought it, they got some yields, maybe a little higher than the market at that time, but it's going to be nothing compared to what their obligations are going to dictate that they earn. I'm very worried about the debt market over the short term. I really am. I don't see how we can continue on the spree that we're on.

LEE AINSLIE: And you think inflation will prove to be the precipitating factor that really gets rates moving?

KENNETH LANGONE: Well, I think that will be part of it, but I also think the hyper-economic activity, which everybody is expecting to happen, by the way, which we're seeing right now, one of the best bellwethers I have in the business that I'm in, is in the full-service truck leasing business. It all ties down there, demand. Years and years ago when you wanted to look at coming out of a recession, you studied the Dow Jones Transportation Index because that was a good measure of freight moving and product moving and the economy picking up.

I can tell you right now, deliveries, it's hard to get deliveries of new trucks. That's the demand. Used truck prices are holding up pretty good. Mileage is up. And there's a shortage of drivers. And I think the shortage of drivers ties back to how much they want to make. We're seeing a big turnover. We have a contract haulage business and we're seeing a big turnover of our drivers. When you do contract hauling, you provide the driver too. And there's a turnover that's driven by they're going to go where they can make the most money. So we're having to raise wages and that's okay, but how long can you do it for?

LEE AINSLIE: Any signs of inflation in materials?

KENNETH LANGONE: Oh, sure, look at commodities. Look at commodities last year. You mentioned Stan Druckenmiller. That was one of his big plays last year, commodities, and he did very well with it. Look at lumber, look at what's happened to lumber. Hell, a year and a half ago, Home Depot's comp sales were negatively impacted...(Audio Malfunction) Look at what's happened...(Audio Malfunction)...

LEE AINSLIE: Ken, unfortunately, we're having an audio issue where you're getting frozen. It may help if you want to call in on that phone number or perhaps turn off your video.

KENNETH LANGONE: There we go. You're back, but you're on mute.

KENNETH LANGONE: I'm off mute.

LEE AINSLIE: There we go. Perfect. So signs of inflation, obviously that can have an influence on rates. Do you also have to worry just about the impact of supply and demand as we're issuing more and more debt?

KENNETH LANGONE: Yes, yes, because look, it's amazing how people are seeking yield for good reason. They need it to make the actuarial numbers work in whatever they're doing. But they're taking on what I think to be significant risk. There's nothing worse than low yields unless it's negative yields, which comes about when you're losing money. And I think we need to be a little sober about this whole thing, and I'm worried about it. By the way, if I could die today and live ten years from now, the world is fine because we're going to be fine. I have no doubt about it. We've come through periods like this before. Maybe not as profound as this, but I'm a big believer in America going forward over the next 15 to 20 years. It's just these next few years going forward that we've got to work our way through, that I think are going to be challenging as all these different forces come into play.

LEE AINSLIE: One of the concerns you've mentioned to me is decisions China may make with regards to their interest in continuing to buy our debt. Is that something that's a real possibility? And what do you think...

KENNETH LANGONE: Yes, you know, China is a pretty good holder of a lot of our debt. What happens when China one day says to us, in a rollover, fellas, we've got enough, we think we want to cut back a little bit and they start moving, you know...(Audio Malfunction)...it's a potential weapon...(Audio Malfunction)...But I think we want to be careful that the world ___ are accommodating our ___ of spending throughout the government level. History is replete with nations that...

LEE AINSLIE: Unfortunately, you're still going in and out a little bit. Maybe it would be worth dialing in on that phone number as well.

KENNETH LANGONE: Should I go on the phone?

LEE AINSLIE: I think you can keep both going, but maybe mute the video and I'm going to do the same thing.

KENNETH LANGONE: Well, hold on. Let me call in this number then, Lee, okay?

LEE AINSLIE: Okay.

KENNETH LANGONE: I'm on mute.

LEE AINSLIE: That's perfect.

KENNETH LANGONE: Can you hear me now, Lee?

LEE AINSLIE: We can. Sorry about that. This is much better. Thank you.

KENNETH LANGONE: Good, good.

LEE AINSLIE: In general, how do you think the investment landscape will look differently ten years from now than it does today?

KENNETH LANGONE: Well, I think for sure some of these absurd valuations are going to be in our memory only. When you look at the enormity of valuations relative, you know, you buy equities for two reasons, earnings and ultimately dividends. Some of the valuations of some of these companies are staggering and if you make the most aggressive projections possible, there's no way you're going to get a return on your money that's commensurate with what you paid for it.

And, you know, it all gets back to the same thing. I want to make money on my money. That's why you invest money. And I don't want to name names because I don't want to get into a debate with anybody, but I think some of these valuations are wacky, absolutely wacky. You can fill in the blanks. I'll leave that to you or the audience. And I think we're going to pay a price for it. When? I don't know. The games going on right now, you've got a Fed that's very accommodating, pouring money into the economy. You had the Fed Chairman saying yesterday he sees things staying the way they are for a while. We've had virtually no interest rate for damn near ten years now.

LEE AINSLIE: Now the Fed also argues that they have the tools to respond if inflation materializes. Well, they may have the tools, do you think they have the courage or independence to act when necessary?

KENNETH LANGONE: Ah, Lee, that, to me, is the real, real question. Not only the courage, do they have the political will? Okay? You know, remember what Volcker did when Reagan asked him to break inflation. He broke it, but it was very, very painful. The prime rate, I think, got to 21 or 21 ½% in '81. Now, it set the stage for a wonderful period of solid prosperity, but it came with a hell of a price.

I'm not sure, hearing what's going on in Washington now, they're now talking about a $3 trillion infrastructure bill and the word infrastructure is loosely defined. You know the billion-nine that they passed a week ago, very little of it went to people that were hurting as a result of the pandemic, very little. You know, let the party continue. California is bailed out. Illinois is bailed out. New York is bailed out. Now New York is talking about a wealth tax. Look at what's happening in New York. I'm here in Florida. You cannot believe what's happening to land values and real estate in the state of Florida. It's going nuts, for good reason. The demand is enormous from outside the state. This can't continue.

LEE AINSLIE: Well, I think of you as a person that's almost optimistic about everything all the time. How do you feel about the future of New York, and not just New York, but other high tax cities?

KENNETH LANGONE: I remember the Tuesday night, September 11, when God forbid, we had that terrible attack on the Twin Towers. And I thought of my dear friend, Lew

Rudin, who in 1975 was in Windows on the World. He was there for a meeting. He was the guy that led the effort for the real estate owners to pay their real estate taxes a year early because the city was broke. And Lew looked north out of Windows on the World and he looked and he said, what am I worried about? There'll never be another New York like this. That gives me hope.

On the other hand, Lee, I think 9/11 was a terrible, physical shock in a very concentrated place, and it was a psychological shock. We were finally attacked on our own soil. This is different. This is a whole lot different. We're learning different ways to live. We're learning different ways to work. I hope I'm wrong, but I think we've opened up a possibility with technology today for people to stay at home and be as productive and maybe even more productive than they were when they went to their office.

I know that when we open up, I'm hoping in May, when we open up, I think a number of my people are going to be able to do their work from home, and I'm fine with that. What does that mean? When my lease is up, I'm going to need less space. So I think there's reason for concern about how deep this wound is in New York in particular. And don't forget, New York is not from a prosperous state. New York carried a state. What happens to the state of New York and all the infrastructure – I'm talking about the restaurants, the theaters, the museums, the universities, all these places – I'm very worried about how do they get back on their feet?

So we've never, there's no person alive today that's been through something like this, ever. It's the first time, all of us, no matter how old we are or how young we are. And I think there's some significant uncertainty that we're going to have to address, and I think we're going to have to address it in ways that might be painful for a lot of people. And that's what I don't like, that's what I worry about.

LEE AINSLIE: So I'm going to switch gears. Typically, your name is followed by founder of Home Depot, but I know that Home Depot is just one of many, many successful investments you've made over time. You shared the factoid with me yesterday I found amazing that your annual dividends from Lilly now are twice what they originally paid you for the company. When you're looking for great investments, what are the characteristics you're looking for?

KENNETH LANGONE: Easy and hard. Easy is people, hard is making sure you've made the right judgment on those people. If you look at a company like Walmart, in 1970, thereabouts, they had four Ben Franklin...Sam Walton and his brother had four Ben Franklin five-and-dime stores in Northwest Arkansas. Kresge, which was the name of K-Mart then, Kresge was a thriving, solid retailer that opened up a discount store in Plymouth, Michigan, I believe it was Plymouth, Michigan. Sam went up there and spent more time in that store, Harry Cunningham told me this, he was the guy that was chairman of K-Mart or Kresge when they went, became K-Mart. He said Sam spent more time in that store than we did.

Sam had a very interesting way to look at things. Sam would bring eight or ten young people with him to a store, a competitor store. When they'd get outside, he said, okay, what did you guys think? And they would cite all the things they saw that were wrong. Sam would say to them, well, let me tell you the things I saw that are right. And he would list all the things in the store that were an idea or that were an effort that made sense, which, by the way, he was very, very happy to go back and copy. K-Mart is gone. Walmart today is one of the most profound companies in the world, doing very, very well.

Home Depot, we were non-existent 43 years ago. You had Rickel's, Channel, Pergament, Hechinger's, Scotty's, Payless Cashway, Pic and Pay, Handy Dan, these were all over the United States. They're gone. They were around for years and years and years. What was the difference? It was the people. It was Bernie and Arthur and Pat, and I guess I'm being a little boastful myself when we started the company. And look at what we did.

So, Lee, I'm a great believer in people. Look, and I can name names, but look at the values that were created by Microsoft and Amazon and Facebook. Write down the list of all of them, and Google, and then ask yourself the question, what happened to IBM?

IBM was the most attractive company in the world in the 60s and 70s. Everybody wanted to go to work for IBM. Everybody. They had a lock on everything. They created the computer leasing business. They brought out these 360-machines and they had a set price, which provided an umbrella for these little guys to go off and use IBM computers. Saul Steinberg, Data Processing Financial & General, Sam Wyly. They all lived under that umbrella. Look at the behemoth that Microsoft is today.

So I'm rather simplistic and I like to spend a lot of time with the managements of the companies I'm invested in. Not so much, the facts are nice, but more to get to know them and how they think. I'll give you, and I'm, please, I'm not touting the stock, I'll just give you an example. One of my more successful investments these last few years has been a company in Cleveland called Parker Hannifin. All I had to do was to meet the previous chairman and then the fellow that succeeded him, Tom Williams who – by the way – is a Bucknell graduate. That doesn't hurt. And I look at what they did with this little company.

This is a company, I think, that for the last 60 years, it's one of four companies in America that's raised its dividend every single year. That's a hell of a record, a nuts-and-bolts company, by the way, a little mundane Rust Belt industrial company. How? Management. They are thinkers. Logic. Common sense. That's how I pick them. I'm not always right, but I'm never in doubt.

LEE AINSLIE: When you're evaluating a CEO, what issues, what characteristics are most important to you? How do you know this is someone you want to be invested with?

KENNETH LANGONE: You never know. You never know for sure. I can guarantee the one thing I'm after is humility, and I'll tell you why. A leader that's got humility has his antenna out for things that might knock him or his company off. He doesn't believe, he doesn't believe that he's got all the answers. Sam's humility was to go to a competitor's store and steal their ideas and bring them back and be very forthright about where it came from. You know, it wasn't patent-protected.

And you look at Bill Gates, you look at Jeff Bezos, Frank Blake and I went out and had lunch with Jeff Bezos about two years ago. And the thing that blew my mind was, as we sat with Jeff and had lunch, how curious he was about us and about Home Depot in a very humble way. He didn't sit there – and look at what he's built, look at this behemoth he's built, this phenomenal, successful company, and yet he acted like he was a kid in business school asking the most basic of questions.

So humility, and then common sense. I think common sense. You know, values fall into the category of common sense. I feel better about people who show strong, solid values; however they manifest this, in different ways. I'm not suggesting their spirituality because I know people who are professed atheists who have the finest values of any people I've ever met, and so values are very important.

Empathy, empathy, projecting yourself, one of the things that I think we, at Home Depot, did very well, we projected ourselves – those of us that were in senior positions – we projected ourselves in the minds and eyes of our associates on the floor. They never worked for us, they worked with us. There's only one boss. Not me, not Bernie, not Arthur, not Pat. The one boss is the customer.

I just got a wonderful letter this morning from a retired state senator in Illinois about a wonderful experience he had in our Aurora, Illinois store with a snowblower. And the gist of the story was that the store manager applied common sense to a customer need, and the customer is grateful forever. You don't teach this. It's there or it's not. So I can go on and on about the people.

But great companies, look at Jamie Dimon. We wanted Jamie to come and run Home Depot 20 years ago when Sandy fired him. He said he wanted to stay in financial services, and I guess he proved himself right. But Jamie, when you talk to Jamie, it's not exotic, esoteric, highly technical stuff, it's sheer common sense. And that's how he runs the greatest and biggest bank in the world. No mystery to me and, by the way, I am a very happy and significant stockholder in J.P. Morgan. Why? Because of the people that are there, up and down the line.

My truck leasing company got a call about two months ago from a fellow that was at a competitive bank and he left to go to J.P. Morgan and Jamie is now building an organization to cater to mid-company markets. Why? Because the margins are better there. You loan money to these big companies, there isn't much margin in it for you. But some of these, like our truck leasing company, we're paying, not a lot for interest, but we're paying more than say Microsoft or General Motors or whoever would pay it. And I give Jamie a lot of credit for what he's doing and how he's doing it. But it's back again to the example of common sense and simple values, simple, solid values.

LEE AINSLIE: You mentioned Sam Walton. One of the things Sam is famous for is having perhaps the best memory for names. He knew regional managers, district managers, store managers, department managers, you know, thousands of people. When I read your book, *I Love Capitalism*, I thought, my God, there are two people like that. The number of names that you recalled in that book, you know, here's a guy that I passed in the stairway in '68, you know his name. Have you taken really good notes or you just have that same natural ability to recall names?

KENNETH LANGONE: No, I've got a pretty memory. I've got to tell you; I'm not going to lie to you. At 85, it ain't as quick as it used to be, okay. I mean I could, just like that, come up with a name. I may have to do a little connecting of the dots now. But, you know, I don't know how you can forget people that impress you or people that did a good turn for you along the way or people that have demonstrated the capacity to create and lead.

I was with Larry Bossidy this morning down here in Florida. We were talking about leadership. And it's all about putting your people, putting your team in a relaxed environment where, do you want tension, you need tension in a business, but people need to know that on the other side of the desk there's another human being. Maybe he's your boss, but he's another human being. And I go back to what I said, I don't think anybody should ever work for me, I would love to have everybody work with me. There's a big difference in mindset there.

No, but look, I've been blessed, look at the relationships I've developed. Bernie and Arthur, Pat Farrah, Alan Nevin. These are people you may know or not know. Don Washkewicz at Parker Hannifin. Tom Williams at Parker Hannifin. Jamie Dimon, Jimmy Lee, the late Jimmy Lee, a wonderful man. And, you know, at the end of the day, the thing I always admired about all of them was they were human beings and they all were reasonably humble people.

LEE AINSLIE: Great. You're obviously an awfully busy guy. Why did you decide to invest the time to write that book?

KENNETH LANGONE: I got very concerned, one night I got in late to the apartment, I came in from California, and I turned the TV on and not one of my favorite politicians, Bernie Sanders, was waxing eloquent on his wacky ideas, which by the way, may not be so wacky after all. We may be living them, God forbid. And the thing that frightened me, Lee, was the number of young people that were around him and drinking it up.

And I said to myself, oh, my God, these kids haven't even started yet. They haven't even started yet and they're giving up. They're saying let the government do this, let the government do that. No, do it for yourself, be entrepreneurial, the hell with it. You want to take chances as a kid because if you fail you've got plenty of time to get back on your feet.

So when I saw that, Lee, and Michael Ovitz out at the Allen Conference, prior to that had suggested I write a book and I said I'm not writing a book. And when I saw that scene on television that night, the next day I called up people at Random House who said they wanted to do the book with me and I said I'm not saying I'm going to do it but I want to talk you, I want to learn more about it. And that's how it got going.

But I'm very worried, Lee. Is capitalism even, no? Is it fair? Sometimes. Does it reward some people and hurt other people? Yes. Yes, it does. But if you look at countries around the world, if you look at countries around the world where you have a capitalistic system, you have more prosperity.

I often say to kids when they tell me about the benefits of government doing this and the government, I say I got an idea. Let's load up the plane and fly down to Venezuela and see how good socialism is doing. Venezuela, 30 years ago, was one of the wealthiest countries in South America. Cuba, Cuba back in the 40s and 50s and 60s, go to Cuba today. A late model car is a 1953 Chevrolet in Havana.

Look at Venezuela today, sitting on a lake of enormous proportions of petroleum, but people are starving there, starving. They're going to Brazil and they're going to Colombia to buy food that they can't get. If there's a better system, show me. But I can guarantee you right now, the most inefficient way to get things done is through the government, in my opinion. There's a margin that's built in that deprives the whole economy of all the benefits of productivity.

LEE AINSLIE: Let's talk about philanthropy. You and Elaine have been very generous, not just in terms of dollars, but also in terms of time. Elaine with the Boys' Club. Harlem Children's Zone wouldn't exist if it weren't for you, Stan Druckenmiller and, of course, Geoff Canada from Robin Hood. But I think the achievement that you and Elaine will be most remembered for in this regard is the fact that medical students at NYU can now go for free. What inspired you and Elaine to make that decision, have that leadership to make that happen, and what has the impact been on the school?

KENNETH LANGONE: Well, the idea was Bob Grossman's. Bob Grossman is our Dean and CEO. There's another great example of a person with leadership. Look at what he's done with his leadership. When he got the job as Dean and CEO almost 14 years ago, that day when we installed him, he and I were walking into his office and I said, okay, Bob, what's on your list? He said, Ken – he was from very humble origins in the Bronx – he said, Ken, one day I would love for NYU to be tuition-free, our medical school. I said, Bob, we're going to do it. Now, it took us 14 years and hundreds of millions of dollars to do it, but we did it.

Now let me tell you why we accelerated doing it. We probably would have done it two years later but we accelerated. In the year 2030, we're going to be short 30,000 pediatricians, 30,000 gynecologists, and 50,000 primary care physicians. We're living longer. And as you get older, you need more medical care. It's axiomatic. You know, you need a cardiac, you need a cataract operation, you need stent in your heart. You know things break down. You need a new hip and so forth. We have to begin to ask ourselves a question. Is this going to be the erosion of our standard of living if we can't have basic primary, basic medical care?

Lee, let me address philanthropy in a broader sense. It's interesting, I'm in this group down here in Lost Tree, and we had a meeting this morning very early. And the discussion was all about what's the true worth of life? I've been blessed, thank God, I've had financial success beyond my wildest dreams. I've been blessed to have this lady of mine for 64 years at my side. I brag about her. I also wanted to scratch my head, what the hell did she see in me? But that's beside the point. But, Lee, I think people like me that have been so blessed through being born and raised in America, I think we have a strong moral imperative to give back.

Now, unfortunately I'm known for the checks, and Elaine is known for the checks we write. We've given away a lot of money. I'm happy to tell you we've made it all back. My net worth at the time I gave away the money was a certain amount. My net worth now is more than it was then so that proves I made it back.

What I don't get back and what's really precious is my time. You know I can be reading a good book. I could be watching a movie. I could be playing a round of golf. I could be taking a walk. I could, so many different things I could do. The time I spend, it's not coming back. It's finite now. Thank God I don't know when the end of the train is, and I don't want to know, it's just going to happen.

But I think it would be tragic for a guy like me who came from such modest origins, humble origins, to not recognize just how blessed I've been, and Elaine has been, to not show our gratitude by our behavior, by our generosity, and by our determination, as best we can to leave the world a little bit better than we found it. I'll leave others to judge whether we're doing that or not, okay.

I do know that much of the success of Home Depot or EDS or Unifi, or Lilly, or Ivac, all these companies I've been invested in, J.P. Morgan, nothing, I think, gives me more satisfaction than what's been accomplished at the NYU Langone facility. I mean you think about it, when Bob Grossman took over in 2007, we were ranked 34th among all medical schools in America. Today we're in the top ten. And that's pretty stiff competition if you think about it – Stanford, Harvard, Hopkins, Cornell, Northwestern, these are meccas, UCSF, Baylor.

So I feel a little bit better about, and by the way, I took that job at the age of 65. I don't know what the hell I was thinking about, but I was ready for a challenge and I only had eight years to go...Bernie and I put a 73 limit in for age on the Home Depot board and in management. Bernie left five years before me. Arthur left, of course, he bought the football team. Pat left after he decided he was worried about his health. And I just said, you know, what, I'm winding down and this will be interesting.

And I'll tell you, Harlem Children's Zone, the restoration of St. Patrick's Cathedral, those things, I think, have given me more satisfaction than my business. To walk into St. Pat's and see the beauty of St. Pat's and realize that I had a little something to do with it is a great satisfaction. To go to Bucknell, I've got a scholarship program at Bucknell and we got 38 kids at Bucknell right now that are being helped by my scholarship fund. To sit with these kids and talk to them and realize that just maybe, just maybe, one of those kids is going to find a cure for cancer or one of those kids is going to create the next best corporation in the world, you can't buy that. So all of you who are out there, I urge you, philanthropy done right, you get more out of it than you give. And I'm thrilled, we're thrilled. You know Elaine with the Boys' Club. I kept saying to Elaine, for God's sakes, we're not buying a Boys' Club. You're just a member of the board.

LEE AINSLIE: Well, Ken, I know I speak for everyone on the call, we thank you for your inspiration and your leadership. It's great to catch up.

KENNETH LANGONE: Thank you for having me. Let's stay in touch, Lee, okay. Barbara, thank you so much. I'm honored to be asked to speak to this August group, and I hope I didn't disappoint anybody, and I hope I haven't offended anybody.

PRESIDENT BARBARA VAN ALLEN: A really fantastic conversation and many thanks to you both. And I know how busy both of you are and we appreciate you giving us a window into your valuable time.

I want to just mention that we have many great speakers coming up. And, as always, we encourage our members to invite guests. On Thursday, March, the 25th, actually this week, we have Raphael Bostic, who is President and CEO of the Federal Reserve Bank of Atlanta. We have Caryn Seidman-Becker, who is the Chairman and CEO of CLEAR on March, the 30th. I'm pleased to say Bill Gates, the Co-Chair of the Bill and Melinda Gates Foundation and Founder of Breakthrough Energy, together with Hank Paulson, Founder and Chairman of Paulson Institute and 74th U.S. Treasury Secretary will join us April 1st. Tal Zaks, who is the Chief Medical Officer for Moderna, coming on April 7th. Neel Kashkari, who is President and CEO of the Federal Reserve Bank of Minneapolis, is going to come join us again on April, the 8th. And then we just added John Waldron, who is the President and Chief Operating Officer over at Goldman Sachs, and he'll be joining us on April, the 12th. And many more to come. Again, as I close, I want to thank both of you and just also take a moment to recognize those of 332 members of the Centennial Society that have joined us today as their contributions continue to provide the financial backbone of support for the Club and enable us to offer our wonderful, diverse programming. So there are their names in front of you. And again thank you everyone for joining us. Please stay healthy and safe.