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Webinar

Session 4

Keynote Discussion

Panelists: Jane Fraser
Incoming Chief Executive Officer
Citigroup, Inc.

Mary Barra
Chairman and Chief Executive Officer
General Motors

Moderator: Sara Eisen
Co-Author, CNBC's "Closing Bell"

Introduction

President Barbara Van Allen: Good afternoon. Thank you for joining us this afternoon, and we will get started in exactly one minute. Thank you.

Chairman John C. Williams

Well, good afternoon. I hope you've enjoyed taking part in today's forum and have learned from the insights and experiences shared by this morning's really excellent group of speakers. I'm John Williams. I'm the Chairman of The Economic Club of New York and President and CEO of the Federal Reserve Bank of New York. It's my honor to next introduce our keynote speakers of the afternoon – Jane Fraser, Chief Executive Officer of Citigroup, and Mary Barra, Chairman and CEO of General Motors.

Jane is a member of Citi's Board of Directors. As the newly appointed CEO, she's not only the first female CEO in the firm's history, she's the first woman to helm one of New York's four major banks. Jane is a member of the Citi Executive Management Team and serves as a Co-Chair of the Citi Women Affinity Group and is head of Citi's North American Crisis Management Response to Covid-19.

In her previous role as CEO of the Global Consumer Bank, Jane was responsible for all

of Citi's consumer businesses, including retail banking and wealth management, credit cards, mortgage and operations and technology in 19 markets. Jane is a member of The Economic Club of New York as well as a member of the Board of Directors of CitiBanamex, the Board of Dean's Advisors at Harvard Business School, the Stanford Global Advisory Board, and a member of the Council on Foreign Relations.

As previously mentioned, Mary Barra is the Chief Executive Officer for General Motors where she also served as the Executive Vice President of Global Product Development, Purchasing and Supply Chain as well as Senior Vice President of Global Product Development.

In these roles, Mary and her teams were responsible for the design, engineering and quality of GM vehicle launches worldwide. Previously, she served as Vice President of Global Human Resources, Vice President of Global Manufacturing Engineering, and Plant Manager of Detroit Hamtramck Assembly.

Mary serves on the Board of Directors of the Walt Disney Company, the Duke University Board of Trustees and the Detroit Economic Club.

So the format today for the panel is a conversation, and we're fortunate to have Sara Eisen, Co-Anchor of CNBC's "Closing Bell" to do the honors for us. I'd like to remind

everyone that this conversation is on the record and it's being carried Live. So without further ado, Sara, the mike is yours.

Keynote Discussion

SARA EISEN: Thank you so much, John, and it is a privilege to be here today, especially to help lead this conversation between two leaders of iconic companies who are at the forefront of their industries and of our economy and they both happen to be women. So thank you, Jane. Thank you, Mary.

And we'll start there. It's partly why we're here today, Jane, because the gender divide has only been exacerbated by this pandemic unfortunately, and now we're at the point where we can start to think about recovery. So how do we do that in an inclusive way? And specifically, how do you, and how do banks be a part of it?

JANE FRASER: It's an important question to kick off the discussion today about. I worry, I think we all worry about – Mary and I have talked about it in the past as well – about the K-shaped nature of recovery, and how do we make sure that this is one that does bring those who have been hit hardest from a healthcare perspective or from the financial ramifications of this, or employment or all the other ways this Covid has had an impact.

So the roles of banks, I think with this crisis, when I speak to the other bank CEOs we're very clear that we have to be part of the solution, both through the Covid pandemic and then out through the recovery. And as part of that, looking at what are we doing for our own people and our own people's health and their security through this and then, particularly then for the clients and the communities we operate in.

So for banks, that can mean making sure that there's a lot of support provided in terms of the types of programs we had in place to suspend people's – who were going through financial distress through this – either suspending some of their interest payments or the fees they're paying and other things just to help provide a bridge or moratoriums on mortgage payments and the like. Just help people get from A to B. And then subsequently with a lot of the government programs as well, making sure that we're rolling out PPP to those small businesses that needed the help.

As we look forward, it's going to be very important for our own workforce as well as for the clients we serve who are women and many of the communities of color that have really been hammered by what's going on. And I think it's a combination of having some practical programs that are in place, but also approaching it with empathy. There are people who have been through such a hard time. Mental well-being is a real challenge for many people. The stresses and strains, even those that haven't had such a hard time in Covid. So I think the banks are going to play a role in helping drive and be an

engine behind job, helping job creation, helping companies get back on their feet and back operating and a strong recovery after this, but also being mindful that we have to be institutions with a soul and not just with a brain.

SARA EISEN: So much of it is empowering women, like always, Mary. And speaking of practical solutions, you have really been focused on the educational gap and getting women and girls into STEM education early to help with some of these issues that we're talking about later. Can you just talk a little bit about what you're doing and how we can engage that more on a broader level in society so that the next-gen can be prepared and we won't have to talk about these big gaps in equality?

MARY BARRA: Well, I think STEM is so important. If you think about it, there's not an industry in the globe that isn't being impacted by technology. And not everyone has to be a coder, but they need to understand it. And I think that's why we support education, and specifically STEM education, whether it's FIRST Robotics or Girls Who Code, just to make sure that, girls tend to in middle school start to back away from the math and the science and once you get off that track, you can't get back on it. And so I think it's vitally important that we make sure we continue to engage and everybody has that background for whatever career they choose. They should still go for their passion but understanding technology as opposed to being intimidated by it will be critical, I think, for this next generation. So anything that we can do for education, to keep girls

interested, to provide more pathways, I think is going to be very important.

And touching on what Jane said, you know, because Covid has had such a disproportionate impact on women, there are programs like Take 2 that is, I think, sponsored by The Society of Women Engineers where having women come back, whether they stopped for childcare, elder care or for whatever reason, finding ways to get them back into the workplace. At General Motors, we've done that. And we often find, it's an internship program but often we find the women have the skills to go right into a position and don't need to go through the internship to regain, to rejoin the workforce. So there's many ways that we can address this.

SARA EISEN: I mean part of it is just going to be having schools open, having more people vaccinated, getting through this health crisis. Where are we, Jane, when it comes to seeing out to the other side, and what the shape of recovery is going to look like?

JANE FRASER: I'm quite optimistic in the states. I'm less optimistic in some other parts of the world around this. I think the U.S. and China economically will be driving the recovery forward. Europe will be a little bit further behind. And I am concerned about many of the emerging markets being further behind yet again, just in terms of the vaccine rollouts. The U.S., I was nervous at the beginning of the year. I thought we were

in for a pretty brutal winter. We were. But now as we come out of it, I think very good news about the way the vaccine rollouts is expected to really get, to be an option for all Americans, probably by May. And that, with antigen testing and some of the, maintaining the disciplines of masks and social distancing, I think we'll be able to get back to a more normal environment. And then frankly I think a lot of the U.S. is going to take off economically.

And as we've talked about, there's going to be a group that we have to, we have to be very careful, make sure that we bring them along too. Unemployment is likely to lag the GDP recovery. So job creation, investment in infrastructure, those areas are going to be very important, but I think we'll see a real flip towards the end of the spring. And we're already seeing the markets anticipating this, you know, a way from getting through Covid and into actually what is the shape of that recovery. So optimistic around the states, but I think Europe will be delayed but not derailed. But for some of the emerging market countries it will be longer. And we can see the market starting to really anticipate this.

SARA EISEN: From your vantage point, Mary, what do you see out in front of us from a consumer perspective? Both in the U.S. – we're going to get this new infusion of stimulus soon, more Americans will get stimulus checks and higher unemployment benefits and vaccines, so what's that going to mean for the consumer?

MARY BARRA: Well, I agree very much with what Jane said. We're seeing the same signs. You know, even with the weather that affected many parts of the country in the United States in February, we started to see some real green shoots, we think with vaccines, with the stimulus checks. We're already seeing a pretty solid recovery in autos and we expect it to get even better.

I agree with Jane's comments on China, Europe, and, you know, if you think about South America, they were already challenged pre-Covid, so it's been particularly difficult, and I think that there's more work there.

SARA EISEN: Mary, you've made a number of big announcements about the future. Has Covid changed the way you think about your strategy going forward?

MARY BARRA: Well, you know as we, you know, just a year ago I can remember sitting in my home office with all the challenges we were facing and once we made sure our employees were safe, our customers were safe and that we had a strong balance sheet, we started to look at how do we accelerate the transformation that the auto industry is undergoing. And so that was our focus last year of really looking at every opportunity, and we found ways to pull ahead programs. We have three new electric vehicles being launched this year. One's an update and then two brand-new. We'll follow into that next year because we've committed to 30 new EVs by 2025, two-thirds

of which will be in the United States. And we're committing \$27 billion to make this happen.

But I think with the pandemic we also found ways that when you empower people, they accomplish amazing things. And so, you know, I look at everything we got done last year, every program on track or accelerating, and we actually found ways, built on the Ultium platform, which is our battery platform for all our vehicles, to take about 50% of the time out of our vehicle development process. So if I had to look at how Covid changed – at least General Motors – the word is acceleration.

SARA EISEN: What about you, Jane? I know you just came in to the CEO role and so you've got a lot in front of you. But how has the crisis impacted the way you think about the job and what your priorities are going to be?

JANE FRASER: I think very similar to what Mary was talking about, digitization is being supercharged. So as we think about the world of finance writ large, we've operated on a particular architecture of finance, from currencies all the way down to deposits that's largely been similar for a decade and, you know, for many decades before that. Looking forward it's a different architecture so you're seeing more and more parts of financial services unbundling from a physical infrastructure and re-bundling around a much more digital one.

So think about how credit cards have changed. We're not really, it's moved from plastic into much more of an embedded model, and to buying things straight into a corporate website or onto their apps. So a lot of the retail and wholesale businesses are converging a lot more in our clients' industries and in our own, and it's lot more digital world. And within industries you see winners and losers in that. So there's, transformation is really the name of the game as I mentioned and there's a bit of a race on that.

SARA EISEN: Yes, I mean to that point, we've seen valuations for companies like PayPal and Square soar and those are the darlings of the market in the financial world. Is that a threat to you? Do you worry about taking market share? Do you need to become more like them in terms of the services?

JANE FRASER: We're definitely looking at making sure that we're operating as digitally as our customers need us to be, and we play different roles in finance. As a bank, we're providing a lot of the safety and soundness into the system. We're making sure that we're providing the guarantees around deposits. We're doing a lot around our capital, is critical. Banks are there all the way through the cycle. So unsurprisingly, I think banks play a very important role in stabilizing markets as well as the role that we play in driving the economy forward. But, of course, when you look at the valuations, you realize that you want to be making sure that you're being thought of as someone who is a digital

attacker and not tied to an old mindset and an old way of doing business. And so you have to be prepared to be bold under that environment and make the moves just as Mary has been doing, and her team, in auto. So, yes, a time to be bold.

SARA EISEN: I was going to say, Mary, speaking of highly valued competitors, you've got Tesla to contend with. Do you get that? Do you get why the market is valuing it that way? And is that, your stock has been doing very well lately as well, is that, are you hoping to be valued more like a technology company than an auto maker?

MARY BARRA: Well, I definitely think that people are beginning to realize all of the assets within General Motors. When you look at this transformation, you know, a lot of people forget, we sell more vehicles in this country. We're number two in China. We're number one in many markets in South America. So we have industry-leading customer loyalty with the sales and service experience and leading experience there as well. So I think when you look at the fact that we, for the last couple of years, have been working on a platform to do all of our battery/electric vehicles so it's really a building block mentality that's giving us, as I mentioned earlier, the speed.

When you look at the manufacturing capability, we're already, you know, converting plants and we have a trained workforce. So I think when you look at General Motors, again with our strong brands and all the assets we bring, we just need to make sure

people understand it's not only the conversion to electric vehicles, but it's also improving.

And a great example of that is BrightDrop. BrightDrop is our new entry into light commercial vehicles, but we're not just changing the propulsion system, we're saying how do we make the whole experience better? I mean we've all been in New York City where a delivery truck has double or triple-parked and there's boxes across the street. How do we get rid of congestion and make that better? And the pilot we've done with FedEx Express, they're seeing significant productivity increases. So it's not just the propulsion of the vehicle, it's the whole ecosystem and the solutions. And I think as the market begins to see all of the assets and resources General Motors brings to this transformation, I think we're just at the beginning of where you'll see GM stock move.

SARA EISEN: What does GM look like? Your time line, you're thinking, what, to 2025, 2035? What kind of company is GM then?

MARY BARRA: Well, we've already said that we aspire to sell all electric by 2035. You know we've got a lot of work to do between now and then because it's not just having the right vehicle, but it's making sure there's a robust charging infrastructure. And so I think we have a fabulous and unique opportunity with the administration and the work they plan to do on infrastructure to make sure that the EV charging infrastructure is

there for everyone. And making sure it's not just EVs and charging in your home, garage or at work, but it's also for those who rent an apartment and don't have assigned parking.

As we solve that and we make EVs affordable, we see a tremendous opportunity and really an inflection point with EV adoption. Because the customers are telling us, hey, if you make it a great experience, we're there. So I see that opportunity and a lot of growth in EVs, in the services, in this new light commercial vehicle business. So I see General Motors, as we ramp up to '25 and beyond having tremendous growth.

SARA EISEN: Are you going to be an Uber competitor down the road or work within it?

MARY BARRA: We also have autonomous vehicles with cruise, and I'm extremely pleased with the progress they're making. They are now in downtown San Francisco testing vehicles without a driver. And I think that's a very important proof-point and we'll continue to put those points on the board until we're at commercialization there and then we'll look to expand. And if you think about it with ride-share, once you take the driver out of the vehicle, that's the single most expensive part of ride sharing today. Ride sharing is about \$2.50 to \$3.00 a mile on average. If you can get ride-sharing down to a dollar or below, you start to open up a huge market. And for General Motors, all of our autonomous vehicles are electric so it's another way to provide people zero-

emission transportation very effectively.

SARA EISEN: Do you think Tesla gets too much credit for leading the charge on all these fronts?

MARY BARRA: I think what I look for, and what I take away from Tesla's success is the fact that there is a huge market for EVs and they've validated that. They play at the top end of the market. Our strength is across all segments. So, you know, I think the opportunity is right there.

SARA EISEN: Jane, what does your business look like in 2025 or 2035, as Mary is re-imagining the future of automation and technology?

JANE FRASER: Yes, well, in some ways it's different and in some ways it's similar to today. So it's still going to be a business that's based on trust. It's still going to be a business that's very much, the safety and soundness of the financial system is going to be important. It'll be enabling large parts of the economy with credit provision, managing savings and investments. So there are elements of it that still retain that core proposition of banking. But it will be in the context of a much, much more digital world.

So what that means is that where we've probably been thinking more in terms of

products in the past, we'll be thinking much more in terms of platforms and services. We'll be thinking less in terms of physical assets and more in terms of the digital ones. You know, we've seen this already in parts of the industry. Equities went digital – and I went through this transformation probably in the 80s – whereas other parts of the industry are still to come.

But I do still think you've got to go back to what are the core values. What are the core assets you've got to think about as a company in a digital world and make sure that what you stand for is still going to be very important for your talent. How do you make sure that, you know, your people are evolving as you transition to this much more digital environment we're operating in? Re-skilling some people. And then, you know, providing, as Mary is saying, making sure that we've got the skills and the opportunities for the younger generations coming through that are appropriate for the world. So some things will be radically different in banking and other pieces will be remarkably familiar.

SARA EISEN: Part of Mary's world, the EVs and the SPAC craze, there's been so much enthusiasm on Wall Street, Jane, for these parts of the market – IPOs. Are there bubbles? What's happening? Is there too much excessive exuberance? How do you characterize the market activity?

JANE FRASER: I think you look at a couple of different drivers that are going on. You've

got one which is a tremendous amount of liquidity that's come into the system. I see it even in our consumers, the savings rate in the U.S. right now is about 14, 15%.

Normally it's 5 to 7 on a good year. So, you know, you've got a lot of savings and investment. You've got a low interest rate environment, likely to be lower for longer. So that's certainly made a big move into longer dated securities, equities. You've got a few inflation concerns here and there as well. So there can be good inflation and bad inflation. We don't know what that will be yet.

So there's a number of different factors that are also affecting flows that are happening, the big retail investor flows that we've been seeing. At the same time, you've got all of this innovation and these shifts within industries and across industries because digitization did get accelerated by many years in a few weeks and so you've got some adjustments as new payers are coming in. I look in Asia and the average right now from birth to IPO of our Asian clients is six years. That's a number that I would never have believed a few years ago was possible. Seventy percent of issuance last year in Asia was from first-time issuers.

So, you know, there's a tremendous amount of change occurring so that's also driving a lot of activity in the market. And I think it is pretty fully priced in. There isn't, I think people are definitely anticipating a very robust recovery. And I think all of our jobs are to make sure that the real economy delivers on what it is, the expectations in the markets

at the moment. That's the day job right now.

SARA EISEN: Do you worry about what happens when the stimulus wears off, when we look into next year and the year after and what's been artificial and what's not?

JANE FRASER: I think we've got some very good lessons because there are a number of countries around the world that did not have the same stimulus the U.S. had. So a lot of the Asian economies did not. Some of the Latin American did not. And we've been looking very closely at the consumer on that, particularly from an indebtedness side and what's the bankruptcies or what's happening in terms of delinquencies and the like. It's not awful. So I think the consumer is pretty conservative. The spending has been lower. The savings have been higher. So there are cushions there for many. But as we said at the very beginning, not for all.

And then the corporates are also sitting there because, as Mary said, she was not alone in making sure the balance sheet was in good health, you know, in the beginning of the crisis. And the Fed did this superb job. Markets have been open. And so, you know, I think there's very strong marks out of this, consumer and the corporates coming out healthy.

So we're certainly going to see some bumpy days ahead. I think there's certainly room

from central banks, you know, beginning to change some of their behaviors and the like that will certainly, there's danger of some distortions occurring in the market for sure. And there is certainly the opportunity for disorderly markets when there's periods of more volatility. But overall, I think the main focus now, let's get the real economy really back in gear, the jobs, and get small business creation going again. And that way this won't be a problem. But if that doesn't work the way we need it to, then, yes, I would be more concerned on bubbles.

SARA EISEN: Which market are you most bullish on right now, Mary, in the world?

MARY BARRA: Well, I think, you know, we see, as I mentioned, a lot of green shoots in the United States and are already seeing strong demand. It was frustrated last year by the fact that we didn't build vehicles for a handful of weeks and now with, you know, it's a short-term issue, the semiconductor issue, so demand is very strong. And really that's globally impacted from a chips perspective. We're seeing improvement in China as well and, you know, again I think there's still work to do in South America. But probably, you know, the United States right now, we think there's huge opportunity.

SARA EISEN: I wanted to talk to you both about ESG which is really important right now for any leader. Mary, climate obviously is something you've been thinking a lot about with your big push on EVs. How else are you incorporating that into your strategy? And

how do you think about it as far as priority list?

MARY BARRA: I have it prioritized quite high because I think when you look at the transformation that's happening in our industry, because we do believe in the science of climate change, so it's not just EVs, but it's how we build the vehicles. It's working with our supply base. And so there's quite a bit of work going on in that space and we've made commitments about being, you know, net carbon neutral by 2040, all of our operations running on renewables by 2035. But again we've got to keep, make sure that happens, but then continue to work with our supply base.

From a people perspective, you know I think the events of last year really had global ramifications. And so we've, I'm very proud of everything General Motors has done from a diversity perspective. In fact, I sit here today because of the actions taken 10, 15, 20 years ago. But we have more to do. And so we set a goal for ourselves to be the most inclusive company but it's not a title we want to hold by ourselves because if we want the changes that need to happen in the United States and globally, it has to be all of us doing that.

And so, you know, we're listening and we're working on issues. We're looking at all of our practices to make sure that, you know we don't have unintentional bias. And really it's educating everybody right now so there's tremendous work going on there. And then

from a governance perspective, I'm really proud of our team. We've done a tremendous amount of work to have very strong governance. I have a great and very strong board. And so I look at all three elements as being a huge part of my role to make sure that we have the right long-term strategies and we're making progress, you know, quarter to quarter, year to year.

SARA EISEN: What about you, Jane? How does it factor into your thinking about the job that you're embarking on?

JANE FRASER: Strongly. With the first action I took, when I took over last Monday was to commit us to the net zero emissions by 2050 goal. And, you know, we thought about this one because it's easy to sign up for a goal for 2050. And a lot of what we've spent the time talking about is what are some of the other changes that we've got to advocate and get behind. So our own business model is fairly easy to make sure that we can get to net zero emissions within the bank's operations, but then as we think about how do we support our clients, you know, wonderful plants like General Motors or those in the energy space and others really think, help them making the transition.

And I've spent a lot of time in emerging markets. I think that's an area we've got to be very thoughtful about because a lot of the sustainable finance thing is investment grade. And I had a large part of my career in Latin America, there's not a lot of investment

grade in the Caribbean for example so there's a reliance on fossil fuels there. It's very hard to get the financing for solar and wind, which you would have thought would be easy, but it's not. And it's going to rely on real public and private partnerships to make these transitions.

So, exactly as Mary said, this needs to have four-fold deliberate strategies. It's got to be public and private partnerships in many respects to make sure that the energy policies are in place, making sure that there aren't power shortages because we've pushed too fast or too hard without building out other components. So, you know, I think thoughtfulness on the climate side is going to be important and it's going to take a lot of us to manage through a very major transition.

SARA EISEN: I was just wondering if there should, I mean from either of you, should there be more, should there be more targets that are sort of unified? It seems like every company is kind of going about this on their own and they're making pledges and there's been a lot of promises and there's been, and it's a little bit, you know, you guys are being more transparent on some of the metrics that you're putting out on all of these. But there's no real universal system for grading this so investors are kind of left out, on their own, and consumers are left to do the research as well. Should there be something, more of a grade, something that can be unified so that we can track these kinds of metrics?

JANE FRASER: There's a lot of work going on about public disclosures. I think we'll see this probably coming from the SEC in all likelihood. And Mary and I were just on a BRT session earlier talking about this as well with the Business Roundtable leadership. So very important to have common standards so everyone can assess how to measure climate risk, how to think about this transformation risk that we're talking about. And I think a clear recognition that this is going to be important and necessary so that you can compare apples with apples and not the whole fruit bowl.

SARA EISEN: How's your industry at this, Mary? Overall good job?

MARY BARRA: Clearly, you know, we can do more. As an industry, I think we can do more and I think we will. Like what Jane said, there's conversations going on at BRT and I think for those who maybe haven't, you know, spent as much time on it, I think it's really bringing it to the front of the list, which I think is very, very good. So I think you'll see more standardization and what we can do. I think we also have to make sure that we don't, you know, create a whole other industry on measuring and rating. I prefer to, you know, have some straightforward, you know, what we're working for especially if you think about it from climate change, we know what we need to get to. So let's measure the progress and be efficient with it because I think that will accelerate the progress and we're really looking for real progress.

SARA EISEN: Yes, progress. I also wanted to just talk to you guys both about this idea of transformation because you've both, it's both really defining your leadership, Mary, early in yours. What were some of the most critical factors of the transformation when you came into the company?

MARY BARRA: Well, I think it was making sure the company, we knew who we were and that we were values-based. Jane mentioned that earlier. You know when I think about all of the different challenges I faced since 2014 when I took on this role, it's, what I tell our employees is we're going to do the right thing even when it's hard. It's easy to do the right thing when it's easy, but doing the right thing when it's hard, then you know who you are. And we've really worked hard on having a values-based customer, our values-based focused on the customer because at the end of the day we don't win until the customer tells us we win and driving that through the company. But then empowering people across the whole company. Innovation can come from anywhere.

You know, what most people don't recognize about General Motors, over 40% of our salaried workforce has been with the company five years or less. And that's just this transformation because of where we were in normal attrition. So we have a very young workforce, a very engaged workforce. They care, they want to work for a company that is doing something they believe in. And our vision to create a world with zero crashes, zero emissions, zero congestion is really resonating. So I think the biggest learning or

what led in our transformation and still does today is knowing what we're trying to accomplish and doing it, doing it the right way with the right behaviors.

SARA EISEN: Citi is also in a bit of a transformation, Jane. How do you characterize where you are and a restructuring that we've seen, is that over? Are you taking over from Mike Corbat on that front?

JANE FRASER: Well, we're at the moment, it's, I think, what, day 10 or something for me. We're doing what one always does when you take over and particularly at a point of such change in the world and in the industry. We're doing a pretty dispassionate review of our strategy and you're going to put, everything's on the table on that one to look at where is it that one can win? Which are the franchises you need to start thinking differently about? Scale has become so much more important. And, for us, operational excellence and excellence in our risk and control environment obviously becomes an imperative for us, and probably the number one imperative for me, and priority.

But I'd say that for us, we're also just looking at what are the attributes as a company that one needs to be standing for. And, you know, we've kind of boiled it down to four or so. One is just excellence. I think in this world the more of the "winner take all" dynamic, the scale, the speed, the volumes you need to operate with require excellence in what you do so that sort of attribute is important.

Empathy, as we've talked about, is also critical. It drives our diversity agenda. It drives understanding what our clients need, what they're going through. And I do find, as Mary said, more diverse perspectives usually end up in better decision making. It certainly makes for better client service and better talent development. Another one is simpler. We've got to make our banks simpler as we look at it. And the final piece is digital first.

So, you know, we're starting to think more in terms of what are attributes and what are other elements that we think, we want to make sure the bank has, that we're really outstanding in. And those would be the four that we're focused on at the moment. But too early to tell on the strategic moves. We've got to do the work first.

SARA EISEN: You're forgiven, less than two weeks in. Mary mentioned she has a young workforce at GM. Jane, do young people want to go work for Citigroup and other banks right now?

JANE FRASER: Oh, absolutely. And I think similar to what Mary was talking about, you know, a lot more with the STEM bent to them than before. You know banking is all about engineers joining our institutions, a lot of computer scientists coming in, excellence in mathematics, but also the relationship skills matter too. So, you know, I think a broad diversity of different talent. And we have the benefit, like GM, a very global institution. We've been in, I think we operate in just almost 100 countries. Many of them

we've been in for over a century. So the diversity of different nationalities in the institution, I love it, I have to say. It's one of the great pleasures of a global firm. But that's very attractive to a younger workforce. And they also are very admirable, they want a purpose. As Mary said, what do you stand for? And I think those are the types of, it's not so much the industry, but it's, you know, what is it as a company that you offer your people and the impact that you're going to enable them to have on the world, on their careers and their communities. And that's very, very important and, my goodness, you can have a lot of impact today. So, yes, that's a fantastic opportunity.

SARA EISEN: There's been a huge wake-up call. You mentioned diversity, Jane. I mean this has been sort of the year of reckoning for corporate America on that front. How do you, Mary, how do you ensure that your workforce is more diverse and more inclusive? How do you go about looking at that issue and improving it?

MARY BARRA: I think it starts with; you have to look at the numbers. You have to know where you're at, you know, how's your hiring, your representation. But then it's not just hiring, it's how are you developing, promoting, providing career opportunities. You know, one of the things for the positions that come into my senior leadership team for our review, you know, the very first thing I look at on each document is what was, was there a diverse slate? And my requirement is if there isn't a diverse slate of candidates right now, and Jane you talked about this, this morning, I ask the very specific question,

what will you do that in three years there will be a diverse slate of talent for this position? That drives behavior.

I meet each year with each of our groups and we look at what is our talent pipeline and also we do workplace and trade surveys because it's one thing to hire but it's also retaining. And are we creating an environment where people feel they can do their best work? So all of that comes together to have the diverse talent. But I completely agree with Jane, and I like to think of myself as a pretty inclusive leader, that you want different opinions, people with different backgrounds, different experiences to make the very best decisions, especially base strategic decisions. So diversity is a business imperative and you have to work at it every day to make sure the organization understands its importance.

SARA EISEN: Citi's put out a lot of reports on this, I know on the gender front and increasingly on the race front. Jane, how much work is there still to do for your bank and for your industry?

JANE FRASER: Oh, there's so much work to be done. And I think, we're seeing everywhere, there's a huge bonus to diversity. I think one of the critical pieces is making sure that it lifts everybody up because there was a danger for a while there that it was really becoming a zero-sum game in people's mindsets.

Similarly, there was a sense of, questions used to be, is there a tradeoff between diversity and meritocracy for example. It used to drive me crazy, that question.

But I think, I'm glad, I think the debate has gone beyond that now. And, you know, if anything, Covid, as you said at the beginning, Sara, it's amazing where we are now. There's actually a much better understanding and appreciation of the importance of diverse perspectives. All of our institutions have had to change in such an extraordinary period of time and we've had to put so many, the way we've always done things has just gotten chucked out and you've had to come up with new ways of working.

At this time last year, I think we were all buying every computer on earth to try and get everybody to work from home. So we saw the value of different perspectives, different ways of doing things and that has driven so much innovation. So we've got a huge, long way to go but ironically as long as we don't leave people behind as we go through the recovery, ironically I think Covid may end up being a positive for a case for the importance of having diversity as being good for business as well as being something that makes us better firms from a societal perspective.

SARA EISEN: This was the week. This was the week a year ago where everything shut down. I think today is actually the day where we started seeing sports getting canceled and the entire country shut down. Mary, have you been at work? How long have you

been back? And how much of your workforce, I guess you have to be there to make cars?

MARY BARRA: You know, we're in different places across the globe depending on what's happening. You know, China, pretty much everyone is back to work. In the United States, we were only out for about five weeks because we have about 50,000 people in the United States alone that to do their job they have to be at their location, whether it's in our manufacturing facilities, our warehouses, visiting dealers, our design studios, our labs, etc. And so we have, for those, the individuals that need to be at work to do their work, we have safety protocols that they're there, and they've been there since, you know, probably May of last year.

For everyone else right now in the United States specifically they're still working from home. In many cases, for instance Michigan, which is where our headquarters and our tech center is, if you can work from home, the direction is to work from home. But we're working on collaboration spaces and how do we bring people back to work, because, you know, no individual, there's not one voice coming, but pretty much what we're hearing is I want to be back but I, you know, I do want some of the flexibility to work from home some of the time. So we're piloting different ideas of when we do get to, I like to call it the better normal, how we'll define that. So we have a huge variation across the globe right now.

SARA EISEN: What about you, Jane? How much of your employees are back at work? And how will that look in the coming months?

JANE FRASER: Exactly the same as Mary. It varies in different parts of the world depending on what the health situation is. I think, like many firms, we followed a model of let's be driven by data rather than by dates. And so looking at what happens within the different local communities has driven our decision making, and the medical situation. As we look forward, I think, similar to Mary, we're really thinking about when it does, when we're all comfortable with the vaccines and our people have been vaccinated and the health data of the hospitals are operating more like normal again, people feel comfortable commuting, and big cities are a big issue if you're a user of public transport rather than a GM car to go to work in the morning. Let's say we get back to that world, then what will it look like?

And I think, like many companies at the moment, we're trying to envision what the future of work will look like. So we'll see. Where is it you need apprenticeship? Where it is you need people together for collaboration? Where is it we need people together for productivity and competitiveness? But equally, as Mary said, where don't we need to worry about that and where is it that we can give people a lot more flexibility? So, it could be a creative process. I'm looking forward to it...I think we may have lost Sara...

MARY BARRY: I think so.

JANE FRASER: Let me throw a question to you, Mary. Given that it's International Women's Week and Women's Day that's going on, you've been wonderful to me in giving me advice when I first got announced through. What's been some of the best advice that you've been given in your career, that you found most helpful?

MARY BARRY: Well, I would say, you know, mine started, I think one of the most influential people in my life was my mother. Unfortunately, she passed away many years ago. But, you know, her whole advice to me was work hard. There's no substitute for hard work and you work before you play, and I think that's guided me my whole life. My brother and I were the first generation to go to college. And I think, you know, if I look back, she was the motivating and driving factor there.

But I'd say in the working world and maybe more targeted at women is find your voice and have a point of view. You know, I find so often when I mentor young women, or even more senior women, it's like, you know, speak up. You know, don't wait for someone else to say what you're thinking. And I think that has been great advice that has guided me, along with, though, overall it's all about the people. It's how do you motivate and win their hearts and minds. So those are some of the nuggets of advice I've been given and how I have formed my leadership style and how I behave every

day. What about you?

JANE FRASER: Yes. One of the pieces, I was given great advice by, which changed how I thought about my career and I now give that advice onto others is stop thinking about how you're going to get to the big job, but instead think about how you're going to acquire the different skills that are going to get you there. And so think much more about lateral moves that are going to broaden you out so that when you get the job, you'll actually be any good at it.

I ended up making career moves where people thought I was a little crazy, moving from different parts of the bank, but that then enabled me to have, you know, a broader set of skills that I hope will equip me now for the day job, I think much as you've been so successful in yours, Mary.

MARY BARRA: Well, I have a great team.

JANE FRASER: It makes a difference, doesn't it?

MARY BARRA: It sure does. It sure does.

SARA EISEN: I'm so sorry that I dropped off. I came into the studio today to ensure this

wouldn't happen and here we go. Sorry to interrupt if you were in the middle of talking. I was going to ask about leadership advice.

JANE FRASER: Yes, we were just talking about what some of the good advice that we'd had. So back over to you, Sara.

SARA EISEN: Oh, no, I mean on that front, I mean we're here today celebrating International Women's Day and you're both the exception, not the rule, when it comes to female CEOs. So I am curious, Mary, what that pathway looked like for you and what that perspective on that pathway can tell us about how to make it better so that we won't have to be talking about why there are so few female CEOs?

MARY BARRA: Right. Well, and what I shared was, you know, my mom was a very influential person in my life, but she always, I grew up believing I could do and be anything. And so as I got into the work world, I didn't necessarily question myself. I guess, you know, so if I could tell everyone one thing, if you have children, encourage them that they can do and be anything because that's the belief I went into the working world.

And at General Motors, again as I mentioned, there was a focus on diversity back in the 90s and people gave me stretch assignments. But I would say, and like what Jane said,

is take some of those assignments, those assignments that give you a little bit of churn in your stomach, they make you a little nervous, those are probably assignments you should take and challenge yourself. And so when I look at everything that led me to this place, I think it was those things.

I would say, though, since I've been in this role, when I first became the CEO there were so many generous CEOs that reached out to me, many of them women, to just say, hey, how can I – people I didn't know, but they called me up and said, how can I help you? If you ever want a sounding board, I'm always here. And some of them are now very, very dear friends. So I think we can all help each other and not have to talk about how few women there are in CEO positions in the Fortune 100 or 500.

SARA EISEN: There is this myth that women don't help other women. Jane, is that true? And how do we do that better?

JANE FRASER: Utter rubbish, from my own experience. I have to say I've had wonderful male mentors, but the support of the different female mentors – friends, colleagues, as Mary said, female CEOs who have reached out has been extraordinary. And I've had such an opposite experience to this myth, and I really believe it's a myth that women don't help other women. I think my experience has been quite the opposite and I'm delighted to say that. So, yes, I actually think that's nonsense. I'm sure that

there are a few exceptions to that rule, but I've had quite the opposite experience.

SARA EISEN: What about limitations? Have you experienced that, Jane?

JANE FRASER: Limitations, I have plenty but...

SARA EISEN: Limitations.

JANE FRASER: Limitations in terms of career or because I'm female?

SARA EISEN: Upward mobility for women in the workplace.

JANE FRASER: Yes, I mean there's been plenty of times that I've said no to, when I was a working mother. I spent five years as a partner at McKinsey. The entirety of my partnership at McKinsey I worked part-time because my kids were little and I did want to make sure that I could be a working mum, but I could be a mum, within that equation.

But I haven't thought about them as limitations. They're tradeoffs you make between your personal life, professional life. And I think, as Mary said, have that courage to say no to things that the timing is not right on or it doesn't make sense for you in your personal life. Know that, you know, that there'll be other opportunities out there that will

come down that path. But do have the courage, not to so much think about them as limitations, but how to make sure that you've got the balance at the times you need it. Sometimes you can prioritize your career. Other times you want to prioritize your personal life. Our careers are decades. So, you know, just timing them to be able to try and have it all, just not at the same time.

SARA EISEN: Yes. No, I guess what I meant by it, Mary, is just, what's holding us back basically from the upward mobility that's needed to make it so that it's more representative of the population in terms of women at executive leadership ranks, like CEO and below?

MARY BARRA: You know, I think there's a couple of things I've observed, and I talk a lot to women in General Motors in different forums about it. One is, and this is broader than at General Motors. I think it came out of a McKinsey study that, you know, if there's a job requirement list and there's ten things, a women will look at it and say I have nine out of ten, shoot, I can't apply for it. A man will look at it and say I've got six out of ten, I'm going to go for it. And my message to women is go for it. If you've got six out of ten, you're going to learn from that interviewing experience. You're going to learn what you like, what you have or didn't have. And you know what, you might get the job.

The second thing is I think you can, I mean Jane and I were both working moms, and I

think a lot of limitations women put on themselves, it's self-imposed. I remember, I did this when my kids were young and I never wanted to, at 5:00 a night, I had to be on the road by 5:30 because my nanny went to school at night. And it would be just incredibly rude for me to not get home in time and make her late for work. But I struggled with being able to say, I'm sorry, I have to leave.

Now, I have no problem in the middle of the day, if I have another commitment at 3:00, I'm going to say, sorry, I've got to go, I've got another work commitment. I mean it's just getting women to speak up. And it's okay because I found when I said, hey, I've got to go because I've got to get home for my nanny to go to school, people would be like, go, go, I'm so sorry I kept you. And so don't put self-imposed restrictions. You know everybody knows, generally people are going to know you have a family and, you know, there's a rare person who doesn't expect you to do the right thing for your family, in my opinion and in my experience.

SARA EISEN: When you think about your own futures, you're both, I mean right in the middle or the very beginning of your CEO roles. How do you think about, what comes next, Mary?

MARY BARRA: Well, I am, you know, I've been at General Motors for 40 years because I started as a college co-op student, and this is the most exciting time I've ever been at

General Motors. This transformation and the opportunities we have to lead and change the way people move and have such a positive impact on the environment, my plate is full, but I absolutely love it.

SARA EISEN: Jane...

JANE FRASER: For me it was very simple. I want to do a good job in the day job.

SARA EISEN: Do you feel more pressure being the first woman to lead a major bank in this country?

JANE FRASER: No. No, I don't. I remember Mary and I talking about being first. I think it's more a thing for other people than it is for both of us. I'm me. I'm Jane, and I want to do a good job in the job and that's how I view it. And I think that is common from what I've heard from many other female CEOs, and I think that's healthy. It's someone else's problem. Not mine.

SARA EISEN: Good way to leave it, and a killer backdrop in your office as well. Thank you both so much. It was such an honor for me to be a part of this conversation. Sorry about the technical hiccup. Thank you, Jane, and thank you, Mary, for a great wide-ranging conversation and your honesty.

MARY BARRA: Thank you. Thanks, Sara. Thanks, Jane.

JANE FRASER: Thank you.

SARA EISEN: John.

CHAIRMAN JOHN C. WILLIAMS: All right, well, thank you, Jane. Thank you, Mary and Sara for joining us this afternoon. I was really impressed when Sara dropped off – I actually dropped off momentarily too – and you just kept the conversation going and moving it forward until Sara was able to rejoin.

SARA EISEN: They don't need me.

CHAIRMAN JOHN C. WILLIAMS: That was very well done. So, as we wrap up the day here, I hope that everyone is able to walk away with some concrete ideas on how we can accelerate gender equity in the workplace. Now, I'd like to thank Khawar Nasim, Acting Consul General of Canada in New York, Jeremie Robert, Consul General of France, and Barbara Van Allen, our Economic Club President and their teams for their tireless efforts that went into making today's event happen as well as all the women who gave their time today, including Elisabeth Moreno, The Honourable Mary Ng, Chiara Corazza, Deborah Orida, Sophie Bellon, Thai Lee, Nadia Theodore, and Marie-Josée

Kravis.

So the Economic Club has some exciting events coming up this spring for our members. And, of course, guests who are interested in becoming a member can also be sure to contact the Club to get information about how to do so. So let me just go through a list of some of the events coming up. We have Alex Gorsky, the Chairman and CEO of Johnson & Johnson coming on the 18th. Then on the 23rd, we've got Ken Langone, Co-Founder of the Home Depot, and founder and CEO of Invemed Associates. And then we have Raphael Bostic, President and CEO of the Atlanta Fed coming on March 25th. Caryn Seidman-Becker, Chairman and CEO of CLEAR on March 30th. And then on April 1, we have Bill Gates, Co-Chair of The Bill & Melinda Gates Foundation and Hank Paulson, Founder and Chairman of the Paulson Institute and of course 74th U.S. Treasury Secretary speaking. And then on April 7th, we have Tal Zaks, Chief Medical Officer, and on April 8th, Neel Kashkari, President and CEO of the Federal Reserve Bank of Minneapolis. Until then, stay well.