TRANSCRIPT | Financial Times Investing for Good USA panel: Building Equality and Diversity into Investment Portfolios (Event replay)

SARAH MURRAY: Anyway, meanwhile I'm going to introduce the panelists joining us. We have Yolanda Courtines, senior managing director and partner at, and equity portfolio manager, at Wellington Management. We've got Martin Whittaker, who's chief executive at JUST Capital. And we've got George Ashton, who is president of LISC Fund Management, which is Local Initiatives Support Corporation Fund Management. So, welcome everybody. I'd just like to thank you all for being here [00:00:30] and I think we're going to get into, there's much, some deeper questions of how investors and corporations can build equity and diversity at scale. What is the role, in your views, of corporations and the corporate sector in, you know, creating jobs, new businesses, affordable housing? How have you seen that responsibility being taken on by the corporate sector in the last sort of year or so? And I'll perhaps start with Yolanda. [00:01:00]

YOLANDA COURTINES: Thank you, Sarah. So I guess, so I invest in a portfolio that focuses on large-cap companies. And I think of this challenge as the ability to scale the responsibility for diversity. So large companies do have to earn a social license to operate. They have to have a positive brand. They need to lead on topics where the public is demanding action. And that scale can come from having the financial resources to invest in people [00:01:30] and really build out a diverse set of talent. It can be taking a longer-term view on mentorship, training, and skill sets. And then there's a network effect, which is what I think is the most powerful piece of scale when you invest in large-cap companies, which is not only the impact through what a company is doing with its own talent pool and building diversity there, but everything they're doing through their supply chain, whether that's supporting diverse suppliers, supporting the community that they're in and ensuring that's a balanced view, [00:02:00] and even at tackling things like bias across the ecosystem in terms of how technology or AI is used and where bias might be embedded there as well. That's some of the ways, when you look at large corporations, that they can have this really positive network effect and scale impact on an important topic like diversity.

SARAH MURRAY: Yes, interesting. I mean, I think it's fascinating to watch what's happened over recent years. George, I'd like to move to you because you're looking at the sort of, from the other end of the supply chain, what is [00:02:30] it that the companies that you're working with, the smaller companies, the local businesses, need in the way of financial support and investment?

GEORGE ASHTON: Yes, so you know, at LISC, we're a national CDFI and so for four years now, we've been in these communities and underinvested communities, trying to solve the actual problems and the challenges of folks in those communities. I would say what's been really amazing over the last two years, two to three years, [00:03:00] is that traditionally we've been funded by governments or nonprofits or even foundations, and then CRA banks, and then corporations have really stepped in. And so they've sort of combined a more passive investment approach that some folks have talked about with a very active, hands-on approach of investing directly in the communities that they care about. And so because we are national, we have 38 offices all over the country, as well as [00:03:30] some pretty big headquarters in New York, Chicago, and D.C., we just find an amazing partnership to help them really feel like their hands are sort of in the dirt, as it were, with respect to investing in communities and with small businesses. And so COVID, of course, and the racial awakening, have all been really big opportunities for corporations to step in and move to very sort of active involvement investing in impact in the country in the things that they care about. So it's been really exciting. [00:04:00]

SARAH MURRAY: Yes, I mean, I think we've seen a lot of change. And as you say, COVID really played into that and was a sort of awakening, I think, for much of the corporate sector. I mean, Martin, I know you guys track this quite carefully at JUST Capital. Tell us a little bit about how you've seen the corporate sector step up or not step up over the last sort of 18 months.

MARTIN WHITTAKER: Yes, well we've seen both. And hi, Sarah, it's great to be here and thanks for [00:04:30] giving me and JUST Capital a chance to present. So, as you said, we're a nonprofit. We track big companies on major priorities of the public and we've been doing that for many years. Our job is to bring an objective perspective to what companies are actually doing, I would say, [00:05:00] the role of businesses has changed dramatically over the years. I think actions to do with environmental issues have risen markedly. And I think the performance benefits that come with that leadership are also a wonderful opportunity. So the way business is done is changing and, you know, we see rising activism from different stakeholders, from investors, of course, from [00:05:30] employees, you know, and I think that's only going to intensify. So companies are really trying to get to grips with lots of issues. And when we have surveyed, you know, in America, and we talk to companies all the time, issues of equity, and diversity, and inclusion, and how companies address particularly racial equity since George Floyd [00:06:00] has become a touchstone, I think, of their overall commitment to leadership on social issues. And we've been tracking that. We launched a tracker that literally just reports on what companies are doing. Are they following through on the promises that they made after George Floyd? How is that all going? So that's available for anybody to take a look at. We've formed a partnership with PolicyLink and FSG, two other organizations, [00:06:30] to essentially create a corporate racial equity alliance, which is attracting a lot of interest and attention. But all of this, and we have a CEO blueprint for racial equity, all of this is in service of really driving change. Companies need help to change, they need to be shown the way. Most companies I talk to are on some part of that journey and want to do more. They want to be better. And they [00:07:00] see the business benefit of that. But they also want to do the right thing, and they want to be better on a crucial social issue. So I think there's a lot happening here. And, you know, I think this is here to stay. This is the future of how business gets done, both, you know, in Europe, where I'm sitting right now, and the US, and around the world.

SARAH MURRAY: But what are your, in tracking this, you've obviously, you know, you've reported on this throughout [00:07:30] the pandemic. And what have you seen on the whole with, as you say, companies are on a journey, but is there a case sometimes that this is just window dressing? Are, you know, how much are they actually, they've made a lot of pledges, you track those, you know, as they come in. Eighteen months on, how much is this, you know, window dressing and how much real action is there?

MARTIN WHITTAKER: So data has been very hard to come by. And if you go to our website, justcapital.com, you'll be able to see [00:08:00] all the data that we've gathered on company actions. We've been tracking across 22 separate factors. But basically in a nutshell, Sarah, I think disclosure is where the action currently is at. You know, it's very difficult for the market to know who is doing well and, you know, who's not doing quite so well, without the data, and data you can trust, and data that has meaning. We've started to see investors [00:08:30] obviously want that and we are part of a group, we've been working with pension funds and institutional investors, we've partnered with Natixis to launch an index around company racial equity leadership. So, but data is the key. And very few companies are disclosing their progress. I think companies are still nervous about disclosing until they've got a great story to tell, which I think I can understand, but I think the market wants more. And you've seen even today, Golden Sachs [00:09:00] Asset Management now announced, you know, a new initiative, a new benchmark for their engagement with companies around board diversity. So I think there's a long way to go. We are in the early stages. We see great progress by companies like Intel, Microsoft, which is always at the top of our list. If you want to see what best practice looks like, go there. But even they are on this journey of what data should we gather? How do we disclose it? And then how [00:09:30] do we actually turn that into meaningful action so we can show that it's actually working?

SARAH MURRAY: It's true, the data is such --

GEORGE ASHTON: Can I answer that?

SARAH MURRAY: -- such that we're making some progress on this. George, you wanted to come in.

GEORGE ASHTON: Yes, definitely. I mean, from the ground, right, just sitting where we sit in terms of having the commitment made to folks like us, I can say, especially with respect to racial awakening, that money is moving, right? And so we talked to banks [00:10:00] about putting additional deposits within Black banks and they say they already have enough. It's because, you know, a lot of money has moved. It's not always the money that they want, they want equity and not deposits, but money is moving. I don't want to give the general sense that everyone has followed through with their promises; I think that would be an overstatement for sure. But I think, one of the things I can give as a real example, so we created a fund called the Black Economic Development Fund with Netflix as a corporation and then 10 other corporations jumped in, folks like PayPal, Costco, Aflac, the list goes on, Dick's Sporting Goods, don't leave anybody out. But they actually changed their treasury policies to allow for more flexibility at the board level in these companies so they could put tens of millions of dollars into this impact fund. And so that's, you know, that's real change happening at the corporate level that is going to allow access to a pool of capital that was not [00:11:00] available for impact before. And then, to the question about reporting on that impact, and how we know what's happening, we're actually helping these corporations figure that out. So we're getting close to US$100 million deployed out of that fund into the Black community. And so we're helping to gather, you know, some press and some reporting about that. The stories themselves will be coming out as well. And so while, again, it's walking that balance that we want to show [00:11:30] the positive outcomes of corporations moving into impact investing, but we don't, you know, we rely on folks like JUST Capital to sort of give you the report card over who's doing what, right? But I think you're right, we need to actually start to see those stories come out so that we can see them as examples for other corporations, but also examples of good investing in the country.

SARAH MURRAY: Yes, and those are some really great, concrete examples. It's lovely to see those stories of actually, you know, quite technical changes that are going on in institutions. [00:12:00] I'm going to turn to the investors now, see, you know, how they're actually sort of seeing things progress, and you know, what changes they've seen as we've gone through the last couple of years. Colleen, I know you said you have a different team, obviously, that are specialists on this. But in your general sense, how do you assess what progress companies are making on diversity and equity? Is it stories? Are you looking [00:12:30] for more hard data? As an investor, you know, what are you taking as your kind of impact measurement?

COLLEEN OSTROWSKI: Yes, I mean, I think I touched on it a little bit, but yes, we would like more data. We would like to see specific actions that aren't just aimed at reporting on what you're doing today or what you've achieved, but what you're working on. How you're pulling it forward, right? What is going to be the downstream impact? You know, I also want to take a minute to say, you know, at Visa, [00:13:00] we have started, we have this Stand Together initiative that we started after the George Floyd event. We have racial scholars, a Black scholars program that we started, which is meant to hopefully change down the road, right? Bring people from the beginning, help them get through college, get into roles where they can make an impact and further the progress, right? Obviously we've given a grant to LISC, for example. We have a good program, [00:13:30] we've had a minority broker program since we were a public company, since, you know, so for a very long time. Never shared that with anyone, you know, no one was asking for that information. Now it's great that somebody like JUST Capital is looking for that, right? We do make minority deposits, as I mentioned. And we didn't have to change our policy for it, it already existed. So I think there's some companies that were doing things that they weren't perhaps reporting on. No one maybe was as interested historically in it, [00:14:00] unfortunately, but now we really need to see that data, you know, because we're on both sides, right? We have a sustainability officer, we have our foundation, we have a whole business unit we just stood up around small and micro businesses, trying to make sure we're really supporting that and financial inclusion, et cetera. But then we also as investors, like you said, we're looking for others to be doing the same. And it's hard because especially where I think we can make the difference, you know, [00:14:30] large corporations have lots of capital. We can, you know, help, you know, help the financing, the money problem, right? But really for sustainability, this has to be much broader than that, right? We need to close that gap of the, you know, I think it's like USS$320 billion of funding gaps for small and micro businesses in emerging markets, right, for, that are led by women or people of color. And you know, it's going to take a whole universe to do that. So I think [00:15:00] what we look for is the data. More than just stories of, you know, we have some program. It's like stock buy-backs, I remember learning in graduate school, right? People announce stock buy-backs, don't follow through with them. We do at Visa, by the way. But you know, people have announced that a lot over the last 18 months, we need to make sure they're following through. So I think it really is important. I believe even the SEC is looking at perhaps, you know, how they can improve reporting around these stats and making sure people are following [00:15:30] through.

SARAH MURRAY: Hmm. Yes, absolutely. I'd like to pass it to Yolanda now, because how do you guys, do you have an internal measurement system? What metrics are you using, specifically, when it comes to diversity and equity to make sure companies are really doing what they're saying they're doing?

YOLANDA COURTINES: Yes, no, so at our portfolio level, I think it starts with a really strong philosophy, which is that diversity throughout an organization does add alpha. [00:16:00] And there's lots of empirical evidence that supports that. And then it's backing that up with process and framework, right? And so data such as, you know, the JUST Capital data or data, you know, that's a little bit more regulatory and cookie cutter and H, or like your EEO-1 disclosure and the likes, all of that helps build your starting mosaic of what a company is doing. But you know, I think this really is a space that's, this can't be put into passive. It can't be done in a quantitative way. I mean, when you're really selecting for best-in-class [00:16:30] behavior around diversity, it really is the realm of active management. It does require engagement with companies. It requires setting a high bar and hold companies to account. And what we look for is that a) that it starts with the board, right? That it's board-level and it's strategic in nature. That there's a commitment to diversity that isn't just led by one or two people and some marketing material, but it's embedded in the whole organization. That it's top down, that that tone from the top is really repeated throughout the culture, that the culture is inclusive [00:17:00] and supportive so that all these programs can really breed and foster in a positive way. And we want it to be holistic, right? It needs to be really broad. It has to be the transparency, first, but there has to be an ambition with stress targets and there has to be credibility to the program. And how do we test for something like credibility? It's, again, talking to board members, talking to management, talking to the heads of HR, understanding how they're measuring. Are they using engagement scores? Are they breaking out those engagement scores to [00:17:30] see if diversity is well, if those concerns are being addressed? Are they setting a wider net in terms of how they're recruiting? Are they looking at recruiting in a different way that helps overcome some of the barriers, like education barriers that you have, so that you build skills in-house if you have that flexibility and that ability. You know, is their advocacy in mentoring? Are there partnerships? So again, that whole holistic framework is what we're looking for to really [00:18:00] measure that best in class. And again, it comes from, you know, that transparency, the ambition, and then the credibility of what companies are trying to do. So data is absolutely essential, but it's just the starting point.

SARAH MURRAY: I was going to say, I mean, you know, we talk a lot about data and, you know, increasingly, sort of AI, and big data, and machine learning, and analytics, and all those kind of things. But you mentioned their engagement. And I'd love you to talk a little bit about what that means. Is it a lot of form filling, [00:18:00] is it actually somebody getting on the phone with the manager at a company? And when it comes to diversity and equity, you know, just tell us a little bit about how that, what that, what does an engagement strategy look like?

YOLANDA COURTINES: Absolutely. So engagement is, we're really lucky at Wellington, because we manage over US$1 trillion in assets, we can get great access to leadership of companies. So it's meeting with the C-suite, but it's also asking for board access. And you'd be really surprised, some of your largest companies out there are [00:19:00] really not putting their board members in front of investors yet. And I think we need to continue to push for that. Because it's only when you meet with the board and you think about their long-term intentions and their oversight of culture and talent that you really understand that it's strategically embedded. So those conversations happen absolutely with board members, where we ask them about diversity and inclusion, and it happens with the CEO suite as well, to understand their targets. And then we will go to the next level and say, "Can we meet with your head of HR? We'd like to understand how your engagement surveys [00:19:30] work. What is it that you're trying to measure and how do you know its success? What are your diversity targets and how are you going about setting them? And how are you going to execute them? On them? And how do you know what success looks like? And you know, when and how are you going to review that?" So that engagement piece is really important. And then the second piece of engagement which is really important is that we have an escalation strategy, right? So one thing is to go over what the plans look like and another thing is to say, "Well actually, you're not doing what you're supposed to be doing." Whether you don't have diverse [00:20:00] members on the board, we'll vote against the members of, you know, the chair of the nominating committee if you don't have that. If you are continuing not to do what we think is best practice, we can send a letter to the board and ask for changes. And at some point, if that dissatisfaction continues, we obviously have the tool of divestment as well.

SARAH MURRAY: Absolutely. Yes, so then that's a last measure, though, I imagine people are talking much more now about engagement than just pulling out of investments. [00:20:30] George, on the other side of this --

YOLANDA COURTINES: Absolutely, last step.

SARAH MURRAY: I'm glad you said that. George, the, you know, dealing with the companies that you're dealing with in that the small enterprises that need support, and Yolanda talking about this, what investors inspect in terms of engagement on diversity and equity. What kind of support do smaller companies need so that they are ready to engage with investors?

GEORGE ASHTON: [00:21:00] So it's interesting, a few different ways of thinking about that. So there's sort of general support that small businesses need in order to grow and, of course, if you talk to small business, the number one need is capital, right? And so the idea of like small business loans, we actually have sort of piloted a new product called Small Business Equity, and then, of course, technical support and assistance to help those businesses grow. What's really interesting in thinking about how corporations tie into that [00:21:30], I think, what Colleen says, absolutely true. Scale, scale, scale. Right? So in order to sort of run these programs at scale, you need significant amounts of money, and Visa's a partner of LISC, but, you know, and others as well. And so getting that scale is important because you know, businesses are riskier investments and so you need to make lots of them to see a significant growth and then a closure in that racial wealth gap, which is what we want to see. One of the things we've been working on recently, as well, is [00:22:00] you know, the idea of supplier diversity within companies and how you tie the need for supplier diversity to investments in the growth of small businesses. I think that's been really interesting and a really interesting area of work, sort of think about, can you grow the diverse suppliers that you don't have as a business? Because that's yet another way that corporations can contribute to sort of closing the racial wealth gap. And so in terms of what they need and how they grow, they need that [00:22:30] capital, that technical assistance to help them grow, but then it doesn't hurt to have a potential contract on the other end of that, right, should they be able to qualify for a new business relationship. And all of that sort of works together to make them more attractive to investors, right? So I'll turn to other investors, whether it's alternative investors initially and then eventually institutional investors. And I think that ties into a last point that I'll make, which is, you know, people think of impact investing as maybe a corporate [00:23:00] responsibility. We've actually been pushing really hard to make it really clear that, in fact, impact investing is actually good business, right? You have your obvious points of brand equity, I'll make the point about employee retention. A lot of employees now are really, find it really important that their companies are invested in impact and stand behind these issues.

And the labor markets are tight, so that's a good thing to have, especially now. But also with respect to the consumer base, so maybe as large corporations [00:23:30] will benefit from not having all of the wealth in the company accumulate to the one percent. How many iPhones can the one percent buy, right, is a question we ask. So having, you know, wealth within the consumer base and a large consumer base is really good for business. And then finally, diversity of the business landscape. So, you know, we need to have small businesses. We want to have a diverse landscape of businesses, especially if you're in a tolling business model as a large corporation, you don't [00:24:00] want to have a concentration of just a few large businesses. So there are lots of good reasons why this impact investing makes sense, and just tying that back into what business needs is how you're going to get the results that you want.

SARAH MURRAY: Right, and just to, and I would follow up on the, oh yes, sorry, you wanted to come in.

COLLEEN OSTROWSKI: I was going to say something on that. You know, I think that George is absolutely right, you know, it's this fire diversity programs, which we also have at Visa, is something that can really make an impact. But [00:24:30] even anecdotally, the other things corporations can do, you know, for example, as treasurer I meet with all of our banks, right, and the rating agencies, and I won't take meetings unless there's diversity, right? And so, you know, it really sends a message to my bank partners that we want to see that in our partners. So it's not just who we contract with but everything we're doing. And, you know, I think Yolanda mentioned earlier that the data shows that these businesses will perform better if they have [00:25:00] diversity, so it is more than just doing good, it's good business. It's good financially. And that's the, that's what we've told our foundation board and our Visa board why we're doing all of these programs and want to focus so much on impact because it's good business. It's going to be, it's going to pay off.

SARAH MURRAY: Absolutely and I just wanted to follow up with George briefly, and because we were talking about what investors are looking for, how well equipped are companies to

[00:25:30] take, you know, to tell their story? To tell the data story, or the anecdotal story, or to, you know, do they need support in that kind of like building their own data to attract investors?

GEORGE ASHTON: Yes, so I think the answer I'd probably give there is that's not where we see the most need because many times, investors will find the story, right? And so, whether it's the balance and income statement or, you know, [00:26:00] whatever other projections are for the business itself, we think, again, it's normally capital. And you'd be shocked. In the Black Endowment Development Fund, we thought we'd have to really search hard to find good investments within the community that weren't already being satisfied, but time and time again, we come across people who have really good businesses, a really good track record, and literally just do not have that network wealth around them that would make it easy for them to find the right capital. And [00:26:30] so you, yes, I would say, you know, the number one need for these businesses are capital solutions and business relationships with larger corporations as well, like supplier diversity.

SARAH MURRAY: Yes, absolutely. Yes. We've got a question from the audience here that I'm going to throw in at this point. The question is how should the 17 UN SDGs, Sustainable Development Goals, be prioritized or integrated across multi-asset class portfolios, so you know, equities, bonds, munis, REITs, [00:27:00] asset-backed securities? Yolanda, maybe you would like to take that one? What is the, how do you handle the SDGs through the portfolio?

YOLANDA COURTINES: I think it's very portfolio-specific, so, because we put all ESG topics at the core of our selection process, we're looking for companies that prioritize stakeholders, and that is people, planet, and profit. And that people and planet piece will match up with a lot of SDGs. So when we then [00:27:30] map out our portfolio, it looks great on an SDG basis, but it's a fallout of our process. It's really about starting with good citizenship at the corporate level and companies that are really looking out for their stakeholders to build, at the same time, strong profits that will give our clients the returns that they're looking for.

SARAH MURRAY: Right, so you wouldn't have a sort of SDG portfolio, kind of specific --

YOLANDA COURTINES: Those exist within Wellington. There are approaches that start with SDGs. [00:28:00] I think it's a different way of looking at it. It tends to be more thematic in nature so you'll end up with, you know, an access to medicine piece. You'll end up with, you know, different priorities from that perspective in terms of how you build the portfolio. But then the portfolio construction will be different, and the, it becomes more of a satellite portfolio and I just happen to work on our approach that's more core in nature, that is not starting from the SDG, but where the SDG footprint is still very, very constructive because of the approach [00:28:30] that we have.

SARAH MURRAY: Right, right. Martin, I'd like to turn to you because in the tracking that you do of the corporate sector, how are you using, or are you using the SDGs as a net?

MARTIN WHITTAKER: Well the SDGs, generally, I mean, as you know, maybe I should point this out. Our, the things that we track are all driven through our polling and our survey work. So we start from the point of view of how [00:29:00] does the public think about this idea of a just company? What defines that? And over the years that we've been conducting the public opinion research, you know, we've, I think, surfaced many of those themes and key issues that you see in the SDGs. We've done a lot of mapping of our own methodology to the SDGs and it overlaps very, very strongly. So I think you see that manifest [00:29:30] and now people don't, you know, they use different language when you're in, I don't know, Main Street, Nebraska, than around the United Nations. But the core issues are the same. And in fact, you know, I think one point that I think is quite interesting is, having been conducting this research, you know, for many, many years, we see a lot of consistency and a lot of [00:30:00] agreement between and among different communities and different demographic groups. And I will say to the point of this panel, that racial equity and matters of DEI and having workplace culture that embraces that philosophy and that approach have always been at or close to the top of the lists that, of issues that we hear from the public. So that gives me a lot of heart, that in fact, [00:30:30] you know, what has been identified through the SDGs has been, you know, matters of grave, sort of, social significance, are also recognized, you know, throughout the economy and throughout the population as being relevant, even if perhaps our language is not quite the same.

SARAH MURRAY: Well yes, and interestingly, the, we've just got a follow-up question from our audience, saying yes, you use up to 231 indicators and many of these are not connected or transparent, you know, which makes it [00:31:00] tough, I guess, for the prospect of solutions among companies. I mean, do you think that, Martin, that the SDGs are too complex? Should you, or do you think they serve well as a general framework?

MARTIN WHITTAKER: It's a, I mean, I'm in the general framework category. I think, you know, you can drive a double-decker bus through a lot of the SDGs in terms of being held to account. And I think we are moving into an era now [00:31:30] of skepticism around corporate pledges and promises and commitments on ESG. And investors and workers and business leaders themselves will now need to know what's real and what's not. Are we making progress or are we not? So I think this is now a new and I, and I'm, I like that. I welcome that period because I think, you know, for too long the ESG [00:32:00] space has sort of not had, you know, real debate over are we making a difference? Is all that capital flowing into the ESG space moving the needle on the underlying issues? So I think it's very healthy. But I think it's time for real authenticity. As I've said many times on other panels, we live in a "show me" world now, not a "trust me" world. Give me the data and I'll make up my mind if I [00:23:30] believe you.

SARAH MURRAY: Absolutely, yes. And I think that, I think you're absolutely right. I think it's very interesting that we're seeing the ESG backlash, which is the sort of sign of a healthy maturity in the market that people are actually now starting to question these things. And yes, it's an evolving, very fast-evolving world. We've got another question here, how are your D and Is, diversity and inclusion policies, being tailored to avoid alienating previously [00:33:00] privileged employee groups? Perhaps, Yolanda might, is that something that has come up at Wellington?

YOLANDA COURTINES: I mean that's always the challenge, right? Which is how do you move from A to B quickly enough that you've met, you know, that you've satisfied this level of ambition, you've built a credible solution to a problem without disrupting too much of the status quo in too quick of a way, right? And it goes back [00:33:30] to, I think, the most important thing is culture and meritocracy, right? I think if we can focus on culture and meritocracy then we can come out in a good place, everybody feels like they're being treated fairly and it is about that skill set, and about coaching, and about helping balance out that perhaps some differences in educational background that are legacies of challenges around racial inequity [00:24:00] and some education gaps and wealth gaps that would have driven that early dislocation in workforces, and try to balance that over time. So it, you know, it's an important question that we as a community are going to need to continue to debate. But we're looking for leadership to take this in a way and at a pace that gets us to a good outcome as fast as possible while still, again, being based on meritocracy.

SARAH MURRAY: Yes, interesting.

MARTIN WHITTAKER: Can I just --

SARAH MURRAY: Do you have any thoughts -- [00:34:30] oh yes, Martin, come in.

MARTIN WHITTAKER: Well I would just add very quickly and please, George, I didn't mean to cut you off, I think the process for, you know, determining companies' approach must itself be inclusive. The, you know, you don't want to alienate anybody in developing that. This has to be an approach where every employee and every business leader feels as though they're part of that. There's a process of education, there's a process of training, there's a process of real [00:35:00] investing in, you know, other intersectional issues around fair pay and gender and so on and so forth. So I think all of this creates a strong culture. And the process that companies can go through must be as inclusive as possible and get different points of view. It has to be, and for that to happen, you have to have places where people feel confident that they can speak up, and they feel safe about expressing their opinions. And so this doesn't become, you know, [00:25:30] either something that's just required or foisted on an organization and it's not got everybody's buy-in.

SARAH MURRAY: Yes, I was going to ask George what's your take on striking that balance in your world?

GEORGE ASHTON: Yes, I was just marveling at how carefully that that question was answered. I think it, you did a really good job. I think education is a start, right? So, you know, it's having [00:36:00] a conversation at the end of the day. We have to be honest about where we are as a country, and how we got here, and the pros and cons of that. And we can't ignore the historical contexts and legacies that have come with what's happened in this country historically. So that's one perspective, which is just, what's fair, right, given the issue of what's happened. And then the other perspective, and this is something that Colleen said, is what's in the best interest of the institution, of the company itself, right? And if we agree that what's in the best interest of the company is a diverse, sort of, [00:36:30] perspectives that lead to really great results that perform financially for the company, and I'm sorry you feel like that's not fair, but that's what's in the best interest of the company, so we're going to get there. And I, and so I think Yolanda also said just balancing speed with not moving so slowly that there's nothing happening, right? And then finally to the point of, you know, some of this will have to be forced because I think there are some preconceived notions about what it means to have diversity and those will be, you know, [00:37:00] obliterated once you get the diversity in the, at the table, right? People will start to understand and appreciate what it is. Lastly, I'm encouraged by the next generation of people coming through the ranks, right, who have bought into this and understand it and are growing up in a much more diverse society in general. So I think that there's some excellent remarks of, about the question already, though.

SARAH MURRAY: Colleen, what's your take on that? And perhaps this ties in a bit to your, the remarks you made earlier about sort of the pipeline of opportunities [00:37:30] here. How do you strike that balance between keeping diversity in its broadest sense, as a theme?

COLLEEN OSTROWSKI: I think, first of all, I agree with George. All the comments everyone just said were spot on, I couldn't agree more. I think education and that culture is so important. We rolled out this past year an inclusion campaign because I really think it starts with inclusion. You're not going to have diversity until you have inclusion, which means you need everyone on board. You need to create allies, and so [00:38:00] this inclusion campaign hedged on not only Black African-American stereotypes, gender, religion, LGBTQ, every month was a different theme, talking about micro-aggressions and difficult conversations, right? People weren't sure. Do I say Black? Do I say African-American? Do I say people of color? What do I say? You know, just really open, honest discussions, getting everyone on board. But with that theme like, you know, was said that we need to reflect the society [00:38:30] around us, right? I mean, you know, it's good business, right? Visa, of course, was in, you know, the payments business, right? We need to know everything. Everyone is buying, right? If we're only focused on one segment, you know, we're not addressing the total addressable market, right? I mean, you know, just those simple things. So again, I think that the focus on education and creating the culture, not forgetting where we've been, but focusing on where we want to be.

SARAH MURRAY: Interesting. [00:39:00] We've actually got a question here, which if I'm interpreting it right, is about funds and the investment community themselves, you know, in terms of diverse talent. How are funds positioning themselves as leaders and pushing diversity across a portfolio in the way that it's being managed? Perhaps this is an internal question, Yolanda, how, you know, in the firm that you work for, is diversity being incorporated into the talent [00:39:30] pool?

YOLANDA COURTINES: Oh, well, I mean, I think first of all, we're, it goes back to starting with a broader lens, which is we're trying more than ever to recruit from different places and broaden that lens and get young talent in. It's also about making sure that diverse talent is supported, that there's mentorship and allyship programs. Those are critical. And that we are building in lateral talent as well, if we feel like we have gaps [00:40:00] in certain spaces. So we continue to work on that. It's a journey, but I do think we are continuing to add diverse talent to the leadership of portfolios. And I think, you know, from, five years from now, that should be a, we should be in an even stronger position than we are today because of all of the efforts that are going into building that diverse pipeline.

SARAH MURRAY: Right, because presumably, there is a, there's a, you know, it's one thing to want a diverse talent pool in your firm, it's another to find the [00:40:30] talent out there. It's, and I wonder, Colleen, how you find this internal question of pushing diversity and diverse talents across the investment staff?

COLLEEN OSTROWSKI: Yes, no, absolutely. So we've created, our staff is diverse. We've started there with what we control. And then I think that naturally helps us align, you know, more globally. So when we're looking, I would say it has been [00:41:00] difficult in the public space. Yolanda, I'll definitely be reaching out to you after this to talk more about what you're doing at Wellington, but to find funds that meet our criteria, right? And, you know, anecdotally, again, we were looking to add someone, another minority broker to our program, here in Treasury. And one of the meetings, they show up, and it's three white men and there were, there was supposed to be a minority broker and I was like, I don't think [00:41:30] we're hitting the mark here. But you know, I think that we have our own internal goals, of course, at Visa, we've made it a strong commitment. You have to do all the right things, right? One hundred percent of our interview panels must be diverse. Candidate slate as well, right? So you have to see across the table, you know, someone you can relate to. We have interview guides that show how you approach, you know, I, it's been a huge education for me, personally, right, that [00:42:00] a woman on my staff, a Black woman, she was like, "When I go into an interview, I just start with trying to prove that I'm capable, that I'm qualified for this role." You know, a white man tends to come into an interview and say, you know, do the small talk of like, what college did you go to, try to find the connection, right? And so you already have a bias in how you're approaching from that standpoint, right? And so, so I know your question was more about the fund investing side, but just in general, I think, you know, [00:42:30] as we're all on this journey, we have to be really educating people, and making sure we're understanding where we're going. But, you know, I do hope that that is carried through on the fund management side. And folks like Wellington and Fidelity and all the big players really need to set the example and bring in the talent. It's there, we just have to look for it.

SARAH MURRAY: That's an absolutely fascinating insight into how, you know, conversation starters, you know, really affect the way things go [00:43:00] in this world. But anyway, I, it's already --

GEORGE ASHTON: I actually know --

SARAH MURRAY: Sorry? Oh yes, George, thank you.

GEORGE ASHTON: My, I had a follow-on to that which is very interesting. In the impact space, I know we have to go here, quickly, we found the diversity for fund managers to be in, we manage private equity, private debt impact funds, it's incredibly important. And it's been really valuable in the impact space, so, for the first time, I'm the right color. So that's funny.

SARAH MURRAY: Yes, it's a, no, it's moving fast. So well, listen, I'm sorry we [00:43:30] have to go, I'd love to continue the conversation, but thank you so much, everybody, and continue the conversation on social media and we thank you so much for doing this.

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