

# Profit and Purpose Go Hand in Hand

📅 Wed, 12/16 10:10AM ⌚ 44:56

## SUMMARY KEYWORDS

people, employees, melody, financial literacy, business, society, small businesses, issue, dan, private sector, wealth, company, aspen ideas, optimistic, corporate america, question, mdi, economy, values, leaders

## SPEAKERS

Dan Schulman, Mellody Hobson, Tricia Johnson, Allstate, Dan Porterfield

- A** Allstate 00:00

The same way that one good deed leads to another. One simple change can lead to more simple changes that inevitably make a big impact. That's why Allstate along with the Aspen Institute and facing history and ourselves, created the better arguments project. It's an initiative that teaches people the importance of constructive disagreements, and have simply changing the way we engage with others can help transform and build stronger communities. Learn about simple changes that can transform your own community at [betterarguments.org](https://betterarguments.org).
- T** Tricia Johnson 00:42

This is Aspen Ideas to go from the Aspen Institute. I'm Tricia Johnson. narrowing the wealth gap in America goes hand in hand with rooting out systemic racism. And it's crucial that Corporation see this isn't just about the appearance of doing right but good for their bottom lines to business leader and financial literacy champion Mellody Hobson says the private sector needs to up their game when it comes to equality.
- M** Mellody Hobson 01:04

In business, we set goals and we meet them. The unfortunate thing is that right now, when it comes to diversity, and inclusion is one of those areas that reminds me of when I was a

child in second grade, my math teacher would give me credit for showing my work, even if I got the wrong answer. Corporate America wants credit for showing its work. But we keep getting the wrong answer. And so we have to be very definitive about the fact that this is one of the only areas where you can be wrong over a very long period of time even decades, and still keep your job. There's no other area of corporate America where that is

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Tricia Johnson 01:39

asinine just to go brings you compelling conversations from the Aspen Institute. today's conversation is from Aspen Ideas now a weekly dispatch from the team that produces the Aspen Ideas Festival. Corporations need to assess diversity and inclusion both inside and out of their operations by looking at their workforces, their suppliers and their customers. If each of these groups is faring well, it'll have a positive effect on the entire economy. Ariel investments CEO Melody Hobson and pay pal CEO Dan Schulman speak about corporate responsibility and about the importance of financial literacy and supporting small businesses. The conversation is led by Aspen Institute president Dan Porterfield, here's Porterfield.

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Dan Porterfield 02:21

It's a moment of volatility of stress of recovery needed and have hope for a strong American future. I'm here with two great experts who have a lot to say about this topic. And let's start with a big question. For the two of you. How do you define wealth? And how should we think about the construct of wealth when it comes to building an inclusive? And durable? economy? melody? Would you like to start? Sure, I'm

M

Melody Hobson 02:48

happy to start? I think it's a really important tone setting question. Because I think the big mistake that people have is what they hear the word wealth, they hear rich, and that's actually not correct. So the definition of wealth to me is a very simple one. It's what do you have minus what do you owe, and at the end of the day, that tells you how wealthy you are. And when we talk about financial terms. And I think this construct is super important, because it allows us to understand what kind of society we are trying to steer towards, especially when we talk about it being inclusive. Because right now, for black and brown people, what we have minus what we owe, is generally a negative number, or very, very low relative to people who make the same income and have the same education that we have, but who happen to be white.



Dan Porterfield 03:47

To follow up. I just saw a Brookings study not too long ago, that basically made that point and said that you can look at typical white family has 10 times more than typical black family with the same education, the same occupations. This is an enormous structural inequity, based on race. How do you think about addressing that challenge?



Mellody Hobson 04:11

Well, that's a another it's not even a



04:13

million dollar question. It's



04:14

a trillion dollar question.



Mellody Hobson 04:16

I can't even put it in billions. I mean, these are the big issues that are plaguing our society. This question is not new. It's actually an old question. I love this story that I once heard, actually, from Bill Bradley, who said that when Albert Einstein was teaching at Princeton, there was a point at which he was giving an exam to students, and one of the students raised their hand and they said, Professor Einstein, Professor Einstein, this is the same question as the test last year. And he said, The questions are always the same. It's the answers that are different. And so I think this is when you think about these issues that are confronting our society. The questions are always the same. The answers are different. we've answered them differently over time, and I think heretofore the answers have largely centered on government response. When you look at the Emancipation Proclamation, or you look at the civil rights agenda during the 1960s, I call those civil rights 1.0 civil rights 2.0 civil rights 3.0 is a corporate issue. It's a corporate problem. And I think the answers this time are falling at the feet of corporate america the problem, I should say, and the answers will ultimately be found in corporate America to help move society along and make sure that capitalism is more inclusive.



Dan Porterfield 05:30

Dan Schulman your thoughts on how we think about the construct of wealth, and how you

define wealth?

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Dan Schulman 05:37

I really agree with what melody was just saying, I think, wealth, most people think of it in terms of a number, you know, how much money you have. I remember when I started up, my parents said, like, how do you define somebody who's happy, and it's like somebody who appreciates what they have. And I think there's this is kind of like, a journey that most people are on. I think that being said, they too many people are struggling every single month, in our country. This is about two thirds of Americans struggle to make ends meet at the end of the month. It's something like 185 million adults. And so this is a issue of paramount importance where you have people who are so financially insecure, they have listened \$400 of savings, they're stressed, they don't believe that their lives are going to be better than their parents going forward. They think that the system is letting them down. I mean, I think this is really, the rise of extremism in really undermines so many of the tenants of our democracy, our democracy has to be rising above your own self interests. My favorite quote on democracy is it's got to be more than two wolves, and one lamb voting on what to have for dinner. Right? And like, but how can somebody rise above their own self interest when they struggle all the time. And I think there are so many systemic issues, whether that be the racial wealth gap, whether that be just the increasing number of people that are moving into poverty, that's been accelerated by the pandemic, around the world. These are issues that I think need to be at the very top of what not just the public sector looks at. But as melody said, and I fully agree with her, what the private sector needs to step up, we cannot abdicate our responsibility to address the social issues that face us as a country,

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Dan Porterfield 07:56

melody and Dan, you're both values based leaders, who are so Respected across your field, for your commitment over your careers, to drive change towards a free just equitable society through the private sector. Is there any particular experience you had growing up, or relationship you had, that shapes your understanding of the role of the private sector to create a functioning and working society?

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Dan Schulman 08:24

First of all, I think we are all products of our parents. My dad once told me, son, the one thing you can't choose as your parents, I grew up with two parents who were fierce social activists, my dad was worried I'd be the youngest kid to have his picture in an FBI file, because my mom was pushing me in a baby carriage and civil rights marches down in DC,

I also think, and I learned this actually from Richard Branson, when we were working together, that the only way to really experience something is to not just intellectualize it, but to really experience and to experience it in your heart. And so when I was thinking about supporting homeless youth, I spent time actually on the streets, living as a homeless person and understanding firsthand just how difficult and dehumanizing that whole thing is just begging for money, struggling to stay safe when you're sleeping in the streets. And that allowed me to talk with a real authenticity around that issue. I tried to do the same thing on taking care of people who are outside the financial system, making sure that our employees at PayPal actually spend time with \$20 not having a bank account, not having a credit card. You know, cash. The Czech, paying a bill understanding what that process is really like so that when we try to solve that issue in our products, it's not just intellectual, it's really within understanding the heart. So you can bring your whole self to work. And I think you're so much more powerful when you can bring your whole self than just, you know, the intellectual side of understanding issues and problems.

**D** Dan Porterfield 10:27  
Thank you, Dad, Melody.

**M** Mellody Hobson 10:30  
So for me, I told this story many times that when I grew up, well I was the youngest of six kids, my siblings are much older than me. And we had a, I wouldn't even call it feast or famine, because the feast was just probably the definition of maybe okay for most people, but seemed like a feast to us at times. And the famine was getting evicted, and our phone getting disconnected and our lights getting turned off and feeling this crippling sense of fear that I didn't know what would happen tomorrow and where we might live. And sometimes we lived in my mother's abandoned buildings, it was just really debilitating. And I was a child. And my husband says to me, that whatever happens to a child, as a child really stays with you. Because you don't have any advanced reasoning skills, you can't think about how you're going to get out of a situation, you think in your mind, someone's going to rescue you until you realize there is no superhero coming. And just tomorrow will be more like today. So I became very, very desperate to understand money. It wasn't about how much I had, it wasn't about that it was about if I understand it, I will do a better job than what I believe a well intentioned mother, which I had, who was extremely hard working, I could do a better job than what she's doing. And I don't see that with any denigration, my mother would have done anything for me. And she did. And to that point, you know, it gives me a great deal of empathy for people in very, very trying situations, My heart feels it because I've been there. And so I tell people all the time, it's like, we were the people with a bounced check on the wall at the store. So when two people talk about, you

know, what you might do, you know, well, it was a form of theft. My mom wrote a check, but she knows she didn't have the money, but we needed food. So I told people, you know, when you think about what someone might do for alluding to anything else, you do not know what you would do for your children. And I don't condone any kind of violence, but I do understand that desperation. So I was desperate to understand money. I became very, very focused on school, I thought that was the only way I could get out. Because I knew I had a brain. And I was like, the brain cannot. This is all I've got, you got to focus on this brain. And the one thing about education, no one can take it away from you. I thought that was like, the thing that like you could they could never rest it from you like where you might live or like a phone or car. So why is that all important? I focused on school, I got my first job. I made \$35,000 a year at Ariel, which seemed like 35 million. I go to bed every night. And I'd be so grateful at the idea that I could pay my bills, because it was so afraid of it all falling apart. In my phone bill came and it was \$50 I paid 500. And it saved myself like 10 months the phone. This was my mindset. What fundamentally affected me was once I could stop worrying about where I was going to live and what bill collector was going to pay, and what would be taken away from us. I said, this is a gift. And it's a gift I have to give to other people. It's not about a lot. It's just about being smart about what you have.

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Dan Porterfield 13:47

So let me ask you both to reflect a bit about private sector leadership and some of the actions you'd like to see taken by the private sector at this moment in time and melody, I'll start with you.

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Mellody Hobson 14:02

I think that it comes down to this very simple concept of equality and inclusion and looking around your own house and asking yourself, to what degree do you live up to those ideals. And being a believer, I struggle with those that you must convince that creating an environment in your company that is fair and equitable and inclusive is one that ultimately will lead to greater success, more diverse, more fair, more equitable, more inclusive. And recognizing that we all have a journey here. No one gets a gold star yet in terms of how their organizations have been put together. I think we know what the mountaintop looks like, but we haven't been there yet. And so as a result of that, I would say that we start by really defining success, which is what we do in business. In business, we set goals We meet them. And the unfortunate thing is that right now, when it comes to diversity and inclusion, it's one of those areas that reminds me of when I was a child in second grade. And my math teacher would give me credit for showing my work in math, even if I got the wrong answer. Corporate America wants credit for showing its work. But

we keep getting the wrong answer. And so we have to be very definitive about the fact that this is one of the only areas where you can be wrong over a very long period of time, even decades, and still keep your job. There's no other area of corporate America where that is true. So our black Corporate Directors conference, which we started with Russell Reynolds, and Deloitte brings together the fortune 500, black black directors. And in recent years, we've added Latin x as well, in the spirit of inclusion. And we say, We want organizations to focus on what we call the three P's people purchasing and philanthropy. If it matters, it counts. So I say start counting. And I love the concept that math has no opinion. So count by ethnicity, from the top of the organization, the board all the way to the rank and file, no rolling everyone up in a multicultural umbrella, and saying here are diverse people and including gender and that number, it doesn't work, because it masks under representation. So you want to look by ethnicity, at the board, at the C suite, at the senior executives, etc, all the way down. You don't get to pat yourself on the back. If 90% of your assistants are black women doesn't work, you have to look throughout the whole organization. Then we say the second P is business diversity. In the old days, they called it procurement or supplier diversity. We think that's last century, because it overlooks a whole host of areas of big corporates, Benz professional services, financial services, and technology, specifically, making sure when you look across all areas of where you're spending money as a company, how inclusive are your buying practices? Does everyone get a shot? Or do you have legacy relationships that just it becomes very hard to offend, which again, keeps people out and then minimizes the opportunity for everyone to create wealth. And then last but not least philanthropy there, the tail has been wagging the dog of late. People are very proud of their philanthropic contributions, and I'm delighted. They're contributing to civil rights organizations. But I would say let's be careful, make sure we're not virtue signaling, because you can only fix your house from within not without.



Dan Porterfield 17:29

Thank you, Melody. Dan, thoughts on what private sector leadership should look like in this era? First of all,



Dan Schulman 17:37

I think it's ridiculous. In this day and age, we're still debating whether we should pay equally whether we should have diverse workforces. It's crazy. I mean, there's one study after another that shows the more diverse your workforce is, the better you perform as a company, this whole idea of like, hey, equality, how can we be debating that right now? I mean, if you want to, and I assume everybody wants to attract the best talent to their workforce, if you're not paying equally across gender and ethnicity, like what signal are

you sending in terms of the respect that you have? And so I think these things are table stakes. I agree with melody we need to measure, we need to show progress towards these goals. Nobody hit on this. And our first answer this idea of inclusive capitalism, of having multiple constituencies that we are responsible for, is something I very much believe in, like, to me, the number one constituency that a CEO has is to their employees. That's the number one. Why because I think the only competitive advantage a company has is the strength of its workforce, the talent, the passion that their workforce has when they're in and is that workforce, financially secure. My view is like, take care of your employees step up and take care of your employees. And by the way, that means putting a metric in place, we put a metric in place to see how financially secure were our employees. We did a survey and I thought this would come out really well because we say, at or above market rates everywhere where PayPal hires employees. The sad truth that came back is that in our entry level physicians in all of our call centers, two thirds of our employees also struggle to make ends meet at the end of the month, which told me that for that set of employees, the market isn't working. And so we developed a metric we called it net disposable income. An MDI was how much money does somebody have leftover After they pay all of their taxes, and essential living expenses. And what we found out is that again, for this big population inside PayPal, there, MDI was only four to 6%. And so of course, they were struggling any one thing could put them over the edge. And we decided, as a team, that the minimum MDI, for any employee inside PayPal had to be 20%. So we had to increase our MDI, by four to five times. We're at 16%. Now, but we still have a ways to go to get to 20%. But that was like slashing health care benefits by 60%, giving everybody equity in the company, giving them a financial education program, allowing them to access their wages before their paycheck came. And I just think, you know, we, as leaders, those of us in some position of power, have an obligation to stand up and act as true corporate citizens, because by the way, if he can, also gives us a competitive advantage when we do that.

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### Allstate 21:16

If you're like me, when you hear the word transformation, you think of all those before and after pictures from the home remodeling shows, the before pictures are aging, and uncapped. The after pictures feel bright and inspiring. And it always takes a crew of people and a lot of chaos to transform the house. Now, what if I told you, you could transform not just a single home, but entire communities into vibrant healthy environments, with no chaos involved? That's why Allstate along with the Aspen Institute and Facing History and Ourselves, created the Better Arguments project. It's an initiative that teaches people the importance of constructive disagreements, and how simply changing the way we engage with others can help transform and build stronger communities. To learn how you can transform a community just by arguing better, visit

better arguments.org.

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Dan Porterfield 22:12

Both of you are exemplary leaders. Because you believe your organization's your companies have a social purpose, and you try to live those values within the company and externally. But not everybody is like you either. And there are all kinds of people that run businesses that are shortcutting social impact, or trying to reduce whatever they could reduce in terms of spending on their employees, or they basically don't really want to do the work of building inclusion into their core practices. How do we deal with that problem? I know it can't be easy here. There are corporate leaders. But there are also in some businesses, there are non leaders, there are laggards that just aren't following the example you're setting. I think

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Mellody Hobson 22:56

there are a couple ways to deal with it. So let's just start off with a very sort of meta question that is there, which is for those leaders who don't, who have decided that that's not important. The word that I've used, or the term that I've said, which is pretty dramatic, but I believe it is they are committing corporate suicide. And it's just not a question of if they will die, it's just when Now it could take a very long time. But if you don't take care of your people, and you don't understand the importance of a fair and equitable environment for your most precious precious asset that you have, which is your people, then you've got bigger problems, and that just will just be a function of the chickens coming home to roost. Now, how do you do that? If you are the leader who's projecting that out into the company, and saying this is important, and you have some people dragging their feet, I believe, again, let's just get back to what we know incentives in corporate America, you get what you inset, you make it very clear that incentives will be directly tied to the outcomes as it relates to issues that you determined to be mission critical in your company. I can tell you the number of annual reports that we read the talk about how diversity is mission critical. And so you say okay, if it's mission critical, how are you accomplishing that? And there's no great answer. But that is not true of anything else. If it's a product launch, if it's hitting an earnings target, there are incentives tied to that. And so people have to feel it. I love this line watch from her color her, the former CEO of Southwest Airlines and he said his job was to inspire his people in their souls and in their wallets. Well, this is the wallet piece. If you can't ever get everyone's soul to believe what you believe when you can get them to have enlightened self interest, if they will be held back financially by not getting with the program.



Dan Porterfield 24:41

Thank you, Dan, what do you think about that? Oh,



Dan Schulman 24:44

Dan, I think so. So, let me just say this. I think at one time people in the business world used to think that profit and purpose whereas odds with each other, that, you know, purpose was all about feel good, almost like not for profit type of things that you would do. And then there was the business of the company, which was all about maximizing profit over the short term, I'd argue pretty strongly that profit and purpose go hand in hand, that if you don't have a purpose, as a company, if you don't have values that support that, there is no way that you will attract the very best talent. Again, I am a strong believer that the best talent wins in the market, you want that talent to know that when they join that company, you're going to stand up for your values, like values cannot be something that's up on a wall, and you don't act on them. It's just propaganda. At that point, you may as well not have values if you're not acting on it. And I know, we operate in a culturally charged world right now in a world that's politically divisive. But we as leaders need to stand up. And we need to take, I would say, a moral obligation to stand up for values because our employees expect it. And by the way, I would argue our customers expected of us as well. People want to buy from brands that have a set of values that have a purpose. And, you know, we've often taken some actions that a lot of people don't agree with, like when we withdrew from North Carolina after they passed the bathroom bill, in my view, that was because the bathroom bill allow for the potential discrimination against somebody for their sexual orientation, or sexual identity. And people were like, Well, why are you making that standard? Like, aren't you getting involved in politics, and I was like, Since when is discrimination, something that we shouldn't stand up or as a value across, it's not a red value, or a blue, that's a red, white and blue issue. And so I think we need to stand up for values. Of course, it's going to be hard. Of course, they lead to death threats, they need to hate mail, they lead to all of that. But I will say probably, when we left North Carolina, that was sort of a defining moment for who we were as a company. Since then, we've been engaged in a lot of different fights that are all centered around value, and our primary value is around inclusion. You know, my favorite quote, by the way, on diversity inclusion comes from I think it's just introduced dad, it said something like diversity is a fact. But inclusion is a choice. And I think we really need to embrace that idea as corporations.



Dan Porterfield 27:56

Thank you, Dan. And, you know, the Aspen Institute has about 500 employees. So we're not a big company, and we're a nonprofit, but half of our employees are millennials. And

we really see among our millennials, this deep desire yearning for the practices of the organization to reflect the values that they bring into the organization. And for us to partner with organizations that share egalitarian values are looking to drive change towards a more just and equitable society. Just as you say, we couldn't recruit anybody, if we weren't working towards those ends, obviously, in partnership with anyone that wants to work with us. Now, Dan, you have a unique sightline into America, small businesses, and small businesses create two thirds of the jobs in our country and are probably 45%, or something of the overall economy. COVID has really wreaked havoc on our small business economy, what's on your mind about the future of small businesses in America? And is there something that we should be doing in terms of public policy to support small businesses in a new way?

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Dan Schulman 29:04

Even before the pandemic is worried about small businesses, I think we are not better off as an economy or society have just a couple of gigantic retail giants controlling the retail landscape. And then COVID came around and we've had something like 20% of all small businesses closed down 41% of black owned small businesses closed down. I feel like this is like part and parcel of the mission of PayPal, I think mellie I would add a fourth p to your three P's which would be like product as well. Maybe that is already in there because I think it shouldn't just be like what we stand for. It's gonna put our products themselves should be part of our mission. Like one of the things that we Do and not many people know this, we're one of the top five providers of working capital to small businesses in the country. And 70% of our working capital loans go to the 30% of counties where 10 or more banks have closed branches. And where do banks close branches, they closed branches, typically in lower income neighborhoods, because they need a certain amount of deposits for a branch to be profitable. But with technology, we ought to be able to do things in a very different way, which is what we're trying to go do. And what we're finding is when we can loan to small businesses, in those areas, their average sales go up by 22%, versus a control group that goes up by one to 2%. And so we're really making a difference in those neighborhoods, through the products and services that we put out into that night think, whether it be putting out loans through working hand in hand with governments and things like the paycheck Protection Program, whether it be our own products that utilize not just like traditional FICO scores, or proprietary algorithms that allow us to look at businesses in ways that maybe traditional institutions might not look at them. I think these are the ways that we just need to step up. I mean, we've also made a commitment \$530 million commitment to help reduce things like the racial wealth gap, give to entrepreneurs, black entrepreneurs, minority entrepreneurs, blank banks really invest in neighborhoods that will support small businesses and entrepreneurs. And I think all of us can play a role in this government and private sector. I look to partner with the public

sector, but I really look at ourselves, like what can we do? Because I can control that? And what difference can we make as a company?

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Dan Porterfield 32:12

That's visionary melody, this idea of the fourth P of products, does that strike a chord? Sure. I

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Mellody Hobson 32:19

mean, I think anything that can help move the needle on this issue, and create a fair and equitable opportunity is something that I think helps create wealth in our society in a more fair and equitable way. And so yes, I think that that is a very good idea. I mean, an immediate idea, I just want to, you know, I have to put this in because of where we are right now, in terms of the government, we need another stimulus plan for small business immediately. I mean, this is this is not, these are desperate times, first of all business, and to be sitting and politicking, this is just, you know, it will put our country in a deeper hole, that becomes harder to dig out of. So it has real implications for all of us, not just those businesses that are really desperately trying to stay alive.

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Dan Porterfield 33:08

Certainly, if our economy is not resilient, our country is not going to be resilient. And we have to be able to prioritize that. Both of you have thought a bit have said such thoughtful things about what is wealth. And I want to ask you this question. There's no shortage of tools and innovation, to help people who have a lot of wealth be able to manage their assets and grow their assets. Is there anything we should be doing as a society to think about helping lower income, very modest income people be able to grow their wealth? Are there new instruments or tools or policies that could help create a growth, economy and growth culture where growth feels shared?

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Mellody Hobson 33:52

So I'll start, Dan, and I have had so many conversations, or maybe I should put it this way, a long conversation was about this issue. And I know we have very similar points of view, similar backgrounds, in terms of our experiences growing up that we're taught that really have us have this mindset that we both share. And we really do, basically, you're agreed on everything that we've talked about. And I wholeheartedly in my mind, and clapping inside with what he is saying. But what I would say I think is the number one thing that we can do is have financially just to have a financially literate society. And we need to do that

by having financial literacy in schools in America. This is the craziest thing. You can go to high school in America today and take woodshop or auto and not a class on investing, which always leads me to ask people who wills who cleans your own carburetor, no one. But these classes on investing literally could be life changing in terms of wealth creation, understanding the difference between the Dow, the NASDAQ, and the s&p understanding these issues as as you step up to select options in your 401k plan that ultimately will shape not only your Future, but potentially the future of your errors. These are life changing, saving decisions. And yet, we are basically given the keys to a car and never given never have never been given Driver's Ed. So the most important thing that I think we can do is create a financially literate society and start with our children, in the same way that we have languages. You know, we know it's better to teach a three year old language than a 15 year old, the exact same thing is true when it comes to conversations about money, which are lacking in our society, mostly because parents are in and of themselves, not comfortable with the subject matter. And they don't recognize that all the money habits they have, they're literally just passing on their children to their children, de facto. And we've tried to attack this issue of area with a school that has a saving investment curriculum, where we give every first grade class 20,000 real dollars to invest. We were 600 kids in our school, and the kids take over increasing responsibilities for managing the money. And by the time they're in eighth grade, they send \$20,000 back to the incoming first grade class to make the program self perpetuating. And because of that, we have children who can speak the language of finance, and they understand market cap and they understand opportunity costs, they understand a whole host of topics that we think will set them on a great path



36:25

eventually.



Dan Porterfield 36:27

Thank you, Melody. Dan,



Dan Schulman 36:29

I just go back to what I said before, will lead back to what Melanie just said, I think every CEO, EADS to take care of their employees and measure it, be sure that our employees are financially secure, that they have financial health. And that financial health goes beyond just raising salaries again, like let's make sure they can afford health care benefits, let's make sure that they can share in the success of the companies of which they are such a

critical part of and then let's wrap all of that into a financial education program. Because to what melody was saying, giving people stock, giving them the wherewithal to save if they don't understand how to go do that, where do I invest? How do I think about equity? I think you're giving them the ability to have some wealth creation, but you're not giving them the education to be sure they take advantage of it. And that education is what creates something over the long term, as opposed to a short term fixed. I think we have so much wear with all within ourselves to like imagine if we all stepped up and didn't get it took care of our employees and help them and gave them financial literacy and the actual financial health that would go a long way, like working hand in hand with government also can be helpful. But we know in many ways our government is is hamstrung, whether that be through political divisiveness or just the issues they face from a budgetary perspective. I do think there's so much that we can do and we just need to lean in and get it done in measure.

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Dan Porterfield 38:23

Let me ask you this. Are you optimistic about America's economy and our capacity for structural reform? Or are you pessimistic? Are you undecided? Dan, how about you first?

D

Dan Schulman 38:36

Well, I may be an optimist who worries a lot to steal a quote from Madeline. So, okay, what am I optimistic about? I'm optimistic that there is much more of an awareness that corporate leaders need to think about multiple constituencies, you know, this inclusive capitalism, I guess, is what people call it. And I'm seeing a lot more serious discussion around that. By the way, it's crazy to think that corporations are separate from society. We need strong economies, we need citizens who feel like they can make a difference. They can dream, they can have financial health. This accrues to the benefit of a corporation, over the medium to long term. This is really a debate with some people around, not really the end goal. But really the timing of that. If you want me to maximize my profits next quarter, of course, I can do that more than what I'm doing right now. But I'm trying to build a company that can move from being a good company to a great company. That means investing in our communities, it means investing in our employees. That part I'm optimistic about I've gotten real legitimate concerns whether everybody will accept that. But I'm optimistic about it. structural change from a government perspective, I worry about our ability to get that done, given the very divisive nature. That's within our politics right now.

D

Dan Porterfield 40:18

Thank you, Dan, melody,

M

Mellody Hobson 40:20

I'm optimistic I wake up every day with a glass half full personality and perspective, I always believe tomorrow will be better than today. Always. That's just in my DNA. And I think it's very American Americans, by our very nature will hopeful and optimistic. I also just look at the facts. If you look over the course of history, we've seen continual improvement in the sort of state of humanity. every decade, I think we move a little further, not as fast as any of us wants. But certainly the mere fact that I can sit here and talk to you and be who I am today is a testament to how society can move forward. Now, there's not enough of me. So please, no, I don't look at that South and say, I'm good, we're all good. We aren't by any stretch of the imagination, and you should not have to have miracles happen for you to see some of the outcomes that I have had, and they've truly been miracles. It wasn't even about the hard work that was a given. But some miracles had to happen along the way to help me get to certain places and to be in certain rooms. And so I say, That's not what I'm talking about, what what I am talking about is I tell people on my very worst day, when I'm like, really down and despondent. I always remind myself, I'm not in a field picking cotton, because it wasn't too long ago that that was the reality of someone who looked like me. So we have to recognize those strides that we've made, but also hold ourselves accountable. But that is not good enough. I believe America solves its problems, as Warren Buffett says, and you see it time and time again, I also think we're a great country of innovation. And I believe that will continue to happen. But I think that we those of us who have voices in power and influence have to be demanding, and really, really vocal about the need to make sure that our society is doing everything it can to be inclusive, and making sure that people are not left behind and helping people understand the stakes. What Americans saw this summer and especially business people, that racial inequality is bad for business. They saw that when people were in the streets and city centers were having to be boarded up with plywood, they saw that this is what happens when people feel like they don't have a fair shake. And so I think that wake up call is not an insignificant one, not to mention the horrific murder of George Floyd and so many other people. So the bottom line is the last reason I'm optimistic. It's a double edged sword is because the viral nature of our society, society is going to hold us accountable. Our employees, our customers, people who sponsor us what happens when you say it and you don't mean it? I believe society will hold you accountable.

T

Tricia Johnson 43:08

Dan Schulman is president and CEO of PayPal, and has been named one of fortunes top 20 business people of the year several times. As part of his lifelong commitment to social justice. He believes the private sector has a responsibility to improve the world. He promotes economic and financial literacy to create an informed society where everyone has access to economic opportunity. Mellody Hobson is co CEO and president at Ariel

investments where she's responsible for management, strategic planning and growth. She's a nationally recognized voice on financial literacy and has brought her expertise to corporate boardrooms across the nation, including Starbucks, JP Morgan Chase and DreamWorks Animation, as well as many nonprofit organizations. In 2015, she was named one of Time magazine's 100 most influential people. Dan Porterfield is president and CEO of the Aspen Institute. Make sure to subscribe to Aspen Ideas to go wherever you listen to podcasts. Follow us on social media at Aspen Ideas. Listen on our website [Aspen Ideas.org](https://www.aspenideas.org) and sign up for our newsletter. Today's show was produced by Shauna Lewis it was programmed by the Aspen Ideas team. Our music is by wonderly I'm Tricia Johnson. Thanks for listening.

A

#### Allstate 44:24

Every day we try to eat right and exercise in order to be healthy and keep our bodies strong. But what do we do to make our communities healthy and strong every day? Fortunately, Allstate along with the Aspen Institute and Facing History and Ourselves, created the Better Arguments Project. It's an initiative that teaches people the importance of constructive arguments, and how simply changing the way we engage with others can help transform and build stronger communities. Learn more at [betterarguments.org](https://www.betterarguments.org)