



The Economic Club of New York

114<sup>th</sup> Year  
603<sup>rd</sup> Meeting

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Ray McGuire  
Former Head, Global Corporate and Investment Banking  
Citigroup  
Candidate for Mayor of New York City

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Webinar

Moderator: Shelly Banjo  
New York Bureau Chief, Bloomberg News

## Introduction

Vice Chair Michael O'Neill

Good afternoon and welcome to the 603<sup>rd</sup> meeting of The Economic Club of New York in our 114<sup>th</sup> year. I'm Mike O'Neill, Vice Chair of the Club. As many of you know, The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and our mission is as important today as ever as we continue to bring people together as a catalyst for conversation and innovation. A special welcome to members of The Economic Club of New York 2021 Class of Fellows – a select group of very diverse, rising next-generation business thought leaders, and welcome also to the students from the Gabelli School of Business at Fordham University, Medgar Evers College and CUNY Graduate Center.

We are pleased to be hosting a special series with New York's top mayoral candidates who will join us to address the Club. Last week, we heard from Eric Adams and now it's a pleasure for me to welcome back Ray McGuire.

For the last 13 years, Ray was the Head of Global Corporate and Investment Banking at Citigroup making him the longest tenured head of investment banking in the history of Wall Street. This success did not come easy. Raised by a single mother and his grandparents in Dayton, Ohio along with his two brothers, Ray always had a firm belief

that education was going to be the key to his success. Ray became the first in his family to graduate from college. He graduated with a bachelor's degree from Harvard University and went on to earn a JD and an MBA also from Harvard University.

Over the last 36 years, Ray has led businesses responsible for generating over \$20 billion a year in revenue supporting both private and public sector clients. He recruited and built and delivered teams to do multi-billion-dollar deals, and he advised the CEOs of companies on how to help their businesses thrive, grow, and create jobs.

As a Citi Foundation board member, Ray helped the firm improve the lives of people in low-income communities. Ray serves on the boards of the New York Presbyterian Hospital, the New York Public Library, the Whitney Museum, and the Studio Museum in Harlem.

The format today will be a conversation, which we are fortunate to have Shelly Banjo, New York Bureau Chief at Bloomberg, doing the honors. We will end promptly at 2:30, and as a reminder, this conversation is on the record as we do have media on the line. Without further ado, Shelly, the mike is yours.

Conversation with Ray McGuire

SHELLY BANJO: Thank you so much. And thank you again, Ray, for joining us. It's so nice to see you again. We had a really interesting discussion with Eric last week, and I'm interested to hear your take also on an issue that's so important to the city, which is really the economy and the jobs. But before I get to that, I thought we could open a little bit, if you could recall one particular moment that really cemented your decision to run for mayor, a particular story that comes to mind that you thought, okay, I'm definitely going to do this.

RAY MCGUIRE: You know, there were several, but first of all, thanks to the Economic Club for having me and to the Vice Chairman for that generous and thoughtful introduction. I'm delighted to be here with you all. I want to be clear, you guys are the future to this city. You've been the foundation to the past, and you're going to be clearly the foundation to the future. New York City cannot recover without the Economic Club and its members. I want to be clear about that.

With respect to that decision, it's been a long time coming. As I looked across the city that I love, that's given me everything, I thought if there's a moment in time, Ray, when given your lived experiences and given what you've been able to accomplish and experience in business, and the judgment and experiences that you've developed over time and how you've been involved civically, where you can bring this city together with all the experiences that you've had, now is the time when the city is experiencing crises

that we've never experienced and need solutions and a leader who can bring us out of it. So that's when my family and I decided that this is the time.

SHELLY BANJO: So during the pandemic?

RAY MCGUIRE: Yes, it was probably at the beginning of the pandemic where we saw that unless you had the right leadership in this city, given what had happened historically for the past seven-plus years, that this city's best days would be behind it unless we stepped up.

SHELLY BANJO: So, on that note, one thing we talk a lot about is kind of immediate action, that, you know, it's not really the time to sit and plan, considering how much there is that needs to be done and all the work that needs to be done. In the first 100 days, what are your top, say two to three priorities that you intend to accomplish.

RAY MCGUIRE: So let's identify what the problems are and then I'll tell you what the solutions are. We have the challenges of Covid, the problems of Covid, the pandemic. We've got the challenges resultant which are the economy, where we have a stated unemployment rate of 13%. When you go to many of the boroughs, that's 20 to 25%. We've lost 600,000-plus, New Yorkers have lost their jobs. And our small businesses, which are the foundation to this community, one or more have been shut down. So we

need to fix the economy. That's the second issue outside of Covid.

The third is safety. We can see the result of what's taken place in the pandemic. And many of the issues that we knew existed prior to the pandemic, but then have been exposed and exacerbated by the pandemic have resulted in many New Yorkers, a large percentage of New Yorkers, not feeling safe on our streets. So we need to address that. I was today scheduled to go give an announcement of my Arch Plan at Times Square. Instead, I referenced the importance of Arch but I focused on safety and how we get the guns off the streets and how we return that respect and accountability to the NYPD.

The other is housing. We have to understand that the reason that the city is overwhelmed by homelessness is because the housing situation is not one that accommodates the least of the needs. And then the other challenge that we have is education. Our children are not getting educated. It should not be the case that I can randomly take ten Black and Brown fourth grade girls and boys and two, maybe three, can read.

So what we have to address in the first 100 days is Covid. We then need to make certain that the economy, that we have an economic comeback, which I do in my plan. We need to make certain that we make the city streets safe. The city's got to be safe. We need to make certain that we deal with the housing situation. And we need to make

certain that we transform the educational system.

SHELLY BANJO: What can you do in 100 days because you can't fix all those things in 100 days, right? What's something very tangible, specific, someone on this call watching can say, hey, Ray McGuire says by, you know, by March 31, that this is going to be done, and I can count on that date?

RAY MCGUIRE: January, February, March 31, I will get the city back up and running two ways. I will make certain that the streets are safe and I'll get the economy going, especially the small businesses which represent 50% of New Yorkers and not only are the economic engine to, are not only the engine to the economy, but they're also the foundation to many of our boroughs, just the lifeblood, the culture.

And so what New Yorkers can expect from me is that the streets will be safe, that I will lead the greatest, most inclusive economic comeback that exists in this city, in the city's history, that I will focus on – that's going to be what can be immediate. I'm saying in addition to what we're going to do with Covid, we'll just continue, and depending on where we are with Covid, whether or not we've reached herd immunity, what steps do we need to take to make certain that those New Yorkers who want to be vaccinated and should be vaccinated have access, immediate access and availability to the vaccine.

SHELLY BANJO: Let's talk about jobs for a minute. You mentioned the high unemployment rate, which is actually double the overall nation, and it's coming back much slower here in New York than it is across the country. You have talked a lot about small businesses, talked a lot about bringing back those 600,000 jobs. What are you going to do to really create jobs for people and also for businesses who are saying, you know, I actually have job openings, a lot of the restaurants are saying I have job openings but I don't have anyone who wants to go and work and fill them, any qualified people?

RAY MCGUIRE: So let me tell you what I intend to do. I have what I call the greatest, most inclusive economic comeback plan, which intends to kick-start the economy right away. It includes bringing back 50,000 small business jobs, 50,000. And how are we going to do that? We're going to subsidize half of the wages for one year, half of the wages for one year. We're going to help negotiate their retention of their New York City sales tax receipts. We're going to see if we can institute automatic renewal of licensing and permits, which means that the \$100 million or so that they have to pay in that, we're going to reduce it, not completely eliminate that.

For the restaurants, where they've incurred 45 fines from seven different agencies, we need to make certain that we cut that bureaucracy. I'm going to institute a, what I call a Red Tape Commission, and that Red Tape Commission is going to be led by a deputy

mayor for small businesses who is empowered to go across the agencies, focus on the small businesses.

I'm going to have a comeback bank that focuses on the CDFIs, \$50 million into the CDFIs to provide long-term, low-interest loans for those who can afford the low-interest loans. Otherwise, we make new grants. And then we also need to make sure that we infuse them with equity capital. So I'm looking for public-private partnerships. In my first 100 days, I will call on, with a clarion horn, I will call on the existing business community to work with me so that where we can create the public-private partnerships, we create those public-private partnerships.

SHELLY BANJO: What about businesses that have already left? Are you going to try to bring them back? And how do you really convince these companies to come back?

RAY MCGUIRE: Well, the first thing, the companies need to have some confidence in the leadership. Businesses, business leaders, and I've been working with business leaders for four decades, what we know that the leadership will respond to, or that to which they will respond is leadership in whom they can trust and whom they can believe, who they recognize has the sole interest, whose sole focus is on what's in the best interest of New York City.

Today, New York City is probably the largest advertising agent for Florida or Texas and for other...I'm going to stop that. Rather I'm going to have NYC & Co. advertise on behalf of New York and we'll put, invest dollars into making sure that happens. We'll also make certain that the quality of life, the covenant that we have between New York City and the leadership of New York City is a covenant of safety. We need to restore that, which gets to my first 100 days.

I also understand that the leadership will know that I'm a realist who understands that we've got to prevent high taxes from driving people away from the city and eroding the revenue we need to take care of those most in need and an experienced leader who can bring accountability to a problem where too many others will just pass the buck. Status quo means we're going backwards. I'm not status quo. I'm an outsider.

SHELLY BANJO: The taxes you can't really do much about. Right? The state already passed, making New York City the highest tax jurisdiction in the country. Right? What could you really do around taxes?

RAY MCGUIRE: Well, we need to make sure that any of the narrative suggesting that we increase taxes, that we demonstrate a support for growth and for businesses and recognize the impact of increasing taxes. The impact of increasing taxes is not pro-business. It is not pro-investment. What's going to occur is that those companies that

have decided to leave, who would return under my leadership, and those individuals who are large taxpayers who have left or are contemplating leaving who will come back or delay their departure under my leadership, we need to understand that the leader can use the currency – to the extent that he or she has currency – to keep businesses here and also make this a business-friendly place.

I want New York City to be the place that welcomes businesses, that welcomes those entrepreneurs, that is the city of the future, investing in technology, investing in biotechnology, taking care of and protecting the middle class and making certain that those entrepreneurs who want to be based here get based here. I want to make certain that we are the technology epicenter for this country. And that is my overall vision and given the experiences I've had, the lived experiences and the professional experiences, I have every confidence that we can pursue that vision and I've got the confidence that we can attract and retain the best talent that can help me execute and be held accountable for executing on that vision.

SHELLY BANJO: Bill de Blasio has also made similar promises about making a tech-friendly place, a tech-forward city. Obviously, he differs from you in the sense that he has not been proactive in terms of reaching out to the business community. Is that what you think has been preventing the city from actually embracing its full potential?

RAY MCGUIRE: I think we have missed numerous opportunities to embrace our full potential, including how this pandemic has been mismanaged. We missed so many opportunities, the result of which again, as I say, status quo for those who have been in office, who have missed their opportunity, it's time for them to go. We need to include the best and the brightest, many of whom exist in the business community. Clearly, many of them exist in the public sector, but many of them exist in the private sector. We need to engage all of New York and today we haven't.

Businesses feel alienated. They're not going to feel alienated because I understand what it's going to take for New York to be competitive going forward, having a perspective of all the great cities in the world and how they're moving forward and how we have stalled. I know what this city can do. I know the talent of this city, across the landscape, I know that talent. And we need to deploy that talent to make sure that our best days are ahead of us and not behind, and I'm so confident that we have that talent and then we come together with the right leadership, with the right vision, and a plan, and the people who can execute on that plan, then we can get there.

SHELLY BANJO: Let's go back to crime for a second. You mentioned the horrible shooting in Times Square, and I've got to say personally I stopped in my tracks when I read that. You know, a four-year old, toy shopping, Rhode Island tourist, you know, here you are on one side of your mouth talking about bringing tourism back and then on the

other side you're seeing this crime and the shooting particularly to people who are just trying to help New York City, spend money, you know, come here and visit.

Shootings are up 166% in April. We just came off of a year of people talking about defunding the police and now all of a sudden the mayor's race has focused on bringing more, having more police onto the streets. What do you think this increase in crime is going to do to change up the mayor's race and kind of your vision for it?

RAY MCGUIRE: My vision, as I started from the outset to talk about the priorities that I would have in the first 100 days, it is to restore that covenant, that contract between New Yorkers and the leadership of New York. We've got to get rid of the crime, which means that I'm going to invest in doing whatever is necessary to make our streets safe. That means in addition to making sure that we have the right policing, that we have the right mental healthcare professionals. I'm going to have a surge in policing. I'm going to have a surge in mental healthcare professionals.

I'm going to invest. I'm not for defund. We need better policing. As a 6' 4", 200 lb. Black man, I want the police to protect me and not to profile me so I also need to make sure that I invest in the communities to prevent the criminal mindset, which means I need to invest in summer jobs. I need to invest in community programs. I need to invest in community centers. I need to make sure that those violence interrupters who can

prevent the crime are there. I need to invest in community policing. I need to prevent it before it gets started.

And so when we do that, we can at least begin to reverse the mindset trends. So if I have no rims or nets on the backboard, I have no community center, I have no summer job, I have no tablet, and I don't have access to broadband, and I live in a relatively small place with a number of other people, what do you expect me to do? Where's my outlet? And so I need to invest to prevent. And if I can't prevent, then I need to make certain that we stop what is taking, currently taking place.

Let me give you an example. It costs us \$26,000 a year on average to educate a child in New York City, \$26,000. It costs us \$446,000 a year to keep an inmate at Rikers Island. We need to shift our priorities and we need to transform the educational system, the result of which is today we see that many New Yorkers, a large percentage of New Yorkers are feeling threatened. Witness what just took place, you and I have been talking about it, at Times Square. But it's not just Times Square. It's happening in each of our boroughs. And we need to address it, and we need to address it immediately. So I will do whatever it takes to address this, to restore that confidence, and I will get the economy back going, 500,000 jobs, 50,000 of which are folks who own small businesses.

SHELLY BANJO: Do you think that the shooting, you know we've seen this everywhere around the city, and it's not like it just happened. It's been going up all year. But do you think this shooting this weekend shifts priorities? Does it change things for the mayor's race?

RAY MCGUIRE: You know, I think those of us who are focused on stopping crime will resonate more with the voters. I do not think that defund is going to resonate that much at all. Notwithstanding some of the views about the implications of that, my view here is very clear. I need better policing. I'm going to surge in police and I'm going to surge in getting the guns off the street, which means I'm going to go attack the I-95 Iron Pipeline from where the guns originate to how they get into the ten precincts where we're seeing most of the gun violence taking place. We need to intercede now, immediately, which is what I would do.

So, yes, it may change the narrative, but we still have to address the economy. You gotta do both. You gotta take care of Covid, all three, you gotta take care of Covid, you gotta make sure that the streets are safe, and even when that happens you've got to have an economy. I got no job. I got no dignity. I got no job. I got no city. I got no economy. I got no city. So we have to invest in that. Streets safe, economy.

SHELLY BANJO: We are about to get a lot of money from the federal government.

There have been suggestions that, you know, you should hold on to some of it, not spend it all at once, de Blasio's current budget right now increases all sorts of programs that didn't exist before using this short-term funding for long-term programs. What do you think is the most effective way the city can use these federal stimulus funds to revive the economy and increase jobs?

RAY MCGUIRE: Let me be clear. Mayor de Blasio's \$98.6 billion budget proposal is a capstone to eight years of fiscal mismanagement. If it's passed, the budget is going to rep an expansion of about 30% since de Blasio's first budget, which was \$75 billion. It'll be 10% to 15% over last year's budget of \$88.2 billion. He's also decided to spend most of it and to use that one-time assistance to pay for new headcount and expanded programs with no plan for long-term funding, which means that we're going to have a \$15 billion spike in federal aid, which we're never going to get again. And if he misspends this, the city is going to be carrying deficits for fiscal years '23 to '25 of just under \$4 billion. The deficit is going to increase to \$5 billion if you eliminate the billion dollars in labor savings the mayor claims has been negotiated with the municipal unions. That's already been removed from the fiscal year '21 - '22 headcount. And he's going to add a headcount of 5,500 workers.

Let me put this as plainly as I can. This is going to take us back to the budgeting that almost bankrupt the city in the 1970s. And when you elect a mayor or you elect career

politicians without successful leadership and management experience, who are not competent, they waste what they have and kick the can down the road and jeopardize our future. But that ain't going to happen on my watch.

So I will have the hiring freeze that was initiated at the beginning, which constrained or stopped government. We need to keep the hiring freeze in place. Instead of hiring, we should be reducing the headcount through attrition so my plan, I'm going to relaunch the program to eliminate the gap by mandating across the board cuts of up to 5%, which is going to yield \$3 billion or more when fully passed, and I'm going to close the out-year budget gaps.

I'm the only candidate with the leadership and the management experience to make these tough decisions in the budget. I'm the only candidate who has been held accountable to meet a budget of this magnitude. And remember, that accountability was in the depth of the financial crisis when we had to do more with less and sometimes we had to do everything with nothing. I had to do that. I would not have survived and helping the firm survive if we hadn't been able to undertake those kinds of stringent management and leadership and be held accountable. We can do this, but the direction this is going now, it will not end well for the next mayor.

SHELLY BANJO: It's a delicate balance. Right? I mean cutting attrition, freezing, plus at

the same time you're trying to revive an economy and the jobs and use that stimulus fund to put stuff to work. So how do you kind of balance those two objectives?

RAY MCGUIRE: Listen, it's \$15 billion. It ain't coming again. That's \$15 billion. You can clearly balance all the objectives. My plan for the economic recovery, including investing in small businesses, had as its assumption \$5.9 billion, \$2.3 which would have been used under this administration. I would have been left with \$3.6. This is \$15 billion. That ain't coming again. So to misuse this is just gross inept mismanagement. So we can balance all of those important investments and not just make a \$15 billion investment one year for longer term programs, which we simply won't be able to afford. That's irresponsible management.

You need somebody who has actually managed a budget larger than \$10 million or \$100 million. This is a \$90-some odd billion budget. This is not where we should put somebody in charge who has never managed a budget like that. This is their first job. We're going through a crisis, 20-some odd percent unemployment in many of our boroughs. Unless we have somebody who understands how to manage a budget and who can call on all resources and who can attract and retain the best talent that will guide us through this, people are losing their jobs. People are out of work. People are homeless. Food lines have picked up. Just look at the condition of the city. Crime, as you've said, gun shootings are up 166%. This is not a time for somebody who's been in

a career role. Look at what that's gotten us so far. What's that gotten us? How's that working out for us?

SHELLY BANJO: But how do you put the stimulus, where do you put the stimulus funds to work in a way that they're going to stimulate the economy but not leave us hamstrung for future budgets?

RAY MCGUIRE: You create jobs. And my plan, the greatest, most inclusive comeback, it is 500,000 jobs based on go big, it is infrastructure. It is the Hundred-Year Flood that comes every five years, fixing that. It is building deeply affordable housing across the spectrum. It is building the broadband about which we've spoken about, which 1.5 million New Yorkers are currently without. It is investing in the sewage mains and the fractured bridges. That's going big.

Going small, I've talked about with small businesses. We need to make certain, and I will create a deputy mayor for small businesses focused on small businesses. This has got to be the best place to start and run a business in New York City. And it's going forward, focusing on investing in technology, focusing on those M/WBEs that were excluded and have been excluded for quite some time. We spent \$22.5 billion in 2020 and 82% of M/WBEs got zero, zero, \$1.9 billion went to M/WBEs, less than 5%. That needs to be transformed so this can be an inclusive comeback. So we need to invest in

the economy, which is how I'm going to invest. And we need to invest in the neighborhoods, in education, summer jobs.

SHELLY BANJO: That's a good segue. I wanted to make sure that I asked you about inequality. During the pandemic, the city, you know, really went backwards in terms of economic inequality by race, gender, income levels. I know you know this story better than anyone. You often talk about your "sitting in the streets, in the suites" tag line. And I want to ask you, you know, we have Andrew Yang over here talking about universal income, different candidates having their own ways to address this. What's your best solution to bridge this divide and make the city work for everyone?

RAY MCGUIRE: Well, I think we've already admitted that universal basic income, which is basically \$5 a day, doesn't work. First of all, nobody's funded it. Second of all, you can't distribute. Third of all, \$5 a day is more offensive than it is anything else. This has got to be universal basic opportunity, which is ultimately what this is about.

And so how do we go about doing this? You need to make certain that in the underserved communities that we've got opportunities to live and work and thrive. It's evident in my plan, invest in the children, in my education plan. It's also in my plan to focus on the M/WBEs by designating \$50 million in advances or low-interest loans. Breaking up the larger contracts allow for smaller M/WBEs to compete. Using the

Rooney Rule and, as I said, make and appoint a deputy mayor for small businesses.

I also have a plan for leading edge workforce training, working with CUNY, that will give 15,000 New Yorkers seats in what I call Bridge Programs, which pairs basic education with jobs training. It's also really important that we have affordable, quality childcare, and I'm going to commit operating funds to capacity building for existing programs and new ones where the childcare deserts exist.

And I'm going to create a roadmap, my plan, my housing plan goes from homelessness to home ownership. I want to make certain that we protect the existing middle-class home owners, which really are the source for much of what takes place in the city. We need to protect that. And we also need to make certain that we provide the necessary support for home ownership. We've got to get people home ownership. So that will help close the racial wealth gap through initiatives like expanding the Home First Program, which gives you down payment assistance and piloting a Help to Buy Equity Loan Program.

So the plan that I have where I'm going to spend that \$15 billion, and we know how to do it, is to make sure that people's lives are uplifted, universal, basic opportunity. That's what this is all going to be about. If we don't have that, then the dream for which we all came to New York City, we came for this dream, it's the biggest stage we got. We came

to compete and to thrive. We need to support those people and give our community the opportunity to have the opportunity. Like I did. I wouldn't be here without education. I want to give all children in New York City, notwithstanding their zip code, which today is a determinant of their life, we've got to give ourselves the opportunities for our children and for those who have been the least of the opportunity to contribute and participate.

SHELLY BANJO: And before we go, I'm just kind of curious as to your outlook on one thing that I've been thinking about. When we started this, when I started looking into this race or covering it more in earnest, you know, it seemed to be more like everyone was trying to out-progress everyone else – how can you be even more progressive than de Blasio who, you know, ran his whole campaign over that. It seems like we've taken a complete opposite direction on that, and I'm wondering if you think that's a response to increased crime or a response to de Blasio or the city is moving in that different direction where they just want someone to clean up the mess? What do you think is behind that?

RAY MCGUIRE: I can't tell you that. I can tell you I've been progressive all my life. You know, I come to New York City, I got three things. I got a great education. I got a lot of debt. And I got no money. A 6' 4", 200 lb. Black man in an industry where there were one or two people who looked like me. Progressive is how do you go and compete, conscious and unconscious bias to get to the top. Clearly supported along the way by

those people who recognized talent and gave me the opportunity to go perform. We need the same thing. A progressive, is that progressive for who? I have been and will always be a progressive. Had to be, had no choice, even before they branded me that.

Now you've got another group out there calling themselves progressive. I can't quite understand what that's about. But call me progressive, whatever it is, that's called opportunity. I want to progress so that people get opportunity, and so I extend the ladder the way that those who were ahead of me extended the ladder to me. And the extension of that ladder means that I have created more opportunity, more job opportunity, gotten more people promoted, gotten them into positions of responsibility, gotten them fairly compensated, and created more wealth than all the other candidates combined. Now that's what I call progressive, in that language. In the language of the neighborhood, I got receipts.

SHELLY BANJO: Thank you so much, Ray. I want to turn it over to Michael now.

VICE CHAIR MICHAEL O'NEILL: Many thanks, Ray and Shelly, for sharing your thoughts and insights with us today. We really appreciate it. It was my pleasure to watch Ray excel for a number of years at Citigroup, and I can see he hasn't lost his touch. So, Ray, we wish you the best of luck as you continue through this race.

I'm pleased to report that we have many great speakers lined up and, as always, we

encourage you to invite guests to our events. Our website calendar is where you can find our most updated lineup, and we'll let you know right away once the other candidate dates are confirmed. Thank you for joining us today.

RAY MCGUIRE: Thank you, Economic Club of New York. Thank you for your leadership, Mike O'Neill, and for Shelly, thank you for your in-depth, integrous journalism. Appreciate you.

VICE CHAIR MICHAEL O'NEILL: Thanks, Ray.

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