

When Should a Company Take a Stand?

Tom Wilson: Like, it doesn't matter how much, how many titles or honorary degrees or articles you have done or how much money you've made or anything. It's just have you made a difference in people's lives? That's, I've seen so many people retire from our company. We've all known older people. The only thing they think about is head. I made a difference. So if you think about my, your purpose and you think about making a difference, that will give you the intestinal fortitude to be a true speaker and an upstander in the face of something that you hold. Just not true

Edward Stack: when, well, kind of the same thing. A purpose we've always felt, you know, our, our whole business has been around kids. Um, and I have always said that I think our country's most precious, natural resource, our kids, and we don't spend enough time thinking about them. We don't spend enough money on them. We don't spend enough time protecting them. We don't spend enough time, uh, um, educating them. And after what happened in Parkland, it was, hey, we think kids our most precious, natural resource with what's happened to the kids. We decided we had to stand up and say something and we're really happy.

Speaker 3: Yeah. I think, yeah. You know, I think that's you, you can hear that, that passion

Tom Wilson: in your voice. And so it's about the kids, right? Like I had a sim, we were in Chicago, so we had some violence stuff and these kids were getting killed. Uh, and a bunch of the business people just said, this is crap. Like these are all our kids, right? Like these are not somebody else's kids. And so it's, I would also say just let that energy flow. Like if you get angry, you know, do some about it, uh, and you did, uh, and everybody else does something, but then we'll move the country forward.

Jonathan C: And is that, that passion and that sort of moral fortitude, is that what is needed to withstand the criticism that you took? Um, both from, well, not book from customers, from employees, the employees who quit, um, from, from Wall Street. It's one thing to take a stand and it's one thing to be, you know, confident, unsure in your, to your core that you're making the right decision. But when you turn on the television or the radio or open up the, you know, Twitter or read in the paper that you are a dirty SOB and you don't care about the country and that wears you down.

Tom Wilson: Yeah, it does. So when we did the violence stuff in Chicago, the initially Chicago Tribune satirized some really nasty articles, advice, you know, corporate guys in all they want to do is measure stuff. Uh, they don't want to give them money. All these kids are out here. And we're like, well, you know, like if we say you're going to say you're going to have a hundred kids in and you only have 50, like that doesn't really count, you know? And so we were holding people

accountable and uh, Jim Reynolds and I did it together, just said, you know, I like, um, we're just gonna ignore it. Like, think about the kids, the, it doesn't really matter whether someone thinks I did a good job or bad job. So I think there is some of the fine that, that essence, that's good. And you're going, they kicked, you threw it on the shareholder thing.

Tom Wilson: I think that's completely crap, to be honest. I think, um, know, you know specifically about the shareholder thing as a, as an excuse for not taking action. Like how many people you've talked to said, oh well my shareholders won't let me do I have a responsibility to my shareholders. Like, you know, like they come in all different flavors, you know, like the, the noisiest ones are the ones who are in and out, right? Uh, they're trading all the time and you just have to ignore them. Like, you know, you don't get paid in running our business to take orders. You get paid to actually run the company. And so you just ignore him. And then if you lose, you get, you're gonna lose your job. I've already said you like if I, if I lose my job cause I took a stand on something that I believe in that social they responsible, then that's a good reason to fail. Uh, not likely to be the reason I'll fail. Uh, if, if you fail, it's gonna be cause you didn't do a good job in the business. So if you didn't do a good job business, you're probably gonna get kicked out anyway. So you might as well just do those things you think make a difference

Audience Member: and you add. But you,

Jonathan C: Dick's sporting goods is a publicly traded company, but it's a family. It's a family business. So in a certain, to a certain extent you have a little bit of security and taking the stand, this stance that you take. But it is then a reason to discount the, the brave, your bravery and what you did. Okay.

Edward Stack: Well, I think some people would say that it is and uh, and, and I'll give them their due, but we would've done this anyway, even if we hadn't, because I, I do think his is was said that you'd do your job, you take a stand, you do what's right and you let the chips fall where they may. But at the end of the day, when you're, uh, you know, when you're looking at yourself in the mirror shaven in the morning, you know, you did the right thing in the, if more people would do that, the world would be a better place.

Jonathan C: So, um, in the time that we have left was about 20 minutes. We're going to open it up to Q and a from the audience. There'll be roving mics on this side and that side. And, um, keep your questions short and please no speeches. If you do, if you start making a speech, I don't mean to be rude, but I'll cut you off and I'll be rude doing it.

Audience Member: So, um,

Jonathan C: a lavender sweater here, please stand up. So the mic can find you.

Audience Member: It should be on the song. It is, is now I'm Bob Taylor from San Francisco and Silicon Valley. Um, I, uh, in the opening session, Darren Walker, the Ford Foundation, made a very articulate in hold up [inaudible] and the passion plea for major corporations in this country to rededicate themselves, not just to their shareholders, but to other constituencies. How do we bring that about? You guys are a perfect example of, to get to companies that are doing it, but the vast majority of

Tom Wilson: companies are looking only at the bottom line. Thank you, Robin. Um, well I'll tell you what I did. And Ed will have his own own view. Um, so, uh, three years ago, uh, I took on more leadership at the US Chamber of Commerce, uh, and for the last two and a half years, the first thing we do is what's the purpose of the US Chamber of Commerce. And we got very clear about what the purpose was, uh, and it is to do some of the things you talked about. We have our own foundation there, but then we go out and I've been using that and, and so I've been in this mission to say, look, businesses have four jobs. We've got to serve our customers, we gotta make money, we got to create jobs and we've got to improve the community and our world. We chose to do, improve the community really by empowering youth and helping victims of domestic violence.

Tom Wilson: So, um, [inaudible] most companies want to do that. But I think if we could get it into like, just for simple things like, cause when it gets really complicated, you know, I can only handle like three or four things. Uh, and so by having a simple message. So we've been out working to do the in, it's changed the, what chamber does. So we've been reaching out to a lot more Democrats because to your point, I, we were part of the problem, right? Like Democrats wouldn't support where we wanted to do, so we wouldn't support Democrats so they wouldn't support what we wanted to do. So we didn't support them. So then they were mad at us. So then it melts. It's funny, you're in this like weird system and you kind of some that just like say stop, we're all in this together. We need to improve our communities, we need to create jobs.

Tom Wilson: And so I agree with Darren about what he's a, his approaches and I think it's then you as investors, shareholders, community members, hold companies accountable. Say, you know, it's great you made \$2 billion, how much should you help? The thing, cause if you look at a bunch of, particularly some of the new startup companies, they haven't yet got their legs on how they're involved in the community because they're not like we're in, we're in, you know, every city in America. Uh, so we're kinda embedded in all these issues. But some of the tech companies, I think you're still have to get their legs. I'm like, call them out. Say, what are you doing? You know, using, you know, x percent of your profits to improve degree in your voice will make a difference.

Edward Stack: I think companies really want to really do want to try to make a difference. We've, as I said, ours has always been around kids and there's a real funding crisis in youth sports. It's estimated that by 2021, 2022, you could have roughly

27% of the public high schools in this country without a, without a sports program. And if you think about that, it's catastrophic for our kids. Our kids need a place where they, where they're going to go after school, where they can be mentored, where their, where their friends, where they feel they belong. And uh, these school programs are really are drying up. So we've really gotten with our, our, our, our sports matter foundation to try to help fund these, uh, these teams that are having a funding crisis so these kids can play. And we funded, we've touched probably a little more than a million kids and uh, we've spent a lot of money on this to try to get these kids to be able to play.

Edward Stack: We did a movie called we could be king, which is about the doomsday budget in Philadelphia in 2013 where they cut, they closed so many schools consolidated schools. And when they consolidate two schools into one school, that means there's half the amount of teams, half the amount of kids who can play, which means half the amount of kids that have someplace to go after school and the other half don't. And one of the defining moments in that, uh, in that movie was we were, we filmed the board of education meeting and one of the kids said, let the kids talk. And one of the kids said, without football team, I'm not coming to school. And if you think about that, how you fast forward that to five, 10, 15 years to the fabric of the country, how important these sports programs are. We need to keep these kids in school because we have to educate our kids. And so that's one of the things that we're doing. And I think a lot of businesses really want to try to get behind something and every business has to figure out what's right for them. For us it's all around kids. You have the microphone, but let me see some hands over here. Sorry. Okay, go right ahead.

Audience Member: I'm Mark Brown. I'm from Aspen. And I want to address this question about Allstate. And I know that the spectrum of this talk is much more than gun violence, but in the sense of all state taking a stand, what is your policy on ensuring liability for gun owners? And any kind of incidental damage or death that's caused by your insured, do you require, for example, that gun be registered with you, have any kind of coverage or that, that reinsured have any kind of certification on gun safety or any of the above? Or would you consider Ted taking that kind of approach to, um, make your stem known on the, the damage that gun violence can cause us?

Tom Wilson: It thanks man. It's a good question. Um, so we made a decision not to sell insurance to people who, for just guns. Like, you know, you could, we thought about this because we had some people approaching us saying, look, if you could do that, uh, you could charge a lot of money for the Wackos, uh, and a, that would stop them doing. And we're like, you know, like, we just didn't think they would work. Uh, if you do have a gun in your home, uh, and something have, so we do cover damage relate that we do not do underwriting that says, you know, do we have the right training? Do you have the right because it's just, it's, it just would be prohibitively expensive to do that for every home. So we insure about 6 million homes, uh, and we get about \$1,100 per house. So it's a lot of money in total. But if you were to go out and try to prove and make every

customer type, here's my permit, here's my, so we don't do that. Uh, but we, if something does with a gun in your house, you are covered for your liability. But we don't sell insurance to people just for guns. Like if you buy a gun and you want to cover yourself in my ability, we don't do that question there. I was curious what is the minimum wage addicts and what is your justification for whatever that number is?

Edward Stack: A, our minimum wage is a about \$11 an hour and we're taking a look at, uh, what we're going to do with the minimum wage going forward. One of the issues that I'm concerned about from a minimum wage, I'd love to see it a some bifurcation of it, because when I think the unintended consequences of the minimum wage are, again, all everything we think about is around kids. Is that at \$15 an hour it's, you're going to find a lot of kids aren't going to be able to find a job. So I would love to, I love the idea of a \$15 minimum wage. Um, but I'd like to see something that for teenagers it can be less than that so that they can get a job. We'd love to be the place where kids come and, uh, and, and get one of their first jobs, especially the ones that love to be around sports. So we think that the, the minimum wage conversation is, uh, is a debate that we plan to be involved in.

Tom Wilson: Yeah. And I think a minimum wage, you know, it's, it's, it's easy to say you should. So our minimum wage is \$15 an hour. We went there three or four years ago. I didn't even know it. Like I was walking around one of our service centers and it came up that it was \$12. And I'm like, I didn't even know that. And I'm like, well, let's just make it 15. Uh, and you know, people didn't really, you know, that's kind of the way we did it. They were like, oh, it's gonna cost this much more. And I'm like, you know, like, we can handle it. We just go on. I mean, I know it was the minimum wage was 12. We, we, you know, our company's got \$40 billion of revenue, you know, a hundred and plus billion dollars of assets. Like, I don't look at everything we do. Uh, and I was walking around and it turned out and I said, well, we should just fix it.

Tom Wilson: Uh, and we just went to 15, but we could do that. Um, and I don't know how we got there and I, I'm kind of a point forward person. I said, look, we pay people, they, they add enough value where we can pay him \$15 is minimum to start and go from there. And so we just did. I think that the trick is like some of Ed's jobs don't add as much value as some of our jobs. And so one of the things we get paid to do is to deliver the right product, you at the right price. So you don't want to overpay nor do, uh, and so we have to do that. Doesn't mean we should pay people less than they deserve. So I think our challenge is create more high value jobs. And I think it's a really big issue today because what's happening with digitization and uh, the, in artificial intelligence, it's going to be like a tsunami that rips through the service industry.

Tom Wilson: And there are jobs I'm, we're, we're getting rid of like we're our employment's going up, but we're working hard to make our employment going up because there are a whole bunch of jobs that we don't need people to do anymore. We

settle the claim on your car with six pictures, do it in seven to 15, used to take seven days. We don't have 937 drive twos anymore. So we should do that for you. But I get it. Then figure out how to create a high value job if the computer's going to take that low value job. So I think, yeah, our challenge is how do you create more high value jobs? Question right here in the blue. Could you stand up so she can get the mic to you? Anyone over here? I don't want to ignore anyone over here who might have a question.

Audience Member: Okay. Um,

Audience Member: as a young leader, I mean you guys are amazing leaders of your companies. How do you take a stand internally? You got to fix within first, right? And you've got employees who are in high school and how a lot of the same issues, \$400 in savings, emergency funds. What do you do?

Audience Member: Thanks.

Tom Wilson: Is as a not as a CEO in a company

Audience Member: as a CEO. [inaudible]

Tom Wilson: I'm not sure. I don't understand the question. Yeah.

Audience Member: So you guys both have internal communities, right? Yes. Employees. How do you take a stand on issues with them?

Tom Wilson: Oh, that's interesting. Yeah. Okay. How do we take a stand with them? Um, so, uh, one you, uh, always course you're out talking to people. You also have like all kinds of social media stuff inside the company that you can hear odd. But we've done some stuff this year, which was, uh, we actively work to encourage people to go out and vote. Uh, and we didn't, we didn't tell them who to vote for or how to vote. We just said, you know, uh, half of America's not voting, we need to vote. You need to stand up. So we're actually taking some of it and doing, the other part I would say is it becomes part of the employee value proposition. So we help, uh, uh, as I said, to empower youth to volunteer work, uh, in the United States. When we do a we day in Chicago, in any of the cities we do them.

Tom Wilson: Uh, we have to restrict the number of employees that go because we have other partners who sponsor with us and they want to have some of their employees go. So we make it part of the employee value proposition. We have a, we have a good hands week where everybody volunteers in the week, we give people time off, we give money to their charity. So it's about, and this is I w I don't think we really talked about this much, but I am showing you guys are in the same place, which is people come to work for you because they believe you're a good company today. Not just because you pay \$15 an hour. And so when they know what you stand for and if you give them a choice to invest in

the things that their time in things that make them feel better, there'll be better employees.

Edward Stack: We do a lot of the similar things. So we have a, we could get out and talk to people all the time. We have a, um, um, town hall meetings. People can come to on different subjects, give their opinion. Um, we have, uh, we gave everybody time off to vote in the, in the last election. We think it's really important to get out and vote.

Audience Member: Do the same thing. We didn't do that, but I should think about that. Yeah. I mean,

Tom Wilson: we made sure people got that. We made sure we

Edward Stack: had people gave people, you know, we didn't tell them who to vote for. Um, we had thoughts but we didn't share them. Um, but we gave them time off to vote. We a day of giving. Um, we do a number of different things inside to keep, uh, keep connected with our, we call teammates or people who work with us, our teammates to make sure that we're doing the right things and give them a voice on what we're doing and how we do it.

Tom Wilson: Question right there. No, no, no, no. Sorry, sorry, sorry. Sorry. Behind you. Yeah, sorry.

Audience Member: First off, thank you so much for sharing your insights and for your leadership in this space. Obviously there is no shortage of matters of societal importance where we need companies to take a stand on. But what are some of the criteria is that you've put in place when considering employee advocacy and the concerns that they bring to you saying, Hey, I really think we should be, you know, raising our voice here or using our influence here, leveraging our platforms. So if you have any thoughts on kind of how you evaluate what comes to you, be great to hear. Thanks.

Edward Stack: We take a look at that is to what, what we think is, uh, important to our teammates. What, uh, what, what they really want to be involved in. And then do we have the expertise to really weigh in on those, on those issues. And, uh, we're not going to weigh in on, on things that we don't have on that we have just enough knowledge to be dangerous about. So if we've got things that we have, uh, we feel we have an expertise in that we can make a difference in that we'd take a stand on, then we will, we'll do that. And, uh, our teammates want us to do that.

Tom Wilson: Yeah. We tried to do the same thing. Uh, occasionally though we'll do something just cause it's, nobody else is doing it. So we got into domestic violence, uh, because, uh, it's an ugly issue. Impacts 25% of America women. And, uh, businesses had bailed. Um, and the, so we got in a not even really knowing what we were going to do. They did come back to us as we get into,

they said, well, you know how clean is your house and that, and that's pretty like, I feel like I married a long time. Uh, and like I think I'm good. Uh, but they were really asking what are your company's policies and procedures around victims of domestic violence? So we had to, we had to make sure we were right there. Then what we did is we found that money is often a weapon of choice in domestic violence and we know some by money.

Tom Wilson: So back to Ed's point, like I'm like, Oh yeah, we don't have sound by money. So we now have trained a million and a half women and how to get out of an abusive relationship because the man ran up your credit card, keeps tree, mill, takes your paycheck, all that kind of stuff. So I think sometimes it's what your natural, then sometimes you just know what you're good at, you find this space and you go there. So like something I'm kind of interested now is a family, a financial fragility of like, you know, like it's, it's a problem when families don't have enough money. Right? Like you, you all know, if you been in a situation where your family didn't have enough money, leads a fight at the house on, on a, you know, aspirations you can achieve. And like I don't know what to do about that, but I know it's not right in America, but I know we know something about money. So we'll see if we can, and if we can't do anything then we'll, we'll let someone else do it.

Speaker 9: Is it

Audience Member: question over there? Amanda? ICU, sorry. Hi, this is actually just to build on the time afterwards. So just next month, Harvard business review is putting out a new case on corporate civic engagement, a that was written by some friends of mine. There's a launch in Washington profiling 10 companies that have gotten involved in getting their employees to register to vote and really encourage them to do that, including time off devote policies. Um, so my question is just in terms of your ongoing civic engagement going into 20, 20, um, have you been thinking about, uh, what more you can do to post your employees to participate? Uh, how you are going to navigate that landscape very specifically for the election? Right. Thanks.

Edward Stack: We would expect to be doing the same thing to be give people the opportunity to vote. Um, and then also trying to help them, people who need to register to vote. So we'll give them the opportunity to do that. I think, you know, we're, I, I think it's really important that we as companies communicate to our, to our employees, to our teammates, that it's really important to vote. It's a, it's one of those things that, uh, um, that, not to be cliché, cliché ish, but a lot of people fought and died for our ability to do that and not to go do that, I think is a, is a real sin.

Tom Wilson: So for employees, will, I enlite need to think about this? Whether we give him time off, it's, I need to talk to Ed and see by that the, but I would say we also fight in on another level, which, uh, there are people who don't want us to do that and they, uh, which is on things like gerrymandering. So we're regulated in

50 states. We played a political game 50 times, uh, and we get involved in how do we, uh, pass laws or get things to change in Gerrymander, not been very successful. I will tell you, uh, but we spent some money on it and we have some people outside our company who want to know every place we spend money so that they can try to embarrass us not into doing that stuff. Uh, and it's, uh, and so, um, we in, it's, it's about political contributions and they're like, well, you need to tell us everything you do. And I'm like, well, you know, I'll tell you everything we do if you tell us everything you do. Uh, and of course they don't. And what they're trying to do is embarrass us not to stand up for the American political system and say, gerrymandering is everything is, is just like voter suppression. Uh, and so that's another thing we've been trying to fight on.

Speaker 9: Amanda,

Audience Member: I am a journalist to the Atlantic. I cover, uh, I cover corporate activism a fair bit. And it seems like there's a bit of a sincerity gap between companies like yours who are willing to lose money, uh, and make real changes in your business and companies that are in it for a press release or a commercial and a warm and fuzzy press cycle. What do you think about those companies? What do you think about efforts like that and what their impact might be?

Edward Stack: Well, I think it's a, you know, I, I'm not gonna, I think everybody has to do what they think is right for their business. And I think one thing we as Americans are pretty good at is knowing that the people that are sincere and people that aren't, so, I think the people that do that for a, a press release are kind of, uh, a news headline. People see through it pretty quickly because if you don't sustain that, that view in that a, that policy, people people know.

Tom Wilson: Yeah, I'm with that. Like we'll do what we'll do. We'll try to convince other people too. I would say the other, I think it's about leadership. Like I actually wouldn't say it's the company. I mean as a CEO you do become the company. It's a little uncomfortable. Like I actually don't like it that much because you know, what you do is what people think about the company and, but that's, it comes with a territory. So nothing you can do about it. But I think what you're talking about is the lack of leadership. You know, there's, and there are just some people in every profession who don't have the right kind of leadership capabilities. And that's politics. Like I think it's one of the things we're missing. Like I think we had people who stood up, had the intestine afforded to, to do what they should do and do what Ed talked about and one of those gun laws or anything else. So I think it's really about personal leadership.

Jonathan C: So I'm going to take moderator's prerogative and use the last less than two minutes to ask you a closing thought. I mean, one of the things that sort of undergirds this whole conversation is the lack of trust in institutions. It's not the lack of trust is the erosion of trust. Given everything that we've seen, you name the institution, we've learned about things that has shaken our, um, our understanding of them and our trust in them. Is there a way or can we regain

our trust in those institutions you're each trying to do in your own way? Um, regain trust, whether it's in business or just in humanity, but we've lost a lot of trust. Can we get it back?

Edward Stack: I think we can. I think that trust is not just an institutions like the ones that we run, but it's also from a government standpoint. I mean it's, it's crossed the whole gambit and uh, I think we can get it back, but it's all going to be depend on who's leading those institutions and who's involved in those institutions. And if you have those who just are worried about the next election or just worried about the next paycheck or the next quarterly results, then then it's not. And we have to really find and identify and those leaders who are willing to take a chance and make a change, and maybe some of them, some of them get run over in the process. But if you're not willing to take that chance, then we're not gonna. We're not gonna make a lot of change.

Tom Wilson: My answer would be yes, because people believe in America still. It's all of our polling, everything. People believe in America. They are distinctly unhappy with what we've got going today. Uh, and so I think we need to do is fix it. The issue I think is too many people think we have too much time to fix it. I mean, you know, it's like fix it today. Like I'll know about that, but like I'm like, I've got a problem. Boom, get it today and look, problems don't age well. If now like wine, like you, they just get worse. Uh, and I feel like what we're doing is we keep putting this stuff off and it's like, no, this is a problem. Fix it and move on. So I think we can get trust back, but we need to pick up the pace ad stack. Tom Wilson, thank you very much.

Speaker 9: Thank you.