

The  
Economic  
Club of  
New York

ESTABLISHED 1907

The Economic Club of New York

115<sup>th</sup> Year  
652<sup>nd</sup> Meeting

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Thasunda Brown Duckett  
President and Chief Executive Officer  
TIAA

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Signature Luncheon and Webinar

Moderator: John C. Williams  
President and Chief Executive Officer  
Federal Reserve Bank of New York  
Chair, The Economic Club of New York

## Introduction

Chair John C. Williams

Good afternoon and welcome to the 652<sup>nd</sup> meeting of The Economic Club of New York. I'm John Williams. I'm the Chair of the Club and President and CEO of the Federal Reserve Bank of New York. This is the 652<sup>nd</sup> meeting of the Club, which is remarkable because I think when I took over as Chair of the Club less than two years ago, we were on the 100<sup>th</sup> or something meeting. That's what it seems like, the last two years. Obviously, this is big year for the Club. It's our 115<sup>th</sup> anniversary and we'll be celebrating that throughout and recognizing that throughout the year. And throughout its history, the Club has served as a preeminent, nonpartisan forum for discussions on a wide range of issues around the economy, social and political issues.

I just want to, before I get into the program, very briefly comment on the past two years. These obviously have been extraordinary challenges for everyone in the country and around the world. But for the Club, it's been a time we've also had to adapt and change rapidly. And I want to first recognize we've had the team, The Economic Club of New York's team led by Barbara, has done just an amazing job to switch gears, rather quickly move from the in-person events that have defined the Club over its previous 113 years, turning those into a virtual format and do that in a way that both worked with the technology and served the purpose of the Club. So, first, the team has done an amazing

job and, of course, the challenges aren't over. We're now transitioning to hybrid events like today's which requires us not only to get the technology right but also create that in-person interaction and dialogue that is so important.

The second is, you know, all the speakers, we have had more speakers over the past two years than we've had in any time over the Club's history. We've had roughly 140 events going back to early 2020, which is far more and a far wider range of topics and discussions than we historically have had. We've had great speakers and panels, people willing to join the Club on relatively short notice, sometimes, Barbara, very short notice, to participate in our events. And that's really helped.

And the last thanks I just want to give is to all the members of the Club obviously without whom and their support the Club wouldn't exist. And the willingness of our membership to adapt and change as circumstances changed has made the Club, I think, successful and it makes me feel very optimistic as we move forward to a mixture of in-person, hybrid and purely virtual events that we can really serve the mission of the Club and make this Club a place where people want to meet, whether again in-person or virtually. So I do think it's a very exciting time for the Club. This is my first in-person event and we have a lot of really great programming planned which I'll come back to at the end.

Okay, so now I'll turn to the usual program. I want to give a special welcome to the members of our 2022 Class of Fellows. This is a select group of diverse, rising, next-gen business leaders. And we also have invited students from the City University of New York Graduate Center, Rutgers University and Fordham University, who are joining us today. Of course, we'd also like to sincerely thank our DEI corporate partners who have been working with us now for several years in bringing forward programming that urges diversity, equity and inclusion across all sectors of our economy. Particularly, we have BlackRock, Bloomberg, Mastercard, PayPal, S&P Global, and Taconic Capital. And those partners who are in the room with us here today, we thank you for joining us.

Now, let's turn to the best part of this program and that's going to be the conversation. And we're very honored to have President and CEO of TIAA and importantly a Trustee of the Board of ECNY, Thasunda Brown Duckett, with us today. TIAA's CEO, she leads a company whose mission is defined by financial inclusion and opportunity – goals and values she has upheld throughout her career.

Thasunda joined TIAA after serving as Chief Executive Officer of Chase Consumer Banking where she oversaw a banking network with more than \$600 billion in deposits and 50,000 employees. Previously, she was the CEO of Chase Auto Finance, and National Retail Sales Executive for Chase Mortgage Banking. Earlier in her career, she was a Director of Emerging Markets at Fannie Mae, where she led the implementation

of national strategies designed to increase homeownership among Black and Hispanic Americans.

Thasunda serves on the boards of...now this is a long one, let's see if I can do this in one breath – NIKE, Brex, Robert F. Kennedy Human Rights, Sesame Workshop, National Medal of Honor Museum, the University of Houston Board of Visitors, and Dean's Advisory Board for the Baylor University's Hankamer School of Business. She's a member of the Executive Leadership Council, Delta Sigma Theta Sorority, Inc., and Jack and Jill of America.

She founded the Otis and Rosie Brown Foundation in honor of her parents to recognize and reward people who use ordinary means to empower and uplift their community in extraordinary ways. She is passionate about helping communities of color close achievement gaps in wealth creation, educational outcomes and career success.

The format will be a conversation, which I'm very honored to be moderating. And as a reminder, this conversation is on the record. We do have media in the room and online. So without further ado, Thasunda, if you would come up here and join me.

Conversation with Thasunda Brown Duckett

CHAIR JOHN WILLIAMS: Now, we understand that we have about an hour to cover a lot of topics.

THASUNDA BROWN DUCKETT: I have questions for you then.

CHAIR JOHN WILLIAMS: All right. So you've had a long career in financial services. We just talked about some of that. And you're approaching your first anniversary as CEO of TIAA. So coming into a new organization during a pandemic, did you have to invent your own playbook as a leader? And how did you navigate your first year?

THASUNDA BROWN DUCKETT: Well, first let me just say it's such a pleasure to be here and to be in front of all of you. Someone had to remind me last week that in three weeks I will be celebrating my one-year anniversary. So I guess time flies when you're having fun because it definitely has gone by quickly.

But with respect to your question, my playbook is consistent. When you think about being in financial services for over 20+ years, I'm very clear on what needs to happen. You have to listen. You have to connect with your team. You have to set a vision, win hearts and minds and make sure that you're surrounding yourself with the best talent as

you think about your go-forward strategy.

But what I will say is becoming a CEO with a new company at TIAA during the pandemic, the tactics to the playbook had to change. And so some of the things that I had to do, for example, when it comes to listening, you know, my mode of operation is to be out there talking to clients, talking to every level of your employee base, doing side-by-side, seeing exactly what they do so that you're in the room with your leaders. You're not just looking at PowerPoint or what they're seeing. You can actually say I saw Susie, and this is the problem that she's having. Well, you can't do that unless I'm going to someone's home, knocking on their door and asking permission to come in.

So you had to have new plays. And so one of the things that we did early on was have, what we call coffee and tea. And what that meant is I would basically really just aggregate the organization, looking at your new hires, people that had been here for over ten years, portfolio managers, people in operations, in a small group of ten to fifteen people. And it really is my chance to listen and hear what's on their mind and for them to ask me questions on things that matter to them. That allowed me to really understand what are the themes that you're hearing regardless of level, regardless of department. What's consistent? But then also what are the nuances?

And I think when you're starting a new company, nuances matter. And so how do I

make sure that I'm getting proximate to the things that may be unsaid but are really important to meeting the needs of your people. And so my point is the tactics had to change, but clearly the fundamentals of what you have to do when you're leading an organization remain true.

The one thing I would highlight is that when you think about all of the strengths that any leader has, and clearly when I think about my energy, my passion, focus, execution, etc., empathy is something that I would say that I really amplify. And I say that because when you're coming in as a leader, you have all this excitement, you want to move forward, your situation may not be the same as people \_\_\_ removed from you. And so it's so important to have empathy to make sure that as we're navigating a pandemic, as parents had to realize for the first time that maybe their children had a learning difference, when you had to deal with the murder of George Floyd and people are sitting in that, you have to have empathy and say, what is really on the mind of the people, the adage, I see you.

And making sure that as I'm asking people to set a new day at TIAA, as I'm asking people to never lose sight of what we do and why we do it and why it's important, we – as a leadership team and me, myself as a new CEO – had to make sure that I won the hearts and minds and I'm listening and making sure that I understand that we are all in uncharted territory and that as your leader, I can promise you that I will listen. I will

promise you that the leadership team will operate with agility, will provide clarity, and will provide the permission to pivot when needed. And clearly we all had to do that. We were navigating and still navigating this pandemic.

CHAIR JOHN WILLIAMS: You mentioned a few things right at the end that came up a lot in our organization too, this clarity and the need to pivot. I'm guessing our organizations are similar in some ways. We're analytical and people really want to have certainty. They want to know, am I going to have to come back to the office? I'm going to have to do all these things. How do you manage both the clarity, in like here's the plan and what we're going to do, but we're also going to need to be agile and pivot as needed?

THASUNDA BROWN DUCKETT: That's right. Well, clarity also comes in with the vulnerability to say I don't have all the answers. Clarity comes into play, my predecessor, who I know you all know, Roger Ferguson, made an early decision before my arrival that we weren't going to have our employees come back to the office until the beginning of the year, of this year. And coming in, you know, I kept that level of clarity in confidence. And as we were navigating the return to office, really making sure that we're bringing in people to come test it out, all the new formats, get the feedback. So we didn't have that in and out shift for us. And now, you know, we are open and navigating with flexibility.

Culture, you know, we both come from an organization where what we do every day really matters. And what's clear for all of the people that work at TIAA is our mission. And quite frankly, I've never seen anything like it where employees at all levels know Andrew Carnegie founded this company. They know the story about retiring in poverty and not in dignity. When you look at university professors that have educated some of the world's most brilliant minds, our associates know that story.

And so when you think about the importance of culture, I think what has helped us is that we understand why we are here. We understand the seriousness of what we do every day. And I'm so fortunate that I did not have to remind people, as we're all navigating this pandemic, what's important for what we do. That's in us. And I think it allows us to retain talent so when we look at our attrition levels, it still remains fairly low.

I think it also gives us an outside advantage to attract talent because I think people, especially our young people, are looking for that BHAG. They're looking for that bold, hairy, audacious goal. They're looking for purpose. And, you know, I get to give them a real BHAG every day that really matters in terms of what problems we're trying to solve in this country.

CHAIR JOHN WILLIAMS: Well, we'll come to culture and the importance of that in a few minutes. But what's, in your first year, almost first year what's been the biggest surprise

to you? You've got a long career.

THASUNDA BROWN DUCKETT: Pandemic. Interest rates. Inflation. No, you know, I'd say the surprises, I'd say, on the positive, again just being surrounded by people that are very passionate about our mission. It's something I have not experienced to that degree. I'd say the resiliency of the team. You know, navigating a pandemic, meeting your CEO, one Zoom call at a time, making changes with respect to your leadership team, asking people to set forth a new day with your vision. That took a lot of change that I'm asking my teammates to go on a journey with me, at the same time navigating their change in their own personal life.

And so, though, it's not the biggest surprise, but it is one that I think you reflect upon and understand that I am asking people to go on this journey where they may not have fully had interacted with me. I am asking people to really bring their full self and their vulnerabilities in order for us to be able to navigate this together. I call it a weeping. And so the charge of the assignment is not the surprise because I was very clear and the board did a very good job, along with Roger, in sharing, you know, what this means in terms of me at the helm.

But I think it's really understanding that it's okay to not have all the answers. It's okay to really lean on those who have a lot of expertise and having the confidence in knowing

what I bring to the table, but the confidence in my ability to listen and be able to act based upon the information that I'm getting is always something that I'm honing and refining.

CHAIR JOHN WILLIAMS: You know this word "change" comes up a lot, and we were doing some outreach last year as we were doing some senior leadership searches at the New York Fed. And one of our employees said can we just stop changing for a while? I've got a lot going on in my life. There's a lot going on at work. Can you just stop the change or put a pause on the change? Have you heard that?

THASUNDA BROWN DUCKETT: I saw my teammates here. I'm sure...

CHAIR JOHN WILLIAMS: They can speak to that.

THASUNDA BROWN DUCKETT: You know, but change is constant. And what we do every day has to stay in motion, what's in motion has to stay in motion. And quite frankly, our participants deserve us to stay in motion. And so, yes, change is hard. Change challenges you. It makes you uncomfortable. But it's necessary all the same because with change comes progress. Change allows you to own your own skill sets. It allows you to take that next mountain.

And so I say to people, change is here and it's not going anywhere. And, in fact, when you just look at the impact of the technology, that velocity of change, it's going to continue to compound quite frankly. The need to adjust and be agile and to be intellectually curious, which means you have to be open to change, it's going to be some of the strength that our leaders are looking for.

But I also think it's okay, you know, even the greatest players need a timeout. And so as we're thinking about how you navigate change, understanding the conversation around mental health, understanding that, you know, people are navigating just unprecedented waters mentally, emotionally, etc., that I cannot tell you that we will pause on the change, because that won't happen, but I can tell you that maybe you need a day. Or maybe you need three days. Or maybe you need to let go, let Jane, who is super-talented, have the ball.

You know, I think that is the conversation, to lower anxiety, increase the confidence, and give leaders permission to say, have you optimized all of your talent? Because there's someone sitting on the sideline saying, put me in, coach, because, you know, you need that help. And I think some of us as leaders also have to get comfortable. The fact that as you navigate change, part of your superpower is giving your power away. And I think that will also help when we're thinking about how do I deal with an ever-changing environment.

CHAIR JOHN WILLIAMS: So you talked about mission, the importance of mission. You talked about culture. So I guess we're all talking about this, as leaders, especially in the financial services sector. So is this different than before? I'll put a more provocative question. Has the financial services sector maybe focus too much on compensation and not enough on culture and these other things that you're talking about? Or how do you think about that?

THASUNDA BROWN DUCKETT: Well, I haven't seen any reports or stats, but I'll give you my thoughts. I mean compensation is always important. I think financial services, but I would also say probably every other sector realize that our entire employee base have been working from home for two years. And if we're honest, during that two-year period, everyone reexamined their life. Probably everyone, or at least that I know, hit bottom during that time with everything going on. Wildfires on the West Coast, the murder of George Floyd, a national pandemic, and everything that comes with it. So to expect that as we're in the moment we're in now that it's only going to be a conversation on compensation is woefully blinding, it's a blind spot.

I think more important, people are asking different questions. And I don't think the question is only about are we going to work five days a week at home or five days in the office or three days or two days. I think that's a factor but I think you have to go deeper in what are people really saying. And so what I do think that we're all learning is that

people are saying compensation, yes, flexibility, yes, but who is this company? What problems are they solving? How do they solve these problems? Do they care about some of the things that I care about? Do they care about economic inequality? What are they doing around the climate? How are they working on mobility? You know those are important questions that I think more and more people are asking in a real intentional way.

And I would also say that within financial services and all sectors, as we continue to make progress around diversity, equity and inclusion, then people that know what it's like to have navigated their career being the only in the room, or people who have navigated understanding nuances or bias, culture matters. And so I think the more that we have women in financial services ascending, the more that we have Blacks and Latinx and other groups, underrepresented groups, they're going to bring more than the Xs and Os into these conversations. They're going to bring, through the lens of perspective, what they've had to navigate, which means culture is going to more and more be on the forefront on what's on people's minds in order to make sure that there's a real sense of belonging, to make sure that we're still tackling some of the toughest problems that we're all trying to tackle. And that's why it's not just going to be about compensation anymore, but clearly compensation is still important as you see with the competitive wage increases that have gone on.

CHAIR JOHN WILLIAMS: Okay, so I get to the next question. You are one of two Black women running at Fortune 500 company in the United States. So we're in a room full of leaders, what do we need to do to make sure there is faster progress for more diversity in the leadership of major companies and the boards?

THASUNDA BROWN DUCKETT: Yes, and it's great to have been named CEO of TIAA at the same time as Roz was, who I think is fantastic, and clearly someone like Ursula Burns who started it all. So I do have to make sure that I acknowledge that.

Here's what I would say. If we just take a moment and think about it, every year Fortune 500, Fortune 500, Fortune 500, and there's only been three full-time Black women. I think currently there's not one Latina. We still have work to do. And so what can we do? Here are four things that I would offer up. First, it starts with a mindset shift. And that's even at the boardroom because clearly the board hires the CEO and so we have to make sure that in boardrooms, in the board of directors, that we're intentional about what is the composition of the board in terms of gender, in terms of ethnic representation, and also in terms of allyship.

What does that look like? Because I believe that when you have allyship at the board of directors, when you have women and underrepresented groups as part of the leadership, I think you'll have different perspectives when you think about

considerations on who is the best person to lead the company. So mindset, and that's also for CEOs. And the reason why mindset is also important is because you fundamentally have to believe that talent is created equally, opportunity is not. If you do not believe that, then you will not see that there is a problem.

Secondly, if you believe that we have the mindset, then you have to disaggregate the data. We cannot fall in love with the law of averages because that will say on average, X percent of our organization is 50% women, 50% men, we'll lose the essence of that middle, that stuck, for many women and people of color. You'll lose the perspective of different areas within your company, especially those that have P&L roles, those roles, the power roles. Disaggregate the data.

When you disaggregate the data, then you look at the policies and practices. Because once you disaggregate the data, hopefully you'll come up with different plays. And it's policies and practices that will sustain the progress of what we're all trying to do so that we don't make four steps forward and then six steps back or that we don't need another murder or a pandemic, for us to sit in it before we have to acknowledge that we have a problem. It's in the underlying chassis of how you organize and how you operate your business.

And then lastly, clearly what gets measured gets done. And when we talk about

measurement, I would say an insight, it's not just at the annual end of the year, as we think about compensation, which is absolutely important. But it's also measuring when you're doing succession planning, what do the metrics look like in terms of the pipeline? We can forecast are we going to make progress or not based on the succession of who is in line, two or three levels deep. When I disaggregate the data, do I see that in this role we do not have any women that's on that succession tape?

So my point is when you think about what gets measured gets done, one of the things that we work hard at, clearly at TIAA, and I'm sure all of you, is look at every path along the way, is it one women or two women or three women on the slate? You know, are we measuring the progression of succession? Do we have a stuck middle? I think you have to look at metrics throughout your process and that then can become a consistent rhythm. And I believe that if you have the mindset, if you disaggregate the data, if you challenge your policies and practices, and what gets measured gets done, then we, as Mellody Hobson would say, we'll stop admiring the problem and we'll make real sustainable progress in areas like only having two Black women running Fortune 500 companies today.

CHAIR JOHN WILLIAMS: That was a very powerful answer. I have no follow-up. But turning to last week, we had an historic event with Judge Jackson's confirmation. So what does that moment mean for you?

THASUNDA BROWN DUCKETT: Joy. We have a great country, and I believe what makes our country great are the ideals of a more perfect union, not because we are perfect. And when you see someone like Judge Jackson and you see her credentials, you see her grace and her poise, you see her daughters in the room when her character is being attacked and she smiles and her daughter looks at her like, Mom, you've got this, I hope that the joy that I feel as a Black women, as a mother raising four children, I hope it's joy that everyone feels as Americans.

I hope that every American says, wow, there's another first in our country and we should be proud. And though there are still more firsts and seconds to make, it's progress all the same. So I think it's one of the proudest moments for our country and for all of us. And I think it's a conversation you can say to your children, progress, it's not in a straight line. It's messy, but it's progress.

I would also say that when I think about my children, and I'll just speak about two of them because they're around the same age, 14 and 16, Madison and Miles, think about, my son was born in 2008 when Barack Obama was president. He's lived now through three presidents and one was Black, out of three. He's lived through having a Black, woman of color, vice president. He now sees a Black woman on the Supreme Court and he knows that his mom is the first woman CEO at TIAA and one of only two. That is the lens of a 14-year-old Black male. That's progress through his lens.

But then it's my job as a mother to remind him that when you expand this lens out, there's still so much more work to get done. So sometimes you have to zoom in and narrow the scope to celebrate the progress, but then we also have to quickly zoom out so that we can say I think it was the 113<sup>th</sup>. That's the progress that we still have to make for everyone. But it was a great moment and I hope it was a great moment for all of you as leaders in this room. I truly do.

CHAIR JOHN WILLIAMS: So we're now going to turn to the issues of retirement and your work. And so I think this group is very interested in hearing about what's the current set of issues for retirees? How well are people prepared for retirement?

THASUNDA BROWN DUCKETT: So let me start with where we are and taking that lens more narrow when you think about 2020, 2021, and today. We know that over two and a half million people retired earlier than anticipated. So when you think about that, you can say, well, what was going on? Well, clearly, with everything with the pandemic, I think again people made decisions during that time. It was a low-rate environment. Inflation was very low. You looked at your budget. And you said, you know, I think I can retire and I think I have enough that can get me to, you know, some additional income that will happen later on with Social Security.

And then the shock happened. Inflation is now, you know, over 8%. Rates are

increasing. Wages are up. And so what you're seeing is you're seeing some of those retirees coming back into the labor market. And I think you see that when you look at some of the stats where the participation rate for people over the age of 55 is up. And part of that is the acknowledgment of this may not be enough, especially, no one was factoring a war. No one was factoring what we're seeing with energy, etc.

When you look at it on a broader level, though, where are we in the retirement sector? Forty percent of all retirees are projected to run out of money in retirement, 40% of all Americans. Eighty-three percent of African Americans in retirement do not have enough. And so when we think about the state that we're in, there is more that we must do when you look at this 40% stat. And so what's driving that? I think there's three things we have to look at. There's an access gap because we know that one-third within the private industry do not have access to an employer-sponsored plan, and that matters. So we have to work on policy and engaging to try to get more employers to be able to offer those plans.

Secondly, there's a savings gap. You know, I think there's a \$4 trillion income gap for retirees, and 25% of all Americans have no retirement. And so we have to make sure, again, what can we do as leaders, as policymakers, as corporate citizens, and as individuals to help improve the savings gap, because clearly Social Security is not enough, and whatever your employer is providing is not necessarily sufficient, so we

have to get individuals contributing.

And then lastly, I'd say we have a guaranteed income gap, and clearly we know a lot about that being a leader at TIAA. But we know that defined benefits all but going away, you only have Social Security as your guarantee. And so what we do when we think about guaranteed income, when we think about in-plan annuities, we think that it's really important because people are living longer, women are outliving men. We know that you have to have something that can keep up with inflation. And you have to be able to have that replacement income that regardless of the market volatility, you can be certain that you have enough to cover your basic needs.

And so I think those are three areas that I know we are laser-focused on at TIAA, and I think it's something that all of us need to shine a brighter light on when we think about people starting their next chapter of life, and not necessarily easily being able to go back into the workforce. How do we make sure that they can truly retire with dignity?

CHAIR JOHN WILLIAMS: You mentioned inflation a bunch of times. We are laser-focused on that at the Fed.

THASUNDA BROWN DUCKETT: We are confident about how you all navigated through it.

CHAIR JOHN WILLIAMS: But when you think about, I know you've spoken on this a lot, you talked about it just now, I mean how do you help people think through these issues? Whether it's the inflation issue or do they have enough assets or maybe, you know, the assets may decline and there's volatility as you mentioned? I mean what can we do to help people with those decisions?

THASUNDA BROWN DUCKETT: Yes, I mean, first of all, there's not one silver bullet. I think it's all of us doing our part. And so, some of the things that we could do, given that this is a room full of leaders, is to really look at your benefits. And not just to say I have that. I think we should all look at, are our employees participating? Are they participating full max to get full maximum benefit? Are we having conversations around are you on track, replacement income, I think is very important. So I think there's more that we can do as employers to connect with people knowing that many times, you know, our average employee is trying to balance their whole, you know, portfolio of today and tomorrow.

But the importance of how people understand the power of compounding, especially the lower wage earners, is absolutely critical in understanding that the earlier they can start putting aside, thinking about their retirement, the more it will be for them and be able to have that replacement and the more that they're not transferring that burden to their young ones.

And then on the policy front, I think that there is more that we can do, and I think there's the progress that we're seeing with the Secure Act 2.0. But anything that we can do to give more tax credits to small business so that they can help and create employer-sponsored plans, anything that we can do, when you think about the millions of people that may have exited the workforce and lost their ability to contribute, to allow for them to catch up, anything that we can do, as you think about student debt and maybe, you know, within the Secure Act, as people are paying their student loans, could companies count that as contribution so that people are not delaying when they can start contributing to their retirement.

So I do think all of us can have a voice when it comes to policy, but I also think that there's things that we can do in our own backyard on making sure that all employees understand that their benefit is for them. And the reason why I'm very passionate about that, quickly, is I think about my father when he was thinking about retiring. And that was early in my career, I did not know I was going to be a CEO. And we got on the conversation of retirement and I happen to look at his statement. And when I had to tell my father who made so many sacrifices, both my parents, and to tell him that he did not have enough to retire. And part of the reason is because he never participated in his company's 401K plan. And you're talking about someone who had worked decades at a company. And so to have to tell Otis Brown, Dad, you're going to have to catch up. You immediately have to max out. And we were still, you know, trying to make it. I don't

know how he did it, but he listened.

But my point is there are millions of Americans who have benefits that are sitting on the table because we employers have not done enough to connect with the guy who is driving the trucks or the person who is processing the mail. And so I think we also have to disaggregate data and understand who is participating and who is not. Who is participating at the right pace to have a better outcome and who is not?

Because absolutely, you know, we know that it's important to attract the talent, to retain the talent, and when people know that they're working for an employer that wants them, at the end of the day, to be able to say because I've worked for all these years, you did right by me, and I can move on, whether it's to another company and have this head start or I can retire from this company, I think it matters. And I think there's more work that we must do and can do. But I always think about Otis Brown and that story because I know that there are millions of Otis Browns today that have that same narrative, that we have to disrupt.

CHAIR JOHN WILLIAMS: It seems like especially for younger employees, that this idea of preparing for retirement is a long ways off and they're focused on...

THASUNDA BROWN DUCKETT: Everything is a long way off with them, when you're

young.

CHAIR JOHN WILLIAMS: So it is a harder sell when you're trying to be competitive. But also people are really saying that they don't plan to stay with the organization all their life. So having plans that are portable, I think it's something that, I think it's a big part of that. I remember working with Treasury Secretary Yellen back when she was President of the San Francisco Fed. She was very focused on these very issues about behavioral economics. How do people actually make decisions? How do you kind of help maybe make the decisions, right, for them through matches or other kinds of programs? And we've done that at the Fed.

THASUNDA BROWN DUCKETT: I would say our young people, our future is our youth, and I do think that our young people are very intellectually curious when it comes to markets now. I mean they're talking about everything. So I do think the job to be done for us is to not dismiss that they're not interested, but to figure out a way to connect. And I think that is the challenge of today because we do know the power of compounding. We do know that 40% of Americans will run out of money. We do know that more needs to happen earlier on in your career.

And so I take it as an opportunity on that behavioral side that you mentioned. I try to translate it in a way that our young people will understand a dollar today is worth more

than a dollar tomorrow. And putting aside a dollar today for retirement, putting aside a dollar today to save and invest is absolutely preparing yourself for all of your hopes and dreams that you want to accomplish and all those passion projects on how you want to impact the world, you will have a better shot of doing that by making decisions earlier on and maxing out on their 401K or 403B on your first job is a great step to do that because after all, it'll be the most money you ever made on that first check. So we might as well max it out and then everything else gravy on top of it. So that will be the other tip I would share.

CHAIR JOHN WILLIAMS: That's terrific. Okay, so we're going to turn to a topic that's very big among leaders in New York City. So how are you thinking about the future of work? How are you thinking about returning to the office? And what's this new normal that we keep planning for?

THASUNDA BROWN DUCKETT: Yes, well, there is no back to normal, nor do I want to go fully back to normal. Here's what we all know, and I think we all experienced some of these key facts. We all know that we had the technology and during the pandemic we were able to use it in a way that we never thought was possible. We know that we all dispelled myths and we realized that all of our employees, I think from every one I've talked to, we know that employees demonstrated that they can be productive working remote. And so the way we think about the future of work is that we just inherited more

plays to the playbook. I think we learned so much more about our people than ever before, the realness, because after a while we just got tired trying to dress up for work. And I think we were all just like, okay, here I am.

And so the future of work I think goes back to what is the future of your culture? The future of work is not about who is doing five days, three days, two days. I think it's about saying let's take a look at who we are. Let's take a look at these new plays that we have and how do these new plays inform and can be accretive to our culture? Because ultimately whatever the go-forward in the future of work, it still has to deliver on the needs for our stakeholders. It still has to deliver for the needs of all that we serve and for our people.

And so I think that the future of work will require flexibility. I think the future of work will cause agility. I think we're all still learning. I know we have personas. For each persona, we share here's what we think – your time in the office versus working remote, and it varies. But here's the point that I spend a lot of time thinking about. We all borrowed from our culture over the last two years – straight borrowed from it. The question that I think we have to ask all of ourselves as leaders and our teammates is how are we contributing back to the culture in whatever format we have. If you are remote 100% of the time, how are you getting back to the culture? How do we make sure that when someone says they work for TIAA, it means something. It's not just a swap your screen.

It stands for something that matters.

And so that, I think, is going to have to be the unlock for us to think about, regardless of the flexibility, regardless of full-time, part-time, all the permutations, because I think all of it can work depending on your culture and depending on your company and what you're charged to do. But I do think we also have to calibrate to say what are the new things we're depositing back to make our company stronger going forward. And I think those are the questions we still have to learn and navigate through as we're working through the future of work. I think the future of work is the future of culture. And I think the future of work has to be accretive to allowing people to have flexibility, but also allowing us to continue to deliver the results and unlock innovation and deal with the ever-changing environment that's happening in an accelerated way.

And for us, we do believe that having days in the office matter. And I think the first, when you're not experiencing something, you forget. And when you get back, you're like, oh, my gosh, I missed you. You forgot the human connection. You forgot that five-minute conversation that you probably have not had because of a scheduled Zoom call. And so there are things that, I think, we are reminding ourselves matter. And then if we have a different structure, I think we have to ask ourselves, would we unlock those aspects if we are not in the office. But a lot of questions that I think we are still going to tackle around promotion, mobility, around skill sets, around, you know, learning different

parts of the organization. I mean there's a lot of unanswered questions, but I think having the openness and the agility to get the data, listen to your people and think about the best way to respond will be critical.

CHAIR JOHN WILLIAMS: So we're back to culture, which is where we started. And I think we've learned a lot about ourselves as individuals, each other. You talked about that. As one of my colleagues at the New York Fed said, I do my best work in my pajamas. I didn't know that before. So I'll tell you a little story from my experience. So I came from this other coast. There's two coasts in the United States. There's one 2,500 miles away. And I came here, and we got rid of the dress code in San Francisco...see, you can't do that here. New York won't let you do that.

So New York is you wear business attire every day. That's who we are. That's our culture. And I challenged it at the time because I'm not sure if our mission said, you know, our mission statement said that you wear business attire. The thing that I've learned from my colleagues is the past two years have changed people's attitudes. They've changed people's attitudes towards what is it that matters? What is it that matters for work? What's it matter for us at home, family, and friends? What's it matter for how we work together? So it seems to me, and you've talked a little bit about this, this is an opportunity for all of us to maybe let go of some stuff that we're carrying with us and really move forward from that. So how do you think about...

THASUNDA BROWN DUCKETT: No, I agree. I mean this is, to me, such an exciting time to lead because not only are we leading through transformation when you think about technology, when you think about disruption everywhere, when you think about the problems that we have in front of us with the impact on energy, you have the rise in inflation. We know we're going to see continued rate hikes. We know we have a geopolitical, I mean there's so many problems that we cannot control. But there's a lot that we can as leaders. And I think in addition to the transformation that I talked about with digital and technology and disruption everywhere, in addition to navigating all of the broader issues, the human capital transformation is next to be disrupted. And the pandemic has accelerated that. And so when you think about it's an exciting time, you're right. You know, question everything. Everything. Why do we do this? Why do we do that?

But also there are some things that were true yesterday and they'll be true tomorrow and they're true today. So don't lose all of that either because that's also where your culture lies. And by the way, you know, if some people like to dress up, let's not alienate them now. You know, let's make sure we create a belonging environment for everyone. But, yes, I do think it's an exciting time to lead because you get to ask a lot of questions and you get to give yourself permission to say let's try something that we haven't tried before because it might just work. And I think that's what's exciting. And by the way, it's also what's required. You cannot lead through this environment with all of the things that

we all have on our plate without being open to trying something different and being bold about it because it might just work. And we know through disruption comes a lot of innovation, and I think we're poised for a lot of innovation, particularly around human capital.

CHAIR JOHN WILLIAMS: I think, again, people have challenged pretty much everything about work and how we should do it. I think the big challenge for us, as we do this flexible, hybrid, whatever we call it model, is making sure that we don't end up spending 14 hours a day working. The virtual work ended up being a lot of hours in front of the screen.

THASUNDA BROWN DUCKETT: That's probably, in answer to your question earlier about what's been the biggest surprise, the amount of hours talking about HR issues, I did not think that that would be the level of allocation that I've had coming in. I think, you know, you're thinking about strategy. You're thinking about data reports, execution. And we have spent a lot of time this year talking about human capital and HR issues and that's not going away. Talking about mental health on a level and a narrative that we never talked about before. So I think there's a lot of benefit, but that definitely was something that I had to allocate more of an allocation to, rightfully so given the environment.

CHAIR JOHN WILLIAMS: Well, and it's all about people.

THASUNDA BROWN DUCKETT: It's all about people.

CHAIR JOHN WILLIAMS: And that's no different for us. I mean we did a review of where we spent our executive committee time last year. And, of course, the people, people strategy and those things, return to work, that ended up being the number one, number two things.

THASUNDA BROWN DUCKETT: Yes. For all of you, right? Was that number one for all of you? Yes, it's a big allocation.

CHAIR JOHN WILLIAMS: Okay, we've only got five, four more minutes, I think. And I've got to do this question. You know it's coming. You're talking about transformation.

You're talking a lot about the change in the financial services. So should people, I'm asking a very specific question, should people be investing in crypto for retirement?

(Laughter)

THASUNDA BROWN DUCKETT: Well, how do you feel about it? Right now you have the strongest opinions. Look, I lead a retirement company and it's all about making sure that we have high confidence that when people are ready to retire, they get the best

shot at being able to retire with dignity. And so I think right now crypto is not in our discussion. But you always have to stay curious and you have to understand that I think it has a lot of volatility. It has a lot of uncertainty. And that's not something that, you know, is a good focus for us as a retirement company. What people do, as individuals, with their disposable income and how they want to spend, I'll let you have an opinion on that.

Clearly, leading a retirement company, you don't want to have a lot of speculative investments in your portfolio or stuff that has a lot of volatility. You want to make sure you can operate with the level of confidence that our participants are depending on us to do. And I always put the asterisk, at this time, because you also always have to be open as the market continues to evolve. What are your thoughts?

CHAIR JOHN WILLIAMS: I would just leave out the at this time. But other than that...(Laughter)

THASUNDA BROWN DUCKETT: You have a very strong opinion.

CHAIR JOHN WILLIAMS: Really the focus on the people, what they need, what makes sense for them. Okay, last question. What keeps you up at night? So what do you believe isn't getting the attention of the people in this room, either in person or virtually,

that really should be focused on?

THASUNDA BROWN DUCKETT: I sleep pretty good. I have the Calm app and that helps after a long day. But in all seriousness, I'll answer it in two parts. What keeps me up, when I think about the north star, is the economic inequality. And if we all tallied up all of our public commitments, if we all tallied up all of the things that we're doing, over the years how are we doing as a collective when we look at our report card? Do we see the economic divide reducing? Do we see more people of color on a path to create wealth? Or are we going in the wrong direction? Recognizing that women make 82 cents on the dollar and are retiring with 30% less, we have to retire inequality, period.

And so that keeps me up at night. I hope it's something that keeps all of us up at night because ultimately if we are able to close the economic divide, we will unlock tremendous future GDP for our country. We will unlock tremendous opportunity because people are not carrying that load of not being able to just make basic need, not being able to meet their basic needs.

I would also say that, as a company, leading a company that's over 100 years old, just staying laser-focused, that competition is all around us, and that acknowledgment that your past success, the strength of our balance sheet, our mission, all of these things that make our company great, cannot be the only thing that you are betting on to make

your company relevant in the future. And so I think, for me, operating with this sense of good paranoia, operating with this good sense that competition is all around us and it comes in all different forms – those that are core and those that you may not even imagine.

Transformation is here. The velocity of change, like I said, is compounding. Human capital, re-skilling, all of the things that are needed absolutely keeps me up. But I will say, what allows me to go back to sleep, in addition to that Calm app, is who I surround myself with. Because at the end of the day, no one leader can make all those decisions and do it well. It takes a village. And I'm incredibly blessed to be surrounded by some amazing people at my leadership table and at all levels, but also being able to tap into organizations like The Economic Club of New York and other organizations that I'm a part of. You said it was a long list, but I would say I'm just a student. I'm always willing to learn.

And so when I think about the portfolio and the things, and how I spend my time, I think it's important – so that you can calm yourself down – is to say am I learning? And I think, as a CEO, at this moment, it is absolutely critical that I stay learning, that I stay curious, that I keep my pulse on the market, that I keep my pulse on all of the ever-changing dynamics so that I can truly lead this company with excellence and hopefully do our part to be a leader in my lifetime in closing this retirement gap.

CHAIR JOHN WILLIAMS: When I talk to employees about what they look for in a leader, over the last year we've done a lot of outreach to employees virtually, and the common themes are I want a leader with compassion, which is kind of a new word, I think, for many people. And they want a leader who inspires. So, thank you for being a leader with compassion and a leader who inspires. This has been an amazing conversation. Unfortunately, I know Barbara is going to tell me that time is out. So thank you so much for joining us and it's been terrific.

THASUNDA BROWN DUCKETT: It's been my pleasure. Thank you for listening.

(Applause)

CHAIR JOHN WILLIAMS: So that's just an amazing conversation with so much wisdom, but we are out of time. So my job is right now to provide the comments about who we have...do I do this now or at the end? Now? Now is perfect.

This is new for me. Okay, so we're going to have a whole list of speakers coming up, and I'm going to go through these quickly because we're about to get lunch served. So on April 13<sup>th</sup>, we have Brad Jacobs, CEO of XPO, who is going to talk about supply chain issues, another very important topic, and also thinking about new technology in the industry. Then on April 14<sup>th</sup>, we have Rochelle Walensky, obviously the Director of the CDC, and she'll provide insights on Covid and what we can do to better prepare for

the future. And then on April 19<sup>th</sup>, I have my friend and colleague, Charlie Evans, the President of the Chicago Fed, will be speaking in person. That should be great. And then on April 20<sup>th</sup>, the next day, we've got Brian Deese, the Director of the White House National Economic Council, so that's a new addition to our list. And then we have on May 3<sup>rd</sup>, Jaime Leverton of Hut 8 Mining Corporation, CEO there. And on May 10<sup>th</sup>, we have Hugh Frater, CEO of Fannie Mae. And then on May 16<sup>th</sup>, we've got John Rogers, Chair and Co-CEO of Ariel Investments in person. So we've got a great lineup over the next couple of months. Just keep watching the screen. We'll have more announcements. And I'm guessing we're going to continue with this pace of events that we've been doing.

The last thing I'll just mention, I'd like to thank the 345 members of the Centennial Society. Their contributions continue to be the financial backbone of support for the Club and are really important to enable us to have this wonderful, diverse programming, both now and in the future. And finally, we should mention that we'll be sending out a post-event survey and we appreciate you taking time to give us feedback on this event or any future events. So again, let's all enjoy our lunch together and for me at least the first in-person event for the Club. Thank you so much.