

Panel 6: Where Do We Go From Here?

MR. MILLER: So if our final panel could join us. We have a couple of administrative announcements.

One, don't forget the evaluation forms in your packets. We appreciate getting those.

And for those of you who are staying at Courthouse, the shuttle is leaving at 5:30 out front. So just don't want you to miss that.

So Mark Pearce is the moderator for the final panel, Where Do We Go From Here?

We've got three terrific panelists, all members of the Committee on Economic Inclusion. And I look forward to a good discussion.

MR. PEARCE: Good afternoon. As our panelists are coming up, I know it's late in the afternoon so we want to go ahead and get started.

So I'll go ahead and maybe dispense with some of the introductions so that we have time for our conversation and to close out in advance of the chairman's closing remarks.

Obviously we've had a terrific set. We've had five panels today. We've had an opportunity to take a look at where we are, where we've been, what's working, what are some challenges that are still out there.

We've delved into some of the research and insights we've gotten from that. We've looked at product designs, we've looked at channels, we've looked at partnerships. We've had this great chart that had squiggly lines all over it with all the different partners and relationships and ecosystems that enable us to promote economic inclusion.

We've talked about sustaining relationships and growing relationships. Spent a lot of time on that.

And the use of technology weaves through every single panel we've had today.

So, a lot about where we've been, where we are, and kind of what we're working on right now.

So the title of this panel is Where Do We Go From Here. So, that's a big challenge and a big lift, but I have some help here by as Jonathan mentioned three panelists who have been members of our Committee on Economic Inclusion for a significant period of time. Not quite 50 years like Alden, but we have a lot of talent here to help us out.

And I'm also hoping for this panel that we also get to pull in some of the expertise from the members of the audience. So I'm hopeful we'll have plenty of time for you to pitch in and help us figure out where we go from here.

So with that I said I would dispense with the introductions. So we have Bob Annibale, Andrea Levere, and Bruce Murphy.

Bob is the global director -- which I love that title, global director of some aspects at CitiBank.

We've got executive vice president Bruce Murphy at the other end and Andrea Levere, president of CFED here in the middle.

So, jumping right in, I'm going to throw the first question to Bob and Bruce since you both are representative of financial institutions that have had success in reaching and serving unbanked and underbanked populations.

I want you to talk if you can a little bit about what distinguishes your institutions in this regard, and what have been the keys to your institutions' success.

MR. MURPHY: Well, thank you. Before making my comment on that question I can briefly reflect on what the conversation if we had this meeting 10 years ago, what would the conversation look like?

The conversation would have been aspirational to what we see today. And I'm proud to have been part of both the conversation as well as taking the research that this institution has been doing and beginning to apply it to those aspirations that we spoke about so very long ago.

And so when I think about where do we go from here I would tell you our institution in spite of the uncertainty with tax reform, the uncertainty of the changing regulatory environment, with the way the market is operating today what I am proud to say is that our institution is focused on staying the course.

What does that mean? It ultimately means that these communities of concern that we've been talking about today still need to have fair and responsive products and services.

And so we're not changing that commitment.

I think all good business people have to learn how to deal with what's in front of them. And if you're not capable of pivoting, if you're not capable of making adjustments to what's in front of you ultimately then you're not going to be successful.

And so when we've made the commitment that we're going to serve these communities because these are communities that we operate in it means that we will have to figure out how to address the changes that we see in front of us.

We understand risk, credit risk, operational risk. We understand reputational risk.

You take all of those things into account when you begin to talk about the products and services that you offer.

So, we are in an environment of uncertainty. If you look at what's happening in affordable housing there are a lot of people -- because of the uncertainty of tax reform there are lots of institutions who are choosing to sit on the sidelines.

In our perspective that's opportunity. We are in fact plowing full speed ahead with our tax credit investing work in the affordable housing space, our debt investing in the affordable housing space, despite what the environment says.

Because again we believe we are able to pivot and do the right things as it relates to these segments.

These segments, far too often financial institutions when things have gotten difficult they have chosen to take the perspective that the risks are too high from a margin perspective.

And our view is that unless you balance mission and margin ultimately you will choose to bail. And we've chosen not to.

And it's about the character of our institution. And so you saw the programs that Rani talked about earlier today.

And it's a strategy. It's not a response from a product perspective, solving a product problem. It is about do you build a platform that's responsive to what the community says it needs. And then we assess the risks related to that and we decide how we are going to move forward with building products and services.

Sometimes how we move forward is not to take the risk onto our balance sheet, but it's to fund someone else who takes the risk on their balance sheet so the products are still there.

So it's those kinds of choices during this period of uncertainty. I think you have to decide who you are, decide what you stand for, decide what your values are, and decide that you're not going to cut and run just because uncertainty is in front of us.

And that's what I would tell you would be a little different than the rest of our institutions.

MR. PEARCE: Thanks, Bruce. Bob? Tough act to follow on that one.

MR. ANNIBALE: Wow. And uncertainty, we've lived with so many uncertainties that I think it's just part of the norm.

I guess I would just reflect. One is again thank you, everyone, and especially FDIC for this opportunity.

But to differentiate a little bit to be able to say how important the distinction is and the diversity of institutions that provide services. And how important that is.

When I think here of the very largest banks and all that they're doing, and how we're often lumped together, but Jason at Bank of America, Naomi is there from JPMorgan Chase, or Bruce with KeyBank, Arden with Liberty, Bank of the West.

Think of the footprints and the histories and how diverse we all are as institutions.

And at Citi too. I would say that when we think of Citi we think of technology.

If we went back a period, and the first real effort of fintech in many ways for a consumer was John Reed at Citi when he introduced the ATM. And we began the Citi never sleeps. The concept that we're never closed. Twenty-four hours a day you could get your money.

If you ever see that machine which we have it's about the size of this table. I mean, the first ATM behind the wall was like an IBM computer of the day.

But John Reed believed in that. He believed in Citi Blue which was this huge outreach in the market footprint we were in, New York, of an ordinary account holder at a time when Wall Street banks really weren't going for the ordinary middle class even if you were to say that at the time.

And yet time changes and we all have different footprints and different experiences.

Ours is informed very much by the work that all of you do. And partners, look at Andrea next to me and many here and other banks.

But also by the international experience. I have to be honest, I come to this from the international background. So to me I always assumed you were going to jump leapfrog in technology and in access and in cost in bringing things down.

And with concepts of interoperability, that we would be connected and find ways to operate together.

Remember, all our banks operated in silos for so long. Now at least our ATM networks speak to each other. We do connect.

To me, interoperability is so important to consumers and clients. And we started with a much smaller retail history.

So, when I joined Citi we were clearly in the Congo, but we were not in Connecticut. We'd been in Calcutta for a hundred years. We were not yet in California. We couldn't operate there.

And today we operate twice as many branches in Mexico as the entire United States. So we're very informed by another history.

And that's one of access and taking down the cost of operation to make things affordable for people.

And I look at the mobile operators a lot for that purpose. Nobody can afford to run big mobile networks and only do the rich, or only do the middle class, and only cover some neighborhoods and leave out others.

They'd neither be licensed to do that, nor could they make it economic.

And in many ways I think at Citi more and more about how do we apply the strongest, the broadest technology we have to serve many more people more deeply.

Now, that may be a different model than others. I was just looking at something like, again, you have I think more branches at KeyBank than we do in the United States at Citi.

But in a market like Chicago, pretty good sized market, we only have 60 branches around Chicago, but we have the largest ATM free network in the City of Chicago. Almost two and a half thousand ATMs.

And you can go to Costco, or you can go to CVS, or Walgreens, or you can go to -- I can't even remember them all, Target.

And we know because our clients -- and that's not just dealing with your Citi Gold client that's going to Costco or Target.

It's really saying where and how do you serve your client, and yet have the touch and feel of the presence of the branches and yet then the outreach, and yet build products that can do that.

So I think we see our own institution as complementary to others. We're working with a lot of credit unions and some of the community banks in our footprint and opening our ATMs actually to them, their clients for free.

Because we realize again this interoperability, we've got to find a way to complement each other in what we do best.

But it's possible to bring down the cost of service, still have the access, the ability to meet.

Because that's where our accounts are still opening, a high number of them still open like you said and I think Arden said that happened at the branch.

After that people want to have choice, and they need their time, and that may not be where they come most of the time.

So, I think we've learned an awful lot from our international experience as well as yours.

But also being in many ways an eclectic institution of footprint versus scale. Third largest depositor and maybe the 17th largest branch network.

You have to have technology and other outreach to make that work for your clients.

MR. PEARCE: Thanks, Bob. Thanks, Bruce. Now I want to turn to Andrea. There are a lot of non-profits here, a lot of representatives from non-profits. We've had a number of the experts on the panels that we've had today.

I'm curious what advice you would give to them about how to most effectively engage with financial institutions to promote economic inclusion.

MS. LEVERE: I love being the one thing that's not like the other on a panel.

For those of you who remember Sesame Street.

MR. MURPHY: Certainly you're prettier than the rest of us, and smarter too.

MS. LEVERE: From there we go to what I want to just speak to, I think Jonathan made the point at the beginning of the day how far this field has come. And I think the three of us are going to reflect on this through this panel.

But I do want to say that the number of people who are still here sitting at a table and listening is testimony to why we have come so far in 10 years.

Because it really is that incredible commitment of everyone in this room no matter where they're from, a different vision of financial inclusion and financial well-being.

And it's really a testimony to the work of everybody here, and everybody else who we work with.

MR. PEARCE: Andrea, I actually came up -- Michael Barr earlier had the four P's, and my fifth P was persistence because I really do feel like this effort has really required a lot of that to be successful.

MS. LEVERE: Yes. So, in starting about answering this question I want to just share.

I became president of CFED 14 years ago. And in my first month or two we had to draft a new strategic plan.

And many of you know the founder of CFED Bob Friedman. And he handed me a document called the Declaration of Interdependence.

And that was all about the fact that we had this enormous mission and we were about one quarter of the size that we are today of really changing the world and addressing wealth inequality, even though we didn't call it that 14 years ago, and that we couldn't do it ourselves.

So as I think about this question of how we work with people like Bruce and Bob which is probably the easiest part I have as anybody who works with me knows, three things.

So the first is that we really begin with an approach that combines the business and mission case. And Bruce, you couldn't have affirmed this more powerfully than you just did.

It's that when we're thinking about meaningful and scaled financial inclusion and capability it has to be a strategy that helps financial institutions make a business case, and at the same time achieve the mission goals that we want.

And it takes a lot of experimentation. And I think we heard about that extensively today in everybody's describing the products and services they were doing.

I want to make a special amendment to this based on listening to Mary Dupont today in terms of how she convinced her private sector partners. And many of us know particularly given what we're all dealing with today that the public sector has more money than anybody else in some of these cases.

And she said, she taught us how do you make the political or regulatory case to your public sector partners to get them engaged.

So it's really thinking, putting yourself in their seat and thinking about how you look at the cost factors, the scaled factors, the cross-selling, the community reinvestment or other factors, and then the other community benefits that come along.

With this also comes a mission fit. I think we all know and we've heard credit unions raise multiple times today that there are differences in mainstream banks in terms of their commitment to this issue, and also a whole class of financial institutions, credit unions, with a deep alignment with much of what we're doing.

So, understanding that, both the culture and values of institutions as well.

So then that leads us to number two. The single word that has been repeated in more sentences today than any other word was the word trust.

And it was used of how do we get -- from the very beginning of how do we get people banked, who do we partner with, and how do we partner. And how do we deliver on services.

The core thing that we've learned in this work is that our partnerships with local organizations are really the trusted partners on the ground who help people take advantage of products and services that they may not do otherwise in ways that they wouldn't have imagined.

And I just want to give a shout out that the steering committee of the Access and Opportunity Network are all here today, and I want to thank the FDIC for inviting them all.

There are 12 representatives from organizations all across the country. And they are in many ways the emissaries of what's happening on the ground and raising that up, and then understanding what's happening institutionally and bringing that back down again.

The example I always use about trust is when we were doing our national demonstration for children's savings accounts, and we had community partners on the ground, and our partner in Arkansas were filled with these incredibly feisty women.

And they were just utterly astonished that in the first several months nobody signed up.

And this was the most incredible deal. We were giving savings accounts. We were matching the saving. We were engaging the families.

And it was really because the right people in the community weren't telling folks that they should do this.

And even though these women were from the community -- weren't from the community from where the families would come.

So I think about the power of this, and I'd say that the financial partners that we've worked with are the first people to say that those trusted partnerships make things happen that couldn't happen otherwise.

Then the third piece, and we've heard about this a lot today, is the policy work. And the policy work is utterly essential and we've talked about multiple barriers that have been presented both to the financial institutions to do what they want, to the consumers in terms of navigating financial services.

But really how do we create a playing field that really makes choices meaningful. As Katy talked about, all the factors that are -- we're faced with today that present an array of predatory products, or environments that don't work for people.

And so we're really committed to solving this problem. And I use the example once again of children's savings accounts where there was a key know your customer barrier with many financial institutions being able to open these accounts for undocumented students which was absolutely critical to these programs.

And it took longer than I had thought, but all the key regulatory agencies got together and pulled together a Q&A that made it possible for the financial institutions to do it on terms that made sense to them.

It eliminated a huge barrier that stood in the way of doing what we all wanted to do together.

So those are really my kind of three core strategies on this piece.

MR. PEARCE: Great. Thanks, Andrea. I want to follow up. You mentioned trust really being a theme throughout the panels today. I'd like to kind of turn that one back to Bob and Bruce a little bit and talk about the role of trust and the relationship with partners and their customers.

I'm thinking a little bit about the question that we got toward the end of the last panel around consumers maybe experiencing institutions selling them products and does that diminish trust and present challenges for trust. And just how your institutions are thinking about it.

MR. ANNIBALE: Clearly anytime consumers have a bad experience with any institution it's how they view a sector, and banking particularly, which has had lots of bad experiences with consumers by various institutions at different moments in time which has made consumers I think more and more cautious.

And those who haven't been in this sector even more so.

So partners matter a lot to us. Andrea was speaking of children's savings. We didn't really wait for the circular to come out because we felt we got the right legal advice we hoped, I hoped anyway, when we launched Kindergarten to College in San Francisco because there we had a partner in a city and in a treasurer, a public entity for which we are for now five years, maybe more.

Every child that enters kindergarten in San Francisco has a savings account. Whatever their documentary status is.

And we found a very good way of doing that, by not asking what their documentary status was. Building a very complex -- it really looks like a trust.

Now, I realize what that was about was having the right partners, public sector in that case, groups like CFED and others who were helping advise on that in the beginning and structuring it, who could help advise the right outreach and connection with parents as well and others.

But also using the financial skills that we would have applied to many other type of client groups to come up with that solution. That was the equivalent of coming up with a large structured trust for some complicated family, maybe, or corporation.

But it actually was for every 5-year-old in the city which interesting to us, five years later every kid has a Citi account as their first bank account.

And it was because of the creative work of a team of people that that became possible. Public sector and the non-profit sector advised.

I think it's been the same with other accounts and learnings around outreach where trust, there just wasn't even a connectivity.

I think of Grooming America if you know them who do the micro lending in the States, and now the largest I think in terms of individuals that they actually reach.

But you know there was about -- in a place like New York where you couldn't cross a corner and not hit a Starbucks or a bank just about everywhere we had such a large number of particularly immigrant communities still unbanked.

But the ability to connect them with a bank account came because we partnered with an institution that we could do that together with who had the trust, who could be also insuring that there was the appropriateness of the product of a financial institution.

And now we have over 10,000 women who've never had a bank account in that area that are saving account clients with Citi cards and ATM use as everyone else.

So I think that the issue of trust, it's one that you have to earn over a long period of time, but as a sector there's been so many interruptions to that that even with prudential regulations and consumer protection we need and consumers need sometimes, especially the most vulnerable and those new to it.

And they benefit from partners and community partners and organizations that in many ways do a due diligence as well. That's in part what all of you do I think is not just in the institution but in the design of a product and in the outreach.

I think that helped us to accelerate in areas that we would not by ourselves have been able to go at the pace we did, nor as impactfully I think.

MR. PEARCE: Bruce, do you want to chime in on that one?

MR. MURPHY: When I think about trust. I mean, trust is nothing more than do I believe you have my best interests at heart.

And if I believe you have my best interests at heart, that's going to be based on something. It's going to be based on some experience. It's going to be based on someone who endorses.

And so when we think about building trust, there's certainly those moments when we want to build the trust based upon how we engage and deliver our products and services.

But there are those moments. Right now for instance we just went through an acquisition called First Niagara.

And I guarantee you the First Niagara clients did not trust KeyBank because they weren't their bank.

And so what did we do to build that trust? Well, we used those who knew us and knew them. And we engaged with community conversations.

And their brand, these organizations and individuals, their brand validated ours. But that was by itself not enough.

We had to prove that we were going to do what we said we were going to do. So we had an issue where several of the First Niagara clients in the account merger, several clients weren't able to see their accounts for 24 to 48 hours.

For every one of those clients, we not only fixed their problem, but we gave every one of them \$100 in their account.

And it wasn't the \$100 that mattered. It was acknowledging that we didn't honor what we said we were going to honor, and we wanted to build that trust.

So it is about how do you in fact leverage the right partners. And partners for me, it's about mutual accountability.

There's lots of folks who want to raise their hand and want to be a partner, but they themselves are not yet able to deliver what they say they can deliver.

And so we have to be sure that if I'm going to engage, support, and sponsor, that they are equally as committed to delivering what they say they're going to do as well as we are.

And so trust is about, again, delivering what you say you're going to do, honoring when you screw up, and acknowledging, and being transparent, and not doing some kind of soft shoe around it, but acknowledging it and making it right.

That's where you start to build trust.

And I will tell you, that little hundred dollars was worth 50 times more than the actual value of that \$100.

And the anger, and we had anger. You go to look for your money and your money isn't there? You are not going to be happy.

The anger was immediately turned around that says these people care about me. I'm an audience of one.

And so it does in fact -- now we have to build on that relationship that we've established.

And so partnerships I will tell you are indispensable in building your brand. And we believe we can't do it alone. We have to have those organizations that have credibility, mutual accountability, in fact, will deliver as we say, we will deliver what we say we're going to do.

MR. PEARCE: Thanks, Bruce. That's really interesting thinking about trust. It doesn't mean you have to be perfect, but it means when you make a mistake you follow through and correct it and that that actually can reinforce that trust. That's a really interesting point.

You know, Bruce, you mentioned earlier, and maybe I'll ask this for everyone on the panel.

You talked at the beginning of your remarks about change, that we're in an environment of rapid change.

I want to touch a little bit on we're having demographic changes; we're having generational changes; we're having changes in how people access financial services. We've got a lot of change going on.

I'd like to maybe hear from all of you how you think those changes, they're coming, that we're experiencing right now, that are going to continue, how they will affect our economic inclusion efforts going forward.

MR. MURPHY: So, as I think about even from the regulator perspective, and I look at the fintech firms who are focusing on the client base that both we own and are after.

What's the new profile for them as they look for bank charters, and what does that do for us as a financial institution?

I look at not just fintech firms, but I look at -- you know, we heard today how technology is changing the way that Millennials and other segments in the population focus on how they want to conduct business.

We cannot be blind to those environmental issues. And we have to be progressive in thinking about what's next.

We can't just rely on what we've always done. So if you heard the work that Rani talked about with HelloWallet.

HelloWallet again is a tool to inform and give people the kind of information when they need it to make an informed choice.

That's about technology. And it's less about technology in the context of let's see what kind of technology we can build.

It's more about looking at being able to serve the client at their point of need.

So we have to be progressive in thinking about the environment that we're operating in. Clients' needs are changing. What a Baby Boomer wants versus what a Millennial wants.

I'm reminded about that every day. When my son says I haven't been in a branch for four years, nah, nah, nah. And he's done everything he's ever wanted to do online.

I'm reminded by how he processes information, how he gets his information. A newspaper? What the hell is that? He's not interested in those.

He gets and processes his information differently.

Well, the reality is we as a financial institution need to pay attention. We need to pay attention. How are they going to get knowledge about who and what we are?

It's one thing to talk about products, it's another to talk about the character of the company.

It's another to talk about who we are as an institution. And we have to figure that out because if I don't come in contact with you how do I know.

So my CEO who has been named the most powerful woman in banking so many times they've now just put her in a hall of fame, Beth Mooney. She's been the most powerful woman in banking for four years, four different times.

Her legacy is going to be built on three things, and she talks about it on a regular basis. Shareholder return, employee engagement, and reputation management. Community engagement.

At the end of the day when someone writes the history about Beth Mooney those are the things she wants to be known for.

Well, the reality is you can't get that just in technology. You get that by having engagement.

So we have to go to the community. We've gone through this acquisition. We did community conversations. We went to where they were to begin to define what's important to us and to understand what's important to the community.

We have community engagement strategies where we define what the challenges are in each one of our markets. We define who's delivering in those markets from a partnership perspective.

We also define who we're not going to engage in. So we define who we're going to work with, but we're also going to say who we're not going to engage in. It's only fair to be clear about that. Because you can't boil the ocean. And lots of people try to boil the ocean and that doesn't get you anywhere, that gets you about an inch deep.

So these are the kinds of things that as I think about this question I think those are the kinds of things that you really have to define who you are and how do you in fact connect.

MS. LEVERE: So let me talk about risk, racial equity, and integration.

So I think all of us know that we're in this work because there's been this enormous risk shift from institutions to the individual household.

And that has required the household to make decisions and choices that most people have never been equipped to make in their lives.

And so this is only increasing over time, not decreasing.

So how do we think about the systems and the responses to that? And we've heard many of them today.

I think one of the emerging issues that is complementing this is a real investment in financial coaching for the full range of low-income, moderate income, even -- it's always been afforded to upper income that could really help you identify what is financial well-being for you and how are you going to achieve that.

And how do we do that in a way that leverages technology so that it becomes part of every system.

Maurice talked a lot about this today and is sharing some of the insights. You can't just do it in one way, you have to integrate this so people look at multiple systems.

That takes us to the question of integration. Many of you know that we published a book about a year and a half ago now. Our editor Kate's in the back with the Federal Reserve Bank of San Francisco and Citi called What It's Worth.

And it's all about really what's happened over the last 10 years in the field of financial capability.

But the most fascinating part about that was the insight that sectors ranging from health to education to social services all understood that the outcomes that they wanted to achieve with their patients, with their residents, with their customers really were so tied to the basic financial insecurity of those people, and that they needed to understand this.

I think my son who is a second year resident was most impressed of anything I've ever done in the fact that I gave grand rounds at Zuckerberg San Francisco Hospital on the connections between financial insecurity and health which is a huge area.

This integration, and again we see that in this room, is I think the other key piece of how we're going to cross sectors, not just public-private-non-profit but across all these other sectors of endeavor of how we go forward.

Because it's going to improve all our outcomes.

And then the fundamental issue which the panel before us dealt with so powerfully and eloquently is the issue around the racial wealth divide.

If we're going to have a country that's majority minority and we are not looking at the unconscionable and extraordinary wealth gap that these households are facing which is the result as we all know of centuries of policies and explicit policies around everything from who gets a mortgage, to who gets a job, to who gets education.

We have to look at this very clearly and understand that just good policies don't solve that.

And we have to look explicitly about how we address factors that we're coming to which are the result of decades of racist policies and how do we address that.

Because that's the only way we're going to create an economy that's growing and a society that we want to live in.

So those are the three changes. They come together but they are in their own parts that this movement is thinking about.

And the last piece of this is it's about solutions. Our opening panel said there's always more to know, there's so much more we want to know, but now we really want to be able to see how are these solutions working and how do we make them work more effectively.

MR. PEARCE: Bob.

MR. ANNIBALE: I'm pretty optimistic, I must say. It's a mad environment in this city particularly. The country's crazed legal system. I'm always explaining around the world that we're a federalist system, that it's complicated.

And we are as an industry, and we are as a regulatory environment. It's a history.

But you know what? We can manage through that.

I think there is more awareness around areas you bring up, and around inclusive growth, and around the concept that -- we have another colleague on the committee Wade Henderson, and he and I love this.

To me it's always about disaggregating data. It sounds great that unemployment is 4.8 percent or whatever it is at the moment, but not if you're 20 years old and you're black, you're a young man and live in the wrong part of town in Detroit. You're at 30 or 40 percent. So we've got to disaggregate data.

And I think the work that -- and I say it over again. The FDIC report on the unbanked and underserved, I show it to people around the world all the time and other regulators because it gives us granular data and it's gone deeper.

The work Michael has done with the National Institute of Disabilities and others, NDI, disability institute -- have been doing about taking it even deeper.

It helps us to target our thoughts around who is not being reached and how and why not.

And there will be broader policy issues and deep historic sociological issues and race. And many other issues, gender.

We're going to have to look at solutions that help address and especially as bankers that help -- the proof of concept that you can reach many more people sometimes with others along that path, but you can do it in a sustainable way too, a way that serves them well and that commercially can even be part of a wider portfolio of clients, and a rich part of that wider portfolio.

We were just doing work with Policy Link for those of you who know it yesterday or the day before. I was with them in Long Island launching a thing on black Long Island which was interesting.

The two counties that have a population the size of Chicago and are amongst the most racially segregated in the country though very liberal Democrat you know, all that. Our usual characterization we have of New York.

But challenged, still very challenged.

And so the more we have the data. And the first panel is an example as you, Andrea, and others here of that material.

But then there's some things we need to address as a sector too, as a financial sector.

We need much faster access and clearing and things such as that for people. People need to be able to access their money quickly.

It is an anomaly here in the States that we still take so long to clear a check. An anomaly that provided a whole opportunity for an industry of check cashing, because it took days.

And remember an out of state check? It sounded like it was coming from the Moon. Oh, it's an out of state check. Where does that go? It must go by courier to Texas or wherever it came from. It took days to clear this check.

Well, I came from Brazil last week. You deposit a check in Rio that's drawn on a bank in the Amazon and it clears by the next morning. They've got it together.

So we have to in our complex system give people quick access. And that's even the most important for our clients and those we serve that are the lowest income.

I think we need to be sure people have the information available simply and quickly and clearly. And that technology is allowing us to do more and more.

And we have to also not be pejorative in assuming because we are talking about underserved segments that are unbanked, or even we talk about language ability.

People are very numeric. My experience around the world in doing mobile banking in Bangladesh, or Kenya, or anywhere else is people are incredibly numeric.

They handle money all day and they have a mobile phone, and they know how to do a lot more than we think.

Our learning from the safe account that we did with a lot of guidance here from the FDIC, prompting guidance and I think thankfully a lot of support.

It has shown us the use of this account which is our fastest growing part of our retail account at the moment. That's how amazing it is without numbers I'm not meant to always give out.

But I would just say that when you look at that sector which over half are LMI type clients. They either come from a low and moderate income household, or a neighborhood, or a branch, the use of ATMs compared to our priority or gold clients is over 2.5 times. Debit cards, almost triple. BillPay online, higher than any other client segment.

And this is the newest safe account client, the access account.

They use paperless statement higher than anybody else. Online banking, right on par with our main client segments and growing rapidly.

They were looking for the solutions that provided them the information, the access and the time and the cost that probably wasn't available to them before, at least not -- maybe we didn't have that.

And I would just say that we have to look for those attributes as we go deeper into each of the segments and what keeps people from getting served, being served, but also what have been the solutions that have worked and accelerate that. Because we need those numbers.

And I'm very optimistic that from a -- I'm not worried about fintech. People say what if fintech gets licenses or they don't.

Most fintech companies if they're really successful one of the big banks here are going to buy them if they can. They'll buy them. Or they'll simply hire them to provide the services that you want to get the best from.

And I think the fintech industry is just going to help accelerate what many other institutions need to do.

If they're slow and lazy and there's someone going to fill the gap then that's what they'll do.

In other parts of the world the mobile operators are doing that. And now they're getting bank licenses. Places like Pakistan, Philippines, India. They're going to get a bank license because the banks aren't going there and the government said I have to serve many more people. Not that I chose them, but here are my options.

So, I think we should see those as catalysts in many ways less than as a worry. Yet from a supervisory, from a protection perspective, governance, there are those who will need to be sure that they can keep up with the change.

MR. MURPHY: So, just to validate when Bob said that his access account was an account that has been a major attraction.

Our similar account called Hassle Free, it has been the single product that has driven more clients to Key than any other product that we've had in several years.

So it's a very similar product and there is a large portion of clients who are LMI clients that are taking that product up.

And it's not only LMI clients, but the fact of the matter, it is the kind of product that gives choice and control, and that's what many people are making those choices on.

So it is not an anomaly. It is in fact reflective of what the consumer wants.

MR. PEARCE: So, the big challenge as a moderator is when you have a great conversation you've got to try to figure out with 11 minutes left in your panel how to cover a lot more ground.

So I think maybe I'll just churn. We talked a lot about change, generational or how people are using technology, demographic changes. There's lots of other changes we could talk about so we might as well just go straight to the end of looking at over the next 5 to 10 years what do you see as the biggest opportunities, biggest barriers, or take either one of those, whichever one strikes your fancy.

Maybe we'll give Andrea first shot at that one.

MS. LEVERE: So, when we think about hope we start with the animating assumption that has always led our work at CFED which is that low-income people have more capacity than opportunity, and that our responsibility is to create the on ramps into the economy for them.

There were several comments today which really echoed this and really affirmed the findings we've had in the several demonstrations we've done over the years to test individual development accounts, children's savings accounts, other things.

That if you provide low and moderate income people with the same kind of platforms and incentives that middle and upper class people have they will perform just as well.

The finding that has always been most astonishing to me was in one of our very first demonstrations for individual development accounts.

The people with the lowest incomes saved the highest proportion. And when they were asked by the researchers why they did that they said that was the price of hope.

And that's really the business that we're in. We call it hope in concrete form.

And so when I look ahead 5 to 10 years, Mark, it's really how do we take that fundamental insight and the fact that we now have an extraordinarily diverse and talented field that is all looking from multiple perspectives, particularly if you buy out those fintech companies, that we are going to figure out the solutions to that.

So what's the biggest challenge I see as part of that? That we have a tax code that every day is increasing inequality in this country.

And it is doing this at a rate of \$660 billion a year. If you looked at your phone a few times this morning it's only getting worse. May that not happen.

And if we do not address that fundamental inequality that is allocating the lion's share of tax benefits to the very wealthiest we are not going to have the resources.

Because the resources are there to make meaningful financial inclusion and economic equality in this country.

So to me the task really is to join forces, and there's multiple elements that everybody in this room is working on, I know. But to really flip that tax code to a right side up tax code. So it's doing the right thing and every day we're not increasing inequality.

MR. PEARCE: Bruce?

MR. MURPHY: I won't try to be pithy which is hard for me to do. Hope is one of those things that is contagious.

So as a banker the prospect of having lower taxes, the prospect of having lower regulation, the prospect would suggest all of those things are great.

But if you care about diversity and inclusion, economic inclusion, workplace and workforce inclusion you want to be sure not just for your own employees, but for the people you serve.

You're not -- we are not interested in those things that will do harm to communities, especially communities of color, because diversity is important to who we are and what we do.

Would we like less regulation? The answer is yes. But the other side of that is regulators make us a better bank.

So if you have the idea that regulation is not just a bad thing. Yes, there are things we do not agree with. But in the main are you a better institution? The answer is yes.

If you think then about who you are as an institution and how you show up, if you can show up in the places that Andrea just talked about, if you can show up in the places that make a difference, that for me is the definition of hope.

We're not abandoning this journey we're on. We see who we see. We are who we see. And at the end of the day we need to be sure that we serve in ways that matter in the long run.

MR. ANNIBALE: I'm very hopeful. And I feel as though there's much more -- not because of policy, or where we're heading at the moment on a macro scale, but I believe there is -- we have so much more depth of information and awareness and focus on the segments and communities that have been left out than there's been for a very long time.

But I think there's one area that I do think about. As much as I make fun sometimes of the mad system we have here with the federal, you know, 50 states and don't agree on much. So we have many, many different regulators and many different vehicles.

I think there's a richness to that that also is a challenge not to lose.

Andrea and I were together actually on a trip that I was asked by then -- now is deputy chairman of the Federal Reserve, but Stan Fisher was the Governor in Israel, the Bank of Israel.

He used to be my boss and asked me to come over and give a thought and a couple of us went to look at what do you do when you don't have choice. When four institutions really are the only institutions that provide banking services to the country.

And we were looking at everywhere from the communities left out, everywhere from the Israeli Arab communities, to Orthodox women's communities. There were groups uncovered.

And we kept saying why don't you have some kind of credit unions. Where is there the smaller community bank that would fit?

And truly, finally they're changing legislation.

And we've seen that in other countries where there's been such heavy consolidation.

The difference in the U.S. is how our rural, our urban. You know, we have a very diverse geographic fit. As well as communities we have geography.

And I think through all this change that's going to occur I think many of us will ride with that change and we'll go deeper into serving communities that we are most likely able to serve and add value.

We need to ensure that other institutions are able to do that.

And the cost at the moment for doing that is hard. I can't imagine how when Arden speaks, you know, the cost of running a smaller bank and doing it without the fees and charges and the cross sell that you might have otherwise is really challenging.

And so we need to think about we bring along a lot of institutions with us. And that, like the early interoperability of an ATM national network, does mean in some ways as institutions we engage more.

And the smallest institutions I think are adding and can be very important in reaching some of the segments we're talking about.

We just need to be sure that our policies regulation or how they fit into the financial sector is encompassing and inclusive so that we can.

People will have choice as well as a client in the end.

MS. LEVERE: So, Mark, can I just say one other thing? I see Jonathan's coming.

MR. PEARCE: It scares me too.

MS. LEVERE: Yes, yes. I just want to -- many people have done this today, but I feel very strongly that I want to give a very special recognition to the role that the FDIC is playing for our field and for the communities that we serve.

I think one of the missions in my life is to raise up the real powerful and positive role that government plays in our world and our communities.

And I think that the FDIC under Marty's leadership but also with his extraordinary staff has dedicated research, policy, convening, all these resources to really helping us understand and make changes in the world for the better.

And to me them holding this conference today and standing behind these issues is an incredibly important thing.

And I just want to give my thanks to this and the thanks of all the communities that we represent. So thank you.

(Applause.)

MR. PEARCE: So, before the timekeeper bug comes and lands on my shoulder I do want to both thank this panel for the rich conversation.

I had plenty more questions that I would have loved to have spent more time here.

But I also regret that we didn't have the time to pull in suggestions from the audience during this panel.

And so as you're filling out your conference form find a spot on there to put what you think is the greatest opportunity that we have going forward and maybe where you see the biggest barrier.

We'll kind of compile it and add that in to our thinking and see where we go from here.

So, with that I just want to thank the panel and everyone else for being here today. Thanks.

(Applause.)

MR. MILLER: Terrific panel. Thank you very much. And again, a reminder that the shuttle is leaving at 5:30, but before that we're going to hear some closing reflections from Chairman Gruenberg.