



The Economic Club of New York

114<sup>th</sup> Year  
636th Meeting

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Carla Harris  
Vice Chairman, Managing Director  
and Senior Client Advisor  
Morgan Stanley

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December 7, 2021

Webinar

Moderator: John Rogers  
Chairman, Co-CEO & CIO  
Ariel Investments  
ECNY Trustee

## Introduction

President Barbara Van Allen

Good morning, and welcome to the 636<sup>th</sup> meeting of the Economic Club of New York in our 114<sup>th</sup> year. I'm Barbara Van Allen, President and CEO 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. We feel our mission is as important today, as ever, as we continue to bring people together as a catalyst for civil conversation and innovation.

Over the past year through our diversity, equity and inclusion programming, we've been leveraging the Club's platform to bring together prominent thought leaders to help us explore and better understand the various dimensions of racial inequity. And to highlight strategies, best practices, and resources that the business community can use to be a force for change.

We've not been doing this work alone. We'd like to give a special thanks to our corporate partners, BlackRock, Bloomberg, MasterCard, M&T Bank-Wilmington Trust, PayPal, S&P Global and Taconic Capital. As well as the many members of the Club's speakers and subject matter experts that are now and will continue to be engaged in this work.

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 by the way, the Application for 2022 is now available and online. We also want to welcome students from Rutgers University, NYU, and the CUNY Graduate Center.

It's a pleasure for me now to welcome our very special guest, Carla Harris. Carla is a Vice Chairman, Managing Director and Senior Client Advisor at Morgan Stanley. She's responsible for increasing client connectivity and penetration to enhance revenue generation across the firm. She formerly headed the Emerging Manager Platform, the Equity Capital Markets Effort for the consumer and retail industries and was responsible for equity private placements.

In her 30-year career, Carla has had extensive industry experiences in the technology, media, retail, telecommunications, transportation, industrial and healthcare sectors. Wow. In 2013 Carla was appointed by President Barack Obama to Chair the National Women's Business Council. For more than a decade, Carla was a Senior Member of the Equity Syndicate Desk and executed such transactions as IPOs for UPS, Martha Stewart Living, Omni Media, Aerobot, Redback, and the General Motors sub-IPO of Delphi Automotive and the \$3.2 billion common stock transaction for Immunex Corporation, one of the largest biotechnology common stock transactions in U.S. history.

She was named to, and no surprise here, Fortune Magazine's List of the 50 Most Powerful Black Executives in Corporate America. Fortune's Most Influential List, U.S. Banker's Top 25 Most Powerful Women in Finance, Black Enterprises Top 75 Most Powerful Women in Business, and numerous other accolades.

Prior to joining Morgan Stanley, Carla received an MBA, was 2<sup>nd</sup> Year Honors from Harvard Business School, and an AB in Economics from Harvard University Magna Cum Laude. Wow.

Today's program will be a conversation and we're so fortunate to have John Rogers, who is a Club Trustee and Chairman and Co-CEO and Chief Investment Officer of Ariel Investments doing the honors.

For this event we will be interactive. We will be using the Chat Box. John can access those as he wishes. And you can enter questions directly for consideration, time permitting. We will end promptly at 10:15. So, as a reminder, this conversation is on the record and we do have media on the line. So, without any further ado, John the mike is yours.

Conversation with Carla Harris

JOHN ROGERS: Well thank you so much. It's an honor to be here with you and Carla. Carla your extraordinary success, your extraordinary biography, all of the accomplishments you have, it's absolutely amazing.

I'd like to start at the beginning. Can you just tell us a little bit about how you grew up and what were the early influences that got you engaged in an early financial services career?

CARLA HARRIS: Absolutely. Well first of all, let me say thank you, Barbara, for inviting me for this conversation, and more importantly for having John have this conversation with me. Thank you John for doing it.

I grew up in Jacksonville Florida. I was born in Port Arthur Texas but my family moved to Jacksonville when I was 8 years old, going on 9. And I'll tell you some of the early influences were certainly my parents, and I'd say my paternal grandmother who was the first female entrepreneur that I ever met. And she was extraordinarily successful and she was tough.

But I'll tell you the big influence, John, was that my parents always made me feel like I was supposed to do well. There was nothing extraordinary or extra. I was supposed to do well. I was supposed to get A's. And my mother, God bless her, one of the most

important lessons she taught me, and I realize now, that it was her way of telling me the world was not fair. She said to me, listen, the world isn't fair, you're not going to always get your due, but make sure that you are so outstanding that there is no debate. So, if you want the A, go for the A+, so if you get shaved a little bit, you'll still have an A.

That mentality, John, has stuck with me, no matter what. And what I say to young people today is always give it your all. Put the gas pedal all the way to the floor. Give it your best, and sometimes your best won't be good enough, but you'll always have the satisfaction of knowing you gave your all.

And I'd say the other pivotal thing that I learned about myself, John, as I was growing up, was that I was negatively motivated. Again, I'm going to give my mother credit for that because she used to always say, and my father too actually, oh you can't do that. You can't do that. And the fact that they would say I couldn't do it, made me really go for it. And that too, has served me well throughout my career, because as you know, as a woman, and a woman in color in investment banking, there's a whole lot of people on your journey that will tell you, you can't do this, you can't do that. And it always made me actually push a little bit harder. That was sort of my profile throughout junior high and high school.

Then I went to Harvard and that, too, was a product of the negative motivation. Because I had a well-meaning guidance counselor in high school and I went to a great high school Bishop Kenny High School in Jacksonville. And he said to me, I went to see him, and said, look, I want to go to the...the recruiter is coming from Cornell, I want to go there, and I want to get the applications to some of these Ivy League Schools.

Now, John, let me be clear. There was nobody in my family talking about Ivy League Schools. My folks assumed that I would go to college, because I had always done well academically. And they assumed that I would get a scholarship. The last thing they thought was, they were going to have to take out loans and help me pay for it. But I kept hearing the kids in my AP and my Honors Classes saying things to each other, did you turn in your application to Harvard? Have you heard from Penn? Have you heard from Princeton? And these schools weren't even in my orbit. I wasn't thinking about going to...my aspiration was to go to UCLA frankly because my favorite aunt lived in Los Angeles.

So, when I went to see the guidance counselor he said, you know, don't worry about those Ivy League Schools, just apply to the Florida schools. You'll get into a good school. Just apply to the Florida schools. And I said, well why not? He said, well they're very hard to get in, they take one in ten kids, don't worry about those schools. Just apply to the Florida schools.

Well, of course, because he said don't, I applied. The good little Catholic girl I did exactly what he said, I applied to all of the Florida schools, but I applied to all of the Ivy League Schools that by then I realized and wanted to apply to. And I got into them all.

So what I say to young people, never count yourself out, for Pete's Sake, and don't let anybody else count you out. And it was at Harvard that I got exposed to the SEO Program, which was at that point, two-years old in the Career Management Program, and my classmates had done SEO the summer of '81, came back talking about it, so now I said, well let me go see what that's all about. And they were all ECON majors. I applied for the summer of '82 and I got in, and that was the summer that changed the trajectory of my life. Because that was the summer that I was exposed to finance and again, negative motivation. Didn't see a lot of people of color. Didn't see a lot of women. Couldn't figure out why not. I was already attracted to the work. Loved the work, and the fact that I didn't see a lot of people who looked like me, that made me more focused to pursue that.

That's the background on how I sit in this seat today.

JOHN ROGERS: Well I hear great things about SEO and some of the other programs, but I know SEO has been an extraordinary success, getting people on the kind of trajectory you had. But most of the time people start off well, when they get into the



training programs, at the various banks and investment banks but very, very few people make it to the top, as you have, as a Vice Chairman.

Can you tell us what was the very unique skill-set and insights and ability to make it to the top? Because you're literally a unicorn in the great success that you've had.

CARLA HARRIS: Well I think you, John. First of all, I am very spiritual, as you know, and I am clear that it's not about who I am, but whose I am. So prayer was a big part of that equation along the way. I'd also say that I'm very self-aware and I'm very aware of my surroundings and I am a great student. If I am nothing else, John, I am a great student. So I pay attention to what's going on around me, and I extract lessons from the experiences that I have, and I extract lessons from the people that I study.

I think very early on I became very self-aware, that all of the things that I had heard coming out of Harvard Business School, that you have to be smart, you have to work really hard, it's a meritocracy, that's what it takes to go to the top. You know, it didn't take me long to figure out, that, that was a very incomplete success equation. It wasn't just about how smart you were. It wasn't about how hard you work, because even to this day, John, 34 years into it, you can't outwork me. You cannot outwork Carla Harris. So it is not about the contribution and how hard you work.

And it's not even about the intellect. But it's about some of the other things that no one tells you about, like understanding that perception is the copilot to reality. Like understanding the importance of taking risks. Like understanding the reality that you cannot do it alone. You will need other people's relationships in order to maximize your success.

I started realizing these things very early on and extracting what I like to call the pearls, if you will, pressure testing them, and then putting them into play. I do believe that along with the prayer, realizing how the game was played, and then also that negative motivation. I think those three things were predominant in driving me throughout all of these years and enabling me to be successful. Because once I realized that you needed other relationships then I started forming those relationships. Once I realized that my authenticity was what made me distinct, and it was my competitive advantage that there was no benefit in trying to present like Allen and walk like Bill and say it like Nancy. That if I could, in fact, just be Carla, that was an edge.

And these were all of the pearls that I acquired along the way that I think made the difference that, as you know, wrote a couple of books to pass that long to other people so that they would have a playbook that I did not have.

JOHN ROGERS: Were there role models, mentors, that were really influential in getting you moving forward?

CARLA HARRIS: Sure, there were people that certainly helped me along the way and many of the people that you knew who were here at Morgan Stanley, whether it was Bill Lewis or Ray McGuire and other people. Debbie Wright, even though she wasn't at Morgan Stanley, she was another Black woman who was in investment banking at the time, when I came onto the Street, Connie Jackson. So, it was a small group of people so it didn't take much for you to A) get to know these people but B) to study them and learn or extract whatever you could from their journey. And from time to time be able to have a conversation with them.

I'd say that watching those who came before me, four or five, six years before me, listening to the conversations, being in the circle when they were speaking or listening to an Ann Fudge for example, watching her success. As I said, I'm a good student. So I learned as much as I could.

And then I had a couple of external mentors who were not in the business. Sharon Hall, Reggie Van Lee, these folks who I saw in other places, who I also learned from, who made themselves accessible to me when I needed to have that conversation to check, am I going through what I think I'm going through here. Can I get a sanity check?

Because sometimes, John, that's what it is. You just need someone to affirm you that you are seeing what you think you are seeing. And that is very empowering when a senior person affirms a young professional as they're coming through their journey.

JOHN ROGERS: I'm wondering if there's a lot of young people on this Zoom this morning, and others who want to replicate the kind of success that you've had and they're in specific places in their careers. Are there two or three key lessons you took from those leaders, like a Bill Lewis or Ray McGuire, and others, any key nuggets of wisdom that really stuck with you as you were developing your own personal style that has helped lead you forward?

CARLA HARRIS: Yeah, I'll tell you, my style is very different. One, I'm a woman, and they are esteemed men. But I think it was one of the things that stood out for me was being comfortable in your own skin. And standing steadfast in whatever your convictions happen to be at that time. Not backing down. Because I'll tell you, John, one of the things that I've learned, and I again, pass this along to young professionals. Every now and then when you're going to ask for something or when you're trying to make a comment, the person on the other side of that conversation knows you're right, but they'll try you. They'll huff and puff in hopes that you'll back down.

And people have asked me a lot over the last 18 months that we've been in quarantine, if I look back, did I have any regrets? And I said the only one, and that's that I didn't play big enough. And they go what? You didn't play big enough? And I will tell you, I didn't play big enough. And so watching those guys I never felt like they stepped back away from their convictions. I didn't get all the way there. I'm there now. But I didn't get all the way there as I was studying.

So, what I try to pass along to young people now, swing, get your at bat, swing hard. There's only two things that's going to happen. Either you're going to miss the ball, and you're going to have a better aim the next time, or you're going to hit that ball out of the park. So whatever you do, you get to the plate, swing, hard.

The reason why it's important, John, is growing up, and I'm going to guess that this was your experience as well, you know, people in our generation were told by our parents, be careful, you don't have as many chances as everybody else. You know, make sure that it counts. Make sure that you get it right. And I look back now, and I have to ask the question, how much did that temper my risk appetite along the way?

Because let's face it, if you only think you have one shot, you're going to be real careful with that shot. And so what I try to say to folks is, you have more than one shot. And

there's nothing in life that's irreparable, or very few things in life that are irreparable. So swing, you miss, you'll get a chance to swing again.

And I think that, I probably was far too careful. So going back to where I started this, there were times I had conversations and the person on the other side of the conversation huffed and puffed, and I said, okay, alright, I better not push anymore. And I know to this day, I know that I know that if I had pushed one more time, I would have broken through. That's what I try to pass along to young people today, is one of those lessons, if you will.

JOHN ROGERS: Then, lessons from the employer, you've been in Morgan Stanley for a long, long time. Are there certain things in the culture or the character of the leadership at Morgan Stanley that has helped you to move forward again, because you know how hard it is being an African American female in such a male-dominated Wall Street. What's been their role?

CARLA HARRIS: I will tell you, one of the principle reasons that I came to Morgan Stanley in 1987 and I saw this in 1982 when I was on the Street with SEO. I was at another bank, but, of course, we had a cocktail party with all of the banks that were participating in SEO, so I got a chance to see Morgan Stanley. The way that they have

helped me is that they have created a culture where I can just be Carla and that was key and important, John.

When I was recruiting, I was blessed to have several offers from several major firms on the Street, both at the undergrad level as well as the MBA level. There were certain firms that I interviewed with where I felt like I was like this, the whole time I was interviewing. And that there was a way to be at that firm. And even though I got offers, I remember feeling that comfort level when I went out to my sale dinner with the partners at Morgan Stanley. I can remember like it was yesterday. And it was the summer of '86.

We talked about everything from teenage pregnancy and AIDS to what I thought the Fed was going to do with interest rates. And I remember thinking, wow, there's a lot of different equations that equal success in this environment, surely there'll be one for me.

And I felt like I could largely be Carla. I have to give the organization credit for creating a culture, whether it was real or not, where I felt like I could just be Carla. I'm from the South, so every now and then, a hon is going to roll out of my mouth. Right. And I wanted to be in a place where if I said to a CEO client, honey, blah, blah, that people wouldn't say, ah she called the CEO honey. And there were firms where I did get offers where that probably would not have been tolerated.

JOHN ROGERS: At Morgan Stanley, as you have been on this journey with Morgan Stanley, have you been able to quantify or explain or discuss sort of the specific things that other leaders on this Zoom can take away that has allowed Morgan Stanley to not only bring you in, in this extraordinary leadership role, but others coming along. A pathway to the future. What is Morgan Stanley doing from a Best Practices standpoint to make sure that you're not the only one?

CARLA HARRIS: So, I'll tell you what we did in the early '90s and then I'll tell you what we're doing now. And the reason why it's important is I want other leaders on the call to understand that if you are going to have a successful DENI strategy that you want to be sustainable, competitive, and long-term successful. You need three things.

You need intentionality, you need accountability, and you need consistency. And the reason why the consistency point, John, is so important is because I believe that in financial services in particular, diversity has been a bull/bear market phenomenon.

When things are really going well, we put lots of money towards it. Lots of focus. Big spotlight, you are bringing lots of people in, but the minute we get in a bear market environment, it doesn't go away but the intensity goes from 10 to 2.

And you know what happens in a bear market environment. You have restructurings, you have reductions in force, and your smaller populations are disproportionately hurt. So, back in 1992, Morgan Stanley started something called the Richard B. Fischer



Scholars Program. And that was where, for the first time, and we were the first firm on the Street to make an outreach to historically Black colleges. And we set up scholarships at five historically Black colleges. Morehouse, Spelman, Howard, Hampton and Florida A&M University.

And the Richard B. Fischer Scholars Program worked like this. You were interviewed in your sophomore year, if you got to be a scholar, you had a guaranteed internship after your junior year, plus you received tuition money for your junior and your senior year. No other firm on the Street was doing that. So it was innovative, it was intentional, and it was focused, on building a pipeline of people of color away from the traditional schools, where Wall Street recruited, the Harvards, the Princetons, the Yales, the Smith, blah, blah.

And that program was and has been extraordinarily successful. So we've been intentional about the outreach and the focus and the targeting. But like most organizations, again, bull/bear market environment, we too have gotten to the point where if you take your eye off the ball you lose your pipeline.

And in recent years, we have doubled-down not only on the Richard B. Fischer Scholars Program, but as you know, we announced an institute for inclusion that we hope will become Best Practices, not only for the Street, but for corporate and global corporate

around what are the best practices. How do you conduct yourself internally? How do you put together an evaluation process that really squeezes out all of the bias?

How do you also create opportunities for people who may not ever be a banker, may not ever be a trader, but they can be a finance executive, an operations executive, a technology, a cyber executive. And oh by the way, we have made outreach to schools far beyond those traditional schools that we have traditionally recruited from for the banking program and even beyond this historically black colleges. Now reaching into junior colleges where you know a lot of people of color and first-generation students happen to go.

So, we've tried to continue to stay ahead of the curve to innovate and now working internally on the house, because one of the things that I feel strongly about, John, is that if it takes 12, 15 interviews for somebody to go into your organization, somebody of color or a woman, and they don't make it, I humbly submit, it's not the candidate, it's the house. Because there's no way you made a recruiting mistake. Not after 12 or 15 interviews to get in.

You need to check the house. If what I said to a lot of CEOs over the last 18 months, if your people of color and your women are not selling for you in your organization, you should check the house. Because if people are enjoying where they are, they are more

than willing to say, you should come work here. Or let me introduce you to so and so, and if that's not happening, that's your red flag, CEO, to check the house.

JOHN ROGERS: Mellody Hobson often talks about the importance of measurement of success and holding people accountable for the promises that they're making. So, how does Morgan Stanley measure their success and be able to show the Board and the rest of Wall Street how it's actually making a difference.

CARLA HARRIS: I'll tell you, traditionally, what we've looked at, obviously, is not only the numbers of people that you have, but what does your promotion list look like every year? How many people are you promoting to the next level? How many people do you have in senior levels or in high-profile positions of authority, leadership, responsibility? That's one measure. But there's also things as you know, John, and I'll bow down to you and Mellody on this, because you have been front and center for a long time and now people are catching up with, what's your spend like? How are you amplifying your impact in the community whether it's the asset managers that you use, the legal firms that you use, you always say, I'm not just talking about the folks that's in janitorial. Because you seem to be able to find them. But you can't find some of these other providers that work within your organization.

I think now we're also starting to measure the spend, and what the reach looks like. And not just the dollars. But how many service providers. Because again, that's how you create the multiplier effect. Not just paying one firm that's doing a great job, more money, but can you get three more and amp up your spend that way.

We're starting to look at those numbers in a more critical way than I think we ever have, as a measure of success.

JOHN ROGERS: I'm so glad you mentioned that. One of the things that we're trying to do and we're actually getting some progress here in Chicago, both at the University of Chicago as well as with our civic committee of business leadership, is to use the term business diversity and retire the term supplier diversity. Which we think is sort out of sync with the world where we know the wealth today is being created in financial services, in technology, in professional services.

So, speaking about wealth building, you're the Vice Chairman of Wealth Management, can you tell us a little bit about what you're doing with your day job. You've been such a leader around diversity and inclusion, but I know you have real, real job responsibilities in this wealth management platform.

CARLA HARRIS: Yeah, well, I'll tell you part of the job that I do, which takes a lot of time, is as you know, we started the multicultural innovation lab at Morgan Stanley. And that's actually firm wide. That's not just segmented to wealth management. And that was a mandate that my Chairman gave me almost seven years ago to say, hey listen, no firm has positioned themselves successfully in the marketplace as the firm that engages constructively and productively with multicultural decision makers. And I want to be that firm.

So, because of that, John, we created three products, just out of that platform. One was the Multicultural Innovation Lab, which is an in-house accelerator, just like & Combinator, Techstars, where we bring in now 20 companies a year, two separate cohorts of 10 and we give them three things.

We give them cash, in exchange for a single digit percentage of the company, like any other accelerator. We give them six months of content which is really differentiated because it helps them to develop from being a founder to a CEO. Because as you know there's a difference and then we also connect them to some of our larger investment banking clients for the purpose of advancing the scaling of their business.

We now have a portfolio of 50 companies since we started this in 2017. And I could not be more proud of the lab and the impact that it has had on these early-stage pre-series A companies that have been founded by women and people of color.

The second piece was a podcast called *Access and Opportunity*. I like to say, award-winning podcast now, because we won our first Webby this summer and we have 11 MarCom Awards. The whole point of the podcast is to elevate the conversation about the inequity of the distribution of capital to women and people of color. And our attempt is to put out a playbook and we're speaking to three audiences; the entrepreneurs, the folks who are asset allocators, i.e.. they have money to invest in these companies and policy makers. So, if you hear Marc Morial talk about what they did when he was the Mayor of New Orleans, or you hear Kevin Warren talking about building a billion-dollar stadium in Minneapolis or creating \$3 billion worth of economic generation around that stadium. Now you have a playbook. So you can no longer say, where can I find them, and I don't know how to do it, because we're putting the playbook in the marketplace.

And then as you know, we have the Senior Multicultural Leaders Conference where the most senior African Americans, Hispanic Americans, American Indians and Asian Americans come for a business conference every year. So, that's what takes up the majority of my time. And then with respect to other wealth management clients, I'm often speaking to them about the firm and its ability to be delivered on their behalf with

whatever needs they have. I often do a lot of public speaking to larger groups within our wealth management channel, and then part of what I also do is to try to connect the dots to create greater client penetration for the firm. So yeah, that's my day job, John.

JOHN ROGERS: Wow you have so much on your plate. Just one other quick thing on wealth and then I want to hear more about your other leadership roles. But, you know, the Federal Reserve of St. Louis has data that shows that between 1992 and 1996 roughly 25 years, African American college educated folks saw their wealth decline 10%, while college educated Whites saw their wealth increase 96%. As you know, this wealth gap in this country is just getting wider and wider each and every year.

With your leadership role throughout the nation, throughout the world around us, what would you think would be the ways to try to really make a dent in this widening wealth gap in our community?

CARLA HARRIS: I think there are two things. And it all comes back to access and opportunity, and more than two things, but I'm going to give you two, given our time. One is, making sure that people have access to opportunities where they're getting paid well. Right. Because if you're not making a certain amount of money, then you're not going to be able to create wealth. Because we all have expenses and we all have things

that we, and let's face it John, many families of color are not just taking care of their family, they're taking care of two or three other families.

Now, remember, I think it was Debbie who had this conversation with me when I was a first- or second-year associate, that you won't be able to acquire the same amount of wealth as your colleagues when you're a second- or third-year associate because they don't have the expenses that you have. You're probably helping mommas household; you're probably helping grand momma's household. And that means you can't save as much. That means you can't invest as much.

The other piece is around understanding the opportunities to grow wealth. I still look around today and I look at some of my contemporaries who are clearly experienced, 30 plus years, and they don't know about the different investment vehicles. They haven't been saving their money in that way. Even my friends who have been nurses for 40 years or teachers. They have money, but they have not invested because they didn't have the information and the knowledge about that, either. Nor did they have the time or the inclination I would say to invest to try to figure out what those things look like. And if you didn't grow up in that environment, then you don't know about some of those things.

So, I think making sure that the information is available to people and encouraging what we can do, our generation, is can encourage young people that we know to start



investing now. Every young mother that I know that's in my church, John, the first thing I say, you've got a 529 plan for that baby. Right. And many of them are like, no, no, Ms. Carla, what is that? And so I sit down and I talk about it. And I'll say, just so you know, I'm not giving the baby a gift, but when you open that 529 plan you let me know. I'll be there. That's how I'm going to invest. That's how I'm going to give them a gift. Because they have a bunch of stuffed animals. They have a lot of stuff. Right. Let's get them started with that.

I don't like to call it the literacy angle, John, because we spend so much time talking about that, but there are little ways that in our everyday life we can help to close that gap by giving people information, by using our network to make sure that they can get opportunities where they can make more money and then talking to them about what they can do about it.

JOHN ROGERS: That's terrific. That's absolutely terrific. Switching gears. You've been fortunate to be on some terrific corporate boards. Can you talk about that experience and just curious how this is hitting you and how it's going for you?

CARLA HARRIS: Again, I want to thank you and Mellody for what you do with respect to the Black Corporate Directors Conference because the first time I came to that conference I came as a speaker, not as somebody who was on a board. And I was

already interested in board service, but man, did that fire me up. Again, I want to thank you guys. And as you said, I'm on the Walmart Board now and I'm on the Cummins Board. And John I love board work. I love board work, because as you can tell, I love being able to make an impact.

As I thought about Carla 3.0, or what do you do after 30 years on Wall Street, ten years ago I started focusing on board service. Because I said, how can you leverage capital markets, all the intellect that you have about the markets, all the intellect that you have about the M&A environment, what you know about the asset management world now. What better way to leverage that, because companies need that. This has been your constituency for 30 years. These have been your clients.

So, I felt like I had a lot that I could offer in the board room and directors have an extraordinary opportunity to make an impact because when you bring up a thought, when you ask a question, the organization pays attention and generally they respond. I love the work; I love the strategic nature of it. I love the intellectual challenge. I love board work. It's hard work, it's a lot of work, so I tell people don't think it's something to put on your resume or a few extra bucks. Let's be clear. It's a job.

JOHN ROGERS: It's interesting, the boards that you are on are not exactly located in the most diverse parts of our country. I'm curious, how difficult has it been for you to

have impact and bring the wonderful best practices that you've helped to lead in Morgan Stanley, how have you been able to bring those best practices to the corporate board rooms that you're sitting in today?

CARLA HARRIS: Well because these are organizations that care about these topics. And because we have been doing some of the things that we've just talked about for 30 years, I'm quite articulate about what impact this might have if you try this. Or why don't you try that because here's the outcome. I have lots of creative ideas that I think can help. If you think about Walmart, yeah, it's in Bentonville Arkansas, but it is one of, if not the largest employer in the country outside of the United States government. And you look at something like Cummins, and they are producing something that's important all over the world, diesel engines. And now migrating to a clean energy company. The people that they employ, the people that they touch, the multiplier effect of who they are in their industry and leaders in their industry, it gives you an opportunity to have an extraordinary impact.

And it's not just my knowledge about the Street job, but it is my knowledge about diversity. It is my perspective around equity and inclusion and watching it in a place like Wall Street where the intensity of it, I would argue, is even greater than in some of these other industries. I'd like to believe that I've been able to contribute quite a lot.

JOHN ROGERS: Great. And with your leadership in President Obama's administration, around the Women's Business Council, I'm curious, what were the big takeaways from that experience for you, and did you leave a game plan for future presidents to be able to build on what you created and built?

CARLA HARRIS: Well, as you know, the administration that followed was a little bit different. So I would say that game plan or no, it wasn't something that was going to have as big of a focus as it had in the Obama administration.

The National Women's Business Council has three customers, as I like to call them. It's the White House, it's Congress and it's the Small Business Administration. And one of the important things that I felt like that we did was we started to shift the conversation from women-owned to women-led. Because let's face it, if a woman is going to raise capital for her business, she's going to delude herself. She's not going to own 51%. So, why is it less important to talk about that woman, that business, that opportunity, because she is now a 30% owner. As much as we could, we started talking about women-led.

The other thing is that we demystified a little bit this whole concept of how you can get into the government ecosystem to be able to get some of these contracts. And we changed the conversation around sole sourcing a bit. I felt like we had a lot of impact,

especially as we traveled around the country, you know having our meetings in different places, whether it was Detroit or Atlanta. So we raised the profile of the National Women's Business Council. We actually amplified the conversation around the challenges that women-owned businesses have and it was an extraordinary experience.

I worked with some amazing young women. And that was the thing that was most inspiring for me, frankly. And even when there was an administrative change, John, we continued to try to move things forward. Because we knew that people weren't sort of paying attention, if you will, given everything else that was going on. But by the time that they turned their attention to the NWBC we had put a few more points on the board.

JOHN ROGERS: Then, as we are winding down, I'm sure the audience would love to learn about how you spend your off time. What are your passions, what are you focused on these days?

CARLA HARRIS: I love, love, love doing public speaking, so I do a lot of that sort of formally and informally. I just finished my third book. Again, Covid gave me the opportunity to do that. It'll be out next year. It's called *Lead to Win*. How to be a powerful impactful, influential leader in the environment that we're in now. As you know, John, I love to sing. And so, I've just taped my Christmas concert, Carla Harris and Friends. It's the Morgan Stanley production, to benefit children's hospitals around the world and it

incorporates some amazing Morgan Stanley singers from Hong Kong and Tokyo and Europe as well as here in the States. I love doing that. We did that at the Apollo on November 6<sup>th</sup>.

I just cut a new single for Christmas that is not on the Christmas CD that I released last year. But I'm going to do a lot of performing around the CD called, *Oh This is Christmas*, that came out last year. That's kind of what I do with some of my free time.

As you know, I'm now a mother of a 6-year-old and a 19-month-old. So, I'm having a lot of fun at home.

JOHN ROGERS: Wow. I guess finally, as we're winding down here, you have the new book coming out, *Lead to Win*, can you give us a sneak preview of what your key theme is going to be, and key message from that new book?

CARLA HARRIS: Yes. The key theme is that leadership doesn't happen because your now senior or because somebody gives you a title. You have to be intentional. So I call them the pearls of intentional leadership and there are eight. Your authenticity, building trust, creating clarity, creating other leaders, diversity, innovation, inclusion, and voice. If you're going to be a powerful leader you have to be willing to call a thing a thing. No matter how bad the thing might be.

And then I say that while I'm giving you the pearls of intentional leadership, the strand that holds the pearls together is courage. Because it takes courage to call a thing a thing. As we all know, we've been in rooms when things should have been said, and we just look down at our shoes. It takes courage to engage enough with people and invite them into the conversation to be inclusive. It takes courage to teach people how to fail, but if you don't teach them how to fail, they can't innovate. It takes courage to be intentional about diversity. Because we're all vulnerable to unconscious bias, I don't care who you are. And you have to be conscious of that to push against it. It takes courage to create clarity when you cannot see. It takes courage to create other leaders if you're insecure about your own leadership trajectory. It takes courage to engage enough with people to build trust. And it takes courage to bring the real you into an environment, which is why so many people are challenged to do so.

So, those are some of the key themes of the book.

JOHN ROGERS: Well thank you. That's a perfect way to end this interview. Your leadership is so impactful for our country. Thank you so much for doing this interview this morning.

CARLA HARRIS: Thank you, John, for being here and for having this chat with me. I really appreciate it. Because I know how full your plate is. So thank you.

BARBARA VAN ALLEN: Carla, that was fantastic, and John, thank you so much. I think we all learned a lot and we'll be sharing the recording with the public as well in a few days. So, thank you so much.

I want to just take a moment to talk about a few more prominent speakers that we have lined up between now and the end of the year. As always we invite our members to bring guests to the events.

So later today, actually, at 1:00 we have Ken Bentsen. Ken is the President and CEO of SIFMA. He will have Dr. Lindsey Piegza, the Chair of the Economic Roundtable, and SIFMA. She's Chief Economist at Stifel Financial. They'll be unveiling the results of their annual U.S. Economic Survey. So, we're excited about that. And then, Thursday of this week, December 9<sup>th</sup>, we will be returning to our first in-person hybrid event and we'll be hosting the Honorable Gina Raimondo, the Secretary of Commerce, at the University Club. We do still have a few seats available. It is limited seating because of Covid. But we do have a few seats available for those that are interested. She just returned from a trip to Asia and she'll be talking about supply chain issues that we've all been experiencing, share insights on the administration's efforts to strengthen business ties around the world, as well as steps to spur economic development and job growth. On December 13<sup>th</sup> I'm pleased to say we have Cathie Wood joining us, the CEO and Chief Investment Officer of Ark Invest. And she will be in a conversation with Art Laffer, the



Founder and Chairman of Laffer Associates. And they will discuss Cathie's approach to the markets and cutting-edge technologies. And then our last event, we believe our last event, will be on December 14<sup>th</sup>, Dr. Mary Schmidt Campbell, the President of Spelman College, and she'll be joined by David Thompson, who is the President of Morehouse College in a conversation with Charles Phillips. They will be sharing their perspectives on leadership and passion for advancing the next generation of Black entrepreneurs in their roles as leaders of top historically Black colleges.

If you have joined us as a guest today and would like to become a member, or consider that, please email the Club at the address on the screen. And finally, I just want to take a moment to recognize those of our 343 members of the Centennial Society joining us today as their contributions continue to be the financial backbone of support for the Club.

Thank you, again, please stay healthy and safe, and we hope we see you later today at our next event. Thanks so much. Thank you, John, thank you, Carla.