

The
Economic
Club of
New York

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The Economic Club of New York

114th Year
632nd Meeting

Dr. Joyce Brown
President
Fashion Institute of Technology

Brandice Daniel
Founder and Chief Executive Officer
Harlem's Fashion Row

Terry Lundgren
Former Executive Chairman and Chief Executive Officer
Macy's, Inc.

November 17, 2021

Webinar

Moderator: Terry Lundgren
Former Executive Chair and CEO
Macy's, Inc.

Introduction

President Barbara Van Allen

Good afternoon and welcome to the 632nd meeting of The Economic Club of New York in our 114th year. I'm Barbara Van Allen, CEO and President 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. Our mission is as important today as ever as we continue to bring people together as a catalyst for civil conversation and innovation. A special welcome to members of the ECNY 2021 Class of Fellows. This is a select group of diverse, rising next-gen business thought leaders. And we also are pleased to welcome students from the Fashion Institute of Technology, Columbia Business School, the CUNY Graduate Center, the University of Arizona, and Rutgers University.

It's a pleasure for me to welcome our special guests today, Dr. Joyce Brown, Brandice Daniel, and Terry Lundgren. Joyce is a trustee of the Club and President of the Fashion Institute of Technology. She's a highly regarded educator and academic administrator and has had over 35 years of experience in higher education. She's held several different administrative posts at City University of New York before arriving at FIT, including acting president of Bernard Baruch College, vice chancellor of the university as well.

Prior to her appointment at FIT, she was a professor of clinical psychology at the Graduate School and University Center at CUNY where she is currently professor emerita.

Brandice is the CEO and Founder of Harlem's Fashion Row and has years of experience in fashion ranging from retail, buying, costing, and production. Harlem's Fashion Row, for those of you that aren't familiar, is the premier agency creating a bridge between brands and Designers of Color in fashion through brand strategy, collaboration, new media, experiential marketing, recruiting and pipeline programs.

Today's program is going to be a conversation with Terry Lundgren facilitating. For those of you that don't know already, Terry is chair emeritus and a Centennial Society member of the Club. He's a former Executive Chair and CEO of Macy's. Terry also served as President of Macy's, Inc. and as Chief Merchandising Officer. He began his retail career in 1975 as a trainee with Bullocks, an L.A.-based division of Federated Department Stores, now Macy's, Inc.

Over the course of his career, he's had responsibility for functions including merchandising, private brand development, store management, and human resources. His numerous awards include receiving the National Retail Federation's Gold Medal Award, considered the retailing industries most prestigious recognition. Terry is also the

namesake of the Terry J. Lundgren Center for Retailing at the University of Arizona where he is also an alumnus. Since 1993, the Terry J. Lundgren Center for Retailing has brought together the resources and expertise of academia and the retailing industry with a shared goal of developing strong future retail professionals.

For this event, we'll be using the chat box so you can enter questions directly into the chat box for consideration and if there's time, they'll be used. We're going to end promptly at 1:00. As a reminder, this conversation is on the record and we do have media joining us today. So, with no further ado, Terry, the mike is yours.

Conversation with Dr. Joyce Brown, Brandice Daniel and Terry Lundgren

TERRY LUNDGREN: Thank you, Barbara. And I want to welcome everybody to this conversation, including all of our students with a special shout-out to the University of Arizona Wildcats who just won their first football game in two years. I'm very proud of that and hopefully we're on a winning streak. Here we go.

So let me start off this important conversation by addressing it to Dr. Joyce Brown. Dr. Brown, you have a program at FIT that is a magnet to attract aspiring, talented, smart, young individuals who want to have a career in the fashion industry and in retail. So I assume your student body is a diverse population, correct?

DR. JOYCE BROWN: We are a diverse student body but, you know, we have a lot of work to do. And I think part of the reason is that the young people of color don't always know about the career paths that are available to them in, not just fashion, but in retail as you saw, in the whole business side of the creative industries. So we are committed to enhancing our recruitment opportunities for young people to know more about what the possibilities are for themselves. But we're an urban-based college and we should really be drawing a greater level of diversity than we are at the moment.

TERRY LUNDGREN: And Brandice, you founded Harlem's Fashion Row 14 years ago with the goal of highlighting and bringing attention to emerging fashion designers of color. So tell us how that's been progressing.

BRANDICE DANIEL: Thank you so much for that. When we started out, part of the thing that really propelled, I think my purpose for it was that I started to look at stores and the designers that were carried on those websites, on major retailers' websites, and realized that less than 1% of those designers that were carried on major retailers' websites were designers of color. And then I went to go look to see how much do African Americans in particular spend on apparel products, and that was over \$22 billion a year. And so there was this huge disparity that existed among those who were in power and owned design businesses and the consumers. And for me that really kind of solidified how we would move forward.

I would say in the past three years we've really started to do a lot more partnership with brands. Brands have become a lot more aware of the need to have more designers of color in their design rooms or if it's a multi-vendor store, they realize that, hey, we need to actually have more designers of color that we carry in our store. Pledges, like the 15 Percent Pledge, have really helped to propel that and push that initiative forward. The last year and a half, things have moved at lightning speed. We went from working with maybe three retailers to working with, now we have 15 retail partners. And so I am seeing the light at the end of the tunnel for designers of color, but there's still so much work to be done.

TERRY LUNDGREN: And I know Macy's, I know a little bit about the 15 Percent Pledge because Macy's is part of that but tell the audience what that means.

BRANDICE DANIEL: Yes, so the 15 Percent Pledge was founded by Aurora James, and the purpose of it was to get retailers to commit 15% of their shelf space to designers of color.

TERRY LUNDGREN: Very good. And go back, so you've been at this for some time now, tell us about the early conversations that were happening behind the scenes, if you will, around diversity and what did that sound like back in the early days of formation of your organization?

BRANDICE DANIEL: Yes, you know, back in the early days, the conversations were very tough to have. You know everyone was interested in talking about diversity, but no one was interested in talking about race. There were many conversations that I would have with top leaders in the fashion industry who would say, I'll have a conversation, but I don't want to talk about race.

There were a few retail supporters from our end, including Macy's, I remember Shawn Outler at Macy's was starting the workshop at Macy's. And she and I, before she started that workshop, we actually had a conversation. In the beginning, very beginning stages of Harlem's Fashion Row, I believe it was 2010, Nicole Cokley, who was at Bloomingdale's just reminded me that her and Shawn Outler actually sat in a conference room and met with all of the designers that I brought in, and we actually did that at Macy's corporate office. So there were some retailers who were early to want to make a change, but I would say, in general, the race conversation was incredibly, incredibly difficult for me to have throughout this industry.

TERRY LUNDGREN: Yes, I hear you. And, by the way, that was not a paid political announcement for Macy's and Bloomingdale's, by the way. Because we have a lot more to do there as well, but at least I think those companies are in the conversation.

Joyce, with all your, you've got all your graduates, why aren't we seeing the BIPOC

graduates from FIT in leadership positions? Or are they in positions and we just don't see them because they are smaller or entrepreneurial routes that they've chosen?

DR. JOYCE BROWN: You know, I think our alumni are extremely successful. I always say I haven't been in one room in any part of the world, when I travel, I've run into people who tell me either they went to FIT or their children went to FIT or their brother went to FIT. So I think our graduates are, you know, they're very talented, they're creative. They get some recognition. But I don't think the industry, you know, the general practice in the industry is to move people into management and executive ranks.

I think we have alumni smattered throughout, but many people get stuck at the entry level positions. They don't get recognition. They don't get moved. And then they do branch out and try and have their own lines and their own piece of that sector and hopefully, you know, are in the ranks of the companies Brandice is helping to showcase. But I think there's a diversity in terms of what people end up doing, but I don't think the opportunities are equally distributed for the graduates, talented as they may be, that are people of color.

BRANDICE DANIEL: Can I just comment? So you're absolutely right, Dr. Brown. I'm a proud FIT alumni, one of the best decisions I ever made was going to FIT. But over the

last year, what happened for Harlem's Fashion Row is that brands started coming to us and saying, hey, we're looking for a Director of Design. And I would say where do you want me to pull them from? Because I don't have a magic wand. That's a pipeline challenge, right? There hasn't been an opportunity, there are people in your organizations who could have been at director role, who are African American, who are Black people, but you never saw them for, you know, saw an opportunity for them to kind of, no one really reached back and said let me make sure that I give you the tools that you need to make it to that level.

And so there were so many brands looking around and saying we just can't find any Director of Design. And I'm saying, well, how did the rest of your director of design, how did they get there? Somebody helped them get to the roles and their positions and made sure that they were groomed for that role. And so you're absolutely right, Dr. Brown, because I'm seeing it from every corporation when it comes to a director level for design roles.

TERRY LUNDGREN: You know, I think you're both on a good subject here. And it's clear to me, it has been for a long time, that sadly opportunity is not distributed equitably, but talent is. Right? So it's up to us to provide those opportunities where we find the talent. And so let's go there and talk about what companies need to do to get on board to help overcome this apparent obstacle that hasn't been effectively dealt with up

to this point. So, Joyce, let's start with you.

DR. JOYCE BROWN: Well, you know, I think, well, I want to talk a little bit about a big plan that we have in terms of moving forward and developing what we're calling the Social Justice Center, and we're doing that in partnership with companies, with the industry. But I think so many people, you know, particularly after the murder of George Floyd and the voice, the collective voice that we heard in society talking about inequities, a lot of people, a lot of companies threw money at the problem but we don't see any results a year and a half later.

So what I would begin with is to say that we need the companies to develop long-term strategic goals, to have a commitment. Not spend money, not to give speeches, but to really connect, you know, the key performance indicators that people are evaluated on need to be connected to a change in the numbers, a change in the impact. So we are going to partner with companies and we really have two prongs that we say will make a difference.

One is to address pipeline issues that Brandice mentioned. There has to be a talent pool developed. And as we are developing talent, we need to have an opportunity for young people to be recognized, to go, to use those internships that we provide for them to be recognized for their talent, to get key assignments, to have mentors. And

ultimately for the company to give them a paid apprenticeship when they finish their degree so that their talent can be recognized by various offices and placements in the company and they end up with a job. You know, it shouldn't go from internship to sayonara when they leave, but rather that we've cultivated and nurtured and developed that talent that you have and we're going to employ you.

The other thing, the other side to that is to try and change the culture within the companies. And we have a number of companies who have stepped up and said they want to partner with us on this. And in those companies, there's going to have to be a recognition of the individuals that they've hired but haven't advanced, you know, provide mentoring for them, provide key assignments, get them in the right room, let their talent shine. You know, it's not about the old notion of affirmative action. It's really about opportunity for talented, creative, well-educated people to advance.

So, you know, we can partner and offer continuing education opportunities. We'd like to have a Speaker Series so that people can see. One of the things that happens for young people of color is they don't see anyone that looks like them that has been successful in those companies. So why should they believe that it's going to be different for them? You know, why should they take their talent and their time and try and begin a career in an environment that may or may not nurture what they have to offer? And so what we're hoping is that we can develop ways to showcase people of color that are in

these companies and help to create pathways for them to get recognition and be mentored by others in the company who are like-minded and want to see them advance.

So, you know, those are some of the things that we think we can, what we have uniquely that others don't is the talent pool. We can create that pipeline. We need companies to be working with us to be authentically committed to the advancement of these young, talented people of color, and we're prepared to do that.

TERRY LUNDGREN: Brandice, what would you add?

BRANDICE DANIEL: I agree with Dr. Brown. She talks about long-term commitment. I am already seeing the commitment level waiver amongst retailers that we're speaking to. There are some corporations, we just closed a multi-year deal with Nike, for example, with Harlem's Fashion Row. So there are some companies that are making long-term commitments. But overall, I am already seeing that that commitment that they made and the black box that they posted, that commitment is already waning. So I think the long-term commitment is first.

And then the second thing is I think creating an atmosphere of safety and a trusting atmosphere. Black people have to feel comfortable speaking and having open

conversation and dialogue. There's a few companies that I'm seeing doing that well. I know Gap, Inc. brought in this woman, Amber Cabral, who does incredible training, DEI training, and creates an atmosphere of trust and honesty. But people of color have to feel safe, they have to feel like they can come into an office and not code-switch but be promoted as they are. And that's still a big challenge in fashion.

And then I think the third thing would be creating quantitative goals. Like, there is everything else, there's no one who can come into an office and say, hey, for next quarter, we want to do better. People are going to say, what do you mean by better? Right? What is our comp percentage? What do we want, you know...so I think in the same way that we create very clear goals around business, there has to be a very clear goal around upper management and who we see at those levels.

TERRY LUNDGREN: Yes, I agree, and well said. There has to be some transparency, more transparency in what we're measuring, and then the actual measurement and accountability for success against the stated goals and objectives. And I think the more that companies do that, it's not going to go away. You're not going to wane, because they're now out there with a commitment that's visible to all, to watch, measure, and compare, and companies are going to respond to that. And so I do think that's key for us to make progress here, real progress.

And there has to be, and you both used a version of this word, but intentionality. You know that we're going to get this done. We're going to make this; we're going to make progress. We're not going to just talk about it, because we've talked for too long without meaningful progress. And so we're going to actually have to act differently in order to get this different result. And intentionally, we are going to take these steps that are going to turn to actions for us. So I think that's critically important, and we'll talk about that more as we go on here. But I honestly believe that that is beginning to change.

I note that 34 of the S&P100 companies have now stated publicly their EEO-1 goals. That's a much bigger number than ever, ever before. And I don't care why they're doing it, but the fact that they're doing it is important. Because once it's out there, then they're going to have to show each year how they're progressing against these goals.

DR. JOYCE BROWN: Yes, I think also they will more than likely integrate those metrics into evaluation processes. So somebody inside is going to be responsible for saying how they achieved the goal or didn't achieve the goal, which is, you know, different, as you say, than what has happened in the past. You know, to Brandice's point, better was what we were aiming for as opposed to a very significant percentage increase.

I think the other place you're seeing this sort of, this conversation changing into action-oriented things is in the whole ESG area, you know, the environment and social

governance, which basically is talking, is the language of an educated consumer. And that's, you know, I see that with our young, smart, consumers, you know, and they say, you know, what are you doing for the environment? And what are you doing in terms of diversity, equity and inclusion? What are your hiring practices? What are your sourcing practices? You know, how can we be sure that we're investing in a company that is going to, in fact, be concerned about us as a consumer, as an employee, as a citizen of the planet? So I do think we're seeing it all become integrated. It's frustratingly slow, but it's happening.

TERRY LUNDGREN: Yes. Well, listen, it's like most things in business. And that is, if you want to have progress against a stated objective, demonstrate that this is good for the individual and good for the company, good for their results, good for their promotability, their income, you know, all of the above. So whether it be tying some portion of compensation or very specific goal management, I think when you put it that way, you start to make progress. And again, I passionately believe this. First of all, there's just demonstrated, you know, data that points to the fact that diverse organizations, diverse teams produce better results than others. So it's out there. It's because you're getting different inputs, different insights to solving problems. And so the data is there to support that the results are actually better. And so I think when you tie that to the individuals and say, hey, this is good for you. This is good for all of us, this is good for our company, you start to get real momentum here.

Brandice, you have some momentum. Right? You have some momentum at Harlem's Fashion Row. So how do you keep building on that and what needs to happen to create more successful opportunities and outcomes for Black, indigenous, and people of color in the fashion industry?

BRANDICE DANIEL: Yes, I think how we've approached our partnerships is, first, from an educational perspective because there are so many executives and organizations that don't understand the history, for example, of Black designers, and the impact that we've had on fashion. We go back even, you know, historically and look at the oldest female designer that we've been able to find a record on in the United States is a Black woman. And so I always start with how do I educate them on why this is so important and that, you know, Black people didn't just show up on the design scene but really were the foundation of design in this country. Although, when you google top American fashion designers, there's not one Black designer that shows up, which is a shame.

So that's really where we start. We start from a place of education. We are and have worked with over 200 Black designers in close capacity. We have a database of over 2,000 designers of color and we're hearing from them all the time on what their challenges are, what their aspirations are, what are the things that are preventing them from moving forward. And our goal is to start by letting the companies know, that we work with, some of these challenges and how we can help them to provide a solution.

And so we really start there. We are a solution-based business. And then from there we really work on solutions that also provide revenue, opportunities for the brand. There is a consumer out there right now that is looking, actively looking for Black-owned merchandise, and it's very difficult to find. And what we've found is that when brands partner with a Black designer, the results are staggering.

We just did a partnership between Banana Republic and Charles Harbison, that collaboration already is beating plan by 200%. It's beating gross margin plan by 300%, over 300% actually. And we did the collaboration with Nike and LeBron James. That shoe sold out in five minutes, less than five minutes. Black consumers were waiting for this merchandise. And so I am always telling brands, you know, one way, if you can't recruit from within and you haven't figured out your design room and how you get more Black designers there, another way to do that is by collaborating with Black designers. Because there's a consumer base out there that is looking for brands who are really promoting Black talent.

TERRY LUNDGREN: Indeed, indeed, for sure that's true. Joyce, you talked at the beginning of this conversation about how you hoped to have more BIPOC and diverse students coming to FIT. What do we do to express all of the opportunities that this wonderful business that the three of us love offers opportunity for everyone and including people of color?

DR. JOYCE BROWN: Well, you know, I think you said earlier, opportunity is what is not distributed evenly in this society, but talent certainly is. And we have to do, well, scholarships are one thing. I mean, you know, FIT is a public institution and we are, by all accounts, not expensive, but I always say if you have no money, anything is expensive. And so as we build the funds and can offer more in scholarships to young people, we can recruit much more broadly and provide both a pre-college and a college opportunity for them, and I think that's going to make a tremendous difference.

I think the other thing, though, is, you know, we spoke before about young people seeing people who look like them so they understand the possibility. So it is my intention to develop a Speaker Series, and these days no one has to even be in the same room. We can do all of it just as we're doing this conversation. So we're not going to ask people to come and give up work time and stand in front of a room and talk to young people, but rather we can put together a virtual Speaker Series that really does represent the possibility of success embodied in X number of executives in any number of fields that will be inspiring for these young people. So we'll do that.

I think exposure. I think understanding through the internships, if we make them as rich as possible, they will see the inner workings of companies and really understand what the potential is that, you know, you don't have to know how to draw to be a designer. You don't have to know, I mean there's possibilities in marketing, in advertising, in the

retail end. So many things that without having the conversation, young people don't understand that they can consider that and really build on their own creative abilities. So it's all part of what we're going to expand on, and I think the partnership that we are continuing to build with different companies will make a number of things possible that we can finance and then build into what that infrastructure and long-term strategic goals are for the companies.

TERRY LUNDGREN: Yes, I do believe there's a misconception. And I know my own experience, and I think you know, I'm on campus with some regularity, both at the University of Arizona and Columbia Business School, and I find particularly the young students and people of color believe, you know, listen, it comes from their parents. And their parents say, listen, my kid is the first one to go to college and I'm not going to have them become a salesperson behind the counter. Wait a minute. First of all, that's not a bad job, by the way, number one. But number two – you can learn a lot there – but number two, that's not what we're talking about. We're talking about careers that lead to a great lifestyle and meeting fantastic people. But still, we have a lot of work to do to get the message out about just what opportunities do exist.

Brandice, do you have any other suggestions? Did you want to throw in here on that subject?

BRANDICE DANIEL: You're absolutely right because I changed my major from pre-med to fashion merchandising and my parents almost had a fit. I almost gave both of them a heart attack. And then, you know, the last career I had before I left to start Harlem's Fashion Row full-time was in production. And I had no idea that that was actually a career, and that career is what took me across the world. That was the first time I ever used a passport was on that job, and I got a chance to see so many countries in Asia, so many countries in the Middle East because of this role as production manager. So that exposure is really critical.

TERRY LUNDGREN: Great. Yes. Listen, talk to me about the ICON 360. I know it's launched several initiatives to benefit Black participants in fashion. So tell us what it is, how it's working, and what you've learned that might benefit companies looking to improve their social impact.

BRANDICE DANIEL: I'm so excited about ICON 360. It's our newest baby, my newest baby. In the middle of the pandemic, I had so many designers reaching out to me saying, Brandice, I don't know what to do. I don't know if I'm going to be able to keep my doors open, I went from making \$10,000 a month to nothing. And these were high, high potential designers. And so our initial goal with ICON 360 was how do we help provide some funding relief to these designers?

So we launched a virtual event and donated all the proceeds from that virtual event to three designers at the time. And then we got a phone call from the CFDA, where they donated a million dollars to ICON 360, the CFDA and Vogue donated a million dollars to ICON 360. And we were able to give 27 awards out for that. But as we went on, what we realized was that we needed to have a fund that designers of color would always be able to access. So there's two goals of our ICON 360 nonprofit. That's one of them.

And the second one is that we needed to have a fund that provided resources to HBCU fashion departments. There are about 26 HBCUs with fashion departments. Those departments are underfunded, under-resourced, understaffed, and a lot of times when people were making, when they're making donations to HBCUs, the fashion departments never see that money. That always goes to the STEM departments.

And so we thought, how can we do that? And this year we were able to, thanks to Gap, Inc., give away a half a million dollars to HBCU fashion departments, to ten of them. And that was, I mean the reaction from the professors when they heard that news was incredible. They're using that money to buy equipment. Several of them only had two working sewing machines and no, the real industry-level sewing machine.

TERRY LUNDGREN: The right technology.

BRANDICE DANIEL: They didn't have the right technology. So they were able to put in the right technology. Some of them are taking actually trips right now. Some of them decided to put the money towards scholarships for students who couldn't even buy things like fabrics. So we're really excited to continue on with ICON 360 with those two goals in mind.

TERRY LUNDGREN: Very good. And even if it's a small group, you know, it's a way to get the snowball rolling down the hill and gather some steam. So I love hearing about these stories and I love, I would love to hear more about them and have them broadly publicized again to help our recruitment process of getting people excited about this career. Sorry, Dr. Brown, you were going to say something?

DR. JOYCE BROWN: No, I was just going to say that we too are hoping to partner with some of the HBCUs. You know, we have one-year programs that people who have completed their degrees might come and finish with us or internship relationships, because, you know, everybody wants to come to New York, particularly when you, well, I think anyway, but everyone wants to come to New York certainly to talk about fashion and retail and design and the creative industries.

So, you know, we have to take advantage of this moment, you know, Brandice's kinds of activities and the raised consciousness, I would say, of people. What we're hoping to

do is create vehicles and pathways so that we can, in fact, create these opportunities at the early level for the pre-college and college kids to create that pipeline and then, you know, to help the companies to embrace and understand the value of these Black and BIPOC designers who are broadening the base of what is available and the direction we can all go as an industry.

So I think there's just lots of possibility, and I really hope that people in various kinds of industries and markets, you know, from, as I said before, marketing or advertising or product development, really there's a role for everyone to help create an environment that will increase the opportunity for students, whether that's through scholarship or internship or mentoring or promises of apprenticeships. We really, as a society, need to be attuned to creating these opportunities so that there'll be a culturally diverse industry and certainly a consumer base that is going to feed those industries.

BRANDICE DANIEL: You know, you're absolutely right. And what we want to do is really create something that lasts in perpetuity. Right? How do we create, we're working on an endowment right now and, you know, there should also be an endowment for the Social Justice Center at FIT. Otherwise, what we'll do is keep waiting for another tragedy to exist for everyone, for the awareness to be heightened again.

And what I've noticed over the last decade, what happens is the fashion industry has

this thing that happens, it's a cyclical conversation around race that happens about every ten years. Something happens, and then the conversation gets written up in the *New York Times* and everybody's talking about it, and then it dies down, and then something else has to happen.

Where I think we really need to be is how do we set up something right now? How do we set up endowments right now to make sure that the change that we're pushing for and that is needed in this industry really happens in perpetuity? And until we create proper endowments, it's going to be really difficult, and we're going to be on this journey where every ten years we're going to be having this conversation again. We have to get to a place where this is a solution and that this is work that continues long past both of us, all of us.

DR. JOYCE BROWN: Yes, we all tend to think we're going to just be here forever, you know with our foot on the accelerator. And I think the other side of it to think about, to your point, yes, we want to endow it, we want it to have long, continuing long-lasting strategic kinds of impact, but we also have, I think we have to also recognize that what happens in those ten-year cycles is that the world changes. In addition to the tragedy that will, you know, accelerate and propel people to do something, the world changes.

I mean now we're dealing with all the technology. You know, but there's going to be new

and different ways for people to be exposed to and understand, understand fashion. I mean sustainability is changing. The notion of the importance of sustainable products and sustainable practices is changing the whole design world. So I think we have to also build in the ability to be flexible and responsive to what is going to be needed. Otherwise, the next generation will be left out as well, you know, because it just doesn't happen by accident, the people have the opportunity to deal with the new and changing ways and expectations of the industry.

TERRY LUNDGREN: So you're on another good and relevant subject here. So we've got this younger generation of the millennials, you know, the 25 to 30, the lower end age group of that generation, along with this Gen-Z generation, who appear to be much more vocal about ESG subjects than we've heard in the past. They're very concerned about the environment, very concerned about climate. They want to know about sustainable manufacturing, production, and what that ultimately means to the product. And I believe they're going to vote with their wallets, they're not going to just forget about this. They're just gaining more and more steam on these subjects with their voice getting louder and louder. And I think this is actually going to be very positive as long as they stay focused on the right subjects.

But now I also believe that DE&I is part of their message and their voice is being heard on this subject. And so it comes back to this belief that I have, if you want to make

change in business, then do it with your wallet. Buy from companies who support the values that you believe in, what's important to you, and go to work for those companies as well and hold them accountable for these actions. Let's just talk about that a little bit, because I think the buying power of this younger generation is a huge potential influence to change culture.

DR. JOYCE BROWN: I think you're 150% correct. They watch. They study. They learn. We have students that are engaged in the science and design aspect, what they're calling biodesign. And they are developing new textiles that are really developed from natural products so you get, you know, mycelium and kombucha and pineapple leaves and they end up weaving a fabric that creates a garment that is sustainable and long-lasting sufficiently to be wearable, but then when it degenerates, you can bury it in the ground and it replenishes the earth. I mean these are the things that the students think about.

And longer term, I mean there are companies, there are designers very committed to this that are, in fact, investing in this kind of research. I think to your earlier point, they may or may not be committed to saving the planet but they certainly are committed to reaching out to the clientele and consumer who is looking to see in what ways their products are going to be a preservation of the earth. And they are voting with their wallets. There is absolutely no question about that.

TERRY LUNDGREN: Brandice...

BRANDICE DANIEL: I run an internship program with Harlem's Fashion Row, and I do it personally. I do it because I want to stay connected to the next generation. It's critical for me to know what's happening. And I will tell you that the interns I have now are so different from the interns that I had ten years ago. Interns ten years ago wanted a good job. They wanted to be paid a lot of money. You know, they wanted to work for a company that had a certain cache about them.

And now the students who are interning with me, they don't care anything about the salary. You know that's not their main theme. The company is not that important. They're all about, they want to work for companies that they believe in, and they want to work for places that see them. So I tell people all the time, if you want to really attract a young consumer, you have to see them. You have to hear them. You have to understand what's important to them. And you have to make sure that your organization, you know, is aligned with the values of the youth, because they are quite different for sure from my generation and the interns that I saw even ten years ago.

TERRY LUNDGREN: I completely agree. Again, being on campus, but also I'm a proud member of the board of Procter & Gamble and they have done quite remarkable work on all the subjects that we are speaking about today before it was being asserted by

shareholders or vocal groups. And so they're a bit ahead of their peers on many of these subjects, but they also produce stuff internally for us to see some of the messages and videos that new hires are producing on their social media feeds.

And they almost all talk about, and I'm working for P&G and this is what they're doing on sustainability. This is what they're doing on preserving water. This is what they're doing on DE&I. And it comes out of, like almost every one of these videos has some message point in there that is definitely different and impactful and it's really encouraging frankly.

BRANDICE DANIEL: It's such a transition from when I graduated from school. Me and my friends were like who is getting paid what? These students are a lot different, a lot more aware.

DR. JOYCE BROWN: It gives you hope, doesn't it?

TERRY LUNDGREN: It gives you hope. We've all touched on, these are not just employees, these are consumers, and they are going to make up the majority of consumption in the next decade or two ahead. And so you need to pay attention to them and to what they're saying. And I remember being in, you know, hearing from certain groups of my customers, you know, we want Macy's and Bloomingdale's to make

everything in America. We don't want to you to make it in Asia or anywhere else.

And I'm, okay, I mean here's the reality. It's going to cost this and it's going to cost this plus whatever, 15%, to make it here. Will you pay 15%...well, hell no, I'm not going to pay. I'm not going to pay another dollar for it. I just want you to make it here. And so I think this customer will say, you know, yes, okay, either I'll pay more or I'll trade down, but I'm going to stick to my standards of my message points here, and I'm not going to veer from that. So I think that's a very different message.

Time for some advice from you two. So, Brandice, advice for recruiting some of this talent, this diverse talent we've spoken about and why you believe this is important for companies to embrace.

BRANDICE DANIEL: Yes, I think some of the advice that I have, there are so many, again, corporations we're looking to recruit. We just had a designer go to Nike and be hired by them; I think in the last few weeks. And I tell corporations you have to show up where this talent is. Like, you have to, they have to see that there is a real interest there and you have to build trust with this audience because again we're dealing with a different generation of talent. They're not interested in just coming to say that I work for this brand and that I'm making this amount of money. They would, you know, rather struggle on their own and figure it out and build their own businesses unless that trust is

there.

And, you know, again, the way you do that, corporations do that, is show up where these designers are. Show up where this talent is. Be present. Partner with events and organizations who are already doing work with the talent that you want to align with. And then have transparent conversations. They want to know, like what are my possibilities here? Is there a possibility for me to become a director at this company? And can you show me people who have been there?

You know, Dr. Joyce Brown said that it's very difficult for you to be what you don't see. And so this talent wants to know that I'm not just going to come in and be at this designer level for the next ten years, but that there are other people of color at this company who are vice presidents and who are directors and that's a possibility for me as well. So I think it's really about building trust and then having transparent dialogue and kind of addressing the elephant that's in the room. Because they have that question and so you can either have them wondering or you can just, you know, really have an open conversation with them.

TERRY LUNDGREN: Absolutely. And Joyce, you know we've made it clear, I think, during this entire conversation that it's not enough for companies to just state that they're supportive of DEI and that they're doing a good job of recruiting, you know, the

entry level class, you know, training class, each year. They're going to have to make some changes and we've touched on some of them. But any more advice about encouragement and giving guidance to companies to make sure that these, you know, this nice, diverse class of college graduates ends up in the management ranks years later?

DR. JOYCE BROWN: Well, you know, Terry, I think that it's really incumbent on the companies to be authentic, you know, to really demonstrate that they are committed to doing things differently. You know, the young people need to understand or be made to believe that there's a place for them in these companies. And, you know, that doesn't just happen. That really has to be demonstrated by the things that the companies are willing to put in place. And, you know, when we talk about the entry level employees, I mean there needs to be some commitment on the part of the company to create a mentoring relationship, I don't know, some sort of fraternity, I don't know, or sorority, you know, some kind of mix. You know, look, I've seen you, Terry, when you were at Macy's and you would gather together the young people that the company hired and you'd talk to them and you would demonstrate you were interested in them and in their career and what their interests were and how the company could respond and place them and keep track of them. I mean you can't fake that. You know, you really were sincerely interested in them and they responded to it.

I don't think our young people today want anything other than that. And what does that lead to? That leads to placements. That leads to recognition. It leads to a cultivation of the talent that they bring. So, you know, I would hope that the companies that want to come and demonstrate that and be a part of what we're calling our Social Justice Center will, in fact, come in and join us and let us help them to create the landscape where those kinds of activities, actions, real determined outcomes to be measured, can take place. And, you know, that's my advice. Let's stop talking about it. Let's do something. Let's create the opportunity. We've got the pipeline. There are a myriad of talented, young people of color that are anxious for the opportunity to get the education, cultivate their talent, get the placement, be nurtured, be mentored, be on a career path. And, you know, it's really a matter of will, I think, at this point.

BRANDICE DANIEL: You said, do something. That is the resounding advice I give to companies. I say let's start with a dinner. Give me a virtual dinner. Let me put you on the line with these designers so that you can hear their stories and there can be a two-way dialogue. Not for you to talk about all the things you're doing, but also for you to hear their journeys. Because that's when change starts to happen and I think sometimes companies get to a place where they're paralyzed because they're like, where do I start? And I think it's like, just do something. And when you do that one thing, that's how we started our relationship with Levi's.

It started out, they said, where do we go? I said, let's do a dinner. And that has turned into a whole program that we're doing with Clark Atlanta HBCU Department. And that's turned into, you know, a potential collaboration. But you've got to start somewhere and do something because you can't keep talking and planning, you know, for years before there is some action that's taken towards this. Once you take one action, usually something happens in that process that lets you know what you should do next.

TERRY LUNDGREN: You know, you just reminded me, Brandice, we would set up these conversations and I remember this really clearly, is after one of these horrible incidents, and we just brought people together, you know, just voluntarily, who would like to listen in, we're going to talk about social injustice and some real examples that had happened recently.

And we brought groups together, and I remember one of our fantastic executives who told her personal story – this is an audience of 200 people who just volunteered to come to listen in on this session, of all backgrounds – and she told her personal story about how she grew up in Atlanta and she had her sons, she told her sons, if you get pulled over by a police officer, I want you to put your hands on the steering wheel and I want you to have your driver's license up above so you're not reaching down for anything.

And we're all like, what? And we had no clue about that, about what she was thinking,

about protecting her sons. And it was just, a lightbulb went off and I'll never forget that one of her closest friends at work who sat in the office down the hall and they went to lunch together all the time, said, you've never told me this story before. You've never shared this with me. I had no idea. And they gave a dramatic and emotional hug, but it was like, they've known each other for years and were very close friends, and they never felt, apparently felt like they could have that kind of open conversation.

Somebody said at the end of it, you know, good conversations about race, about diversity are often uncomfortable. And if you're not uncomfortable, then you're not getting it. And if you don't want to come back for more, then you really aren't getting it. So start those conversations. They can get really uncomfortable. Hang in there. Learn. Try to put yourself in someone else's shoes. That's when change can really happen.

DR. JOYCE BROWN: It requires a certain openness, though, Terry. You know, people, lightbulbs went off because people were really listening and hearing and connecting. But, you know, I think other, it's often true that people hold back on those things because people aren't hearing it. You know, they're not in a space that is prepared to reach out and do something. So, you know, again, the tragedies bring us there, but we have to build on it.

TERRY LUNDGREN: For sure. I think Barbara is coming on to close this up.

PRESIDENT BARBARA VAN ALLEN: I am. And thank you so much, Joyce, Brandice, and Terry of course. This was just a terrific conversation. I think it will inspire the kind of action and change I'm sure that you all three are looking for. And I like to think that our Racial Equity Series that we've been running for the last year and a half is having an impact as well and look forward to seeing more of that as we go into '22. Many thanks to all of you.

I want to just mention a few of our speakers that are lined up for the rest of fall. And as always, we encourage our members to invite guests to events. Tomorrow, we have Robert Zimmer, the Chancellor of the University of Chicago in a conversation on freedom of speech with Lee Bollinger. I have to say that the prep for that was fascinating and I think folks would enjoy it very much. Lareina Yee, Senior Partner at McKinsey will join us December 2nd. She's going to talk about a 2021 Women in the Workplace Report, which is the largest study of women in corporate America perhaps ever, and there is going to be a special focus on women of color and their experiences. Jonelle Procope, the CEO of Apollo Theater, is going to be in a conversation with Charles Phillips, the Managing Partner and Co-Founder of Recognize, on December 3rd. And Jonelle is going to talk about the rise of creative expression, artistry, and activism and actually succeeding through the challenges of Covid there at the Apollo Theater. Carla Harris, Vice Chairman of Global Wealth Management and Senior Client Advisor at Morgan Stanley will join, and long-time member of The Economic Club of

New York, joining us on December 7th. And she's going to talk about her own career trajectory and the learnings that she's had and how it's shaped her passion for leading (Audio Malfunction). Ken Bentsen, another Club member and President and CEO of SIFMA, will be in a conversation with Dr. Lindsey Piegza, who is Chair of the Economic Roundtable and SIFMA Chief Economist with Stifel Financial on December 7th. They're going to talk about a U.S. economic survey and forecast that is the work of economists from all the major institutions, big financial institutions. So we look forward to that. Our first in-person event in 18 months is going to happen December 9th. We're lucky enough, fortunate enough to have Gina Raimondo, the Secretary of Commerce, joining us. She's going to share insights on the administration's efforts to strengthen business ties around the world, supply chain issues that we've all been experiencing, and efforts by this administration to spur economic development and job growth. Cathie Wood, CEO and Chief Investment Officer of Ark Invest, is going to join us with Art Laffer, the Founder and Chairman of Laffer Associates, December 13th. And, of course, she's going to talk about her approach to investing in the capital markets and supporting cutting edge technologies. And finally, Dr. Mary Schmidt Campbell. She's the President of Spelman College. She'll join us December 14th, and she's going to focus on her view of leadership and passion for advancing, a topic familiar to today, by the way, the next generation of Black entrepreneurs, in her role as the leader of one of the top historically Black colleges. So again, thank you for joining us. If you joined as a guest, the address there is on the screen if you'd like to learn more about membership.

And finally, I wanted to take a moment to recognize those of our 339 members of the Centennial Society joining us today for their contributions as they continue to represent the backbone of the Club. So thank you everyone. Have a great day.