

Dean's Executive Leadership Series - 2009-2010

Transcript of Presentation with Brian Moynihan, the President of Consumer and Small Business Banking with Bank of America – Part 2

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Man 1: The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

Dean Linda Livingstone: Thank you Brian. That was very insightful. We appreciate you sharing your perspectives on the interesting experiences that you've been through for the last year. So I'm going to have a few questions for Brian and then we're going to open the floor to the audience. And we have about 30 minutes here for discussion and Q&A. So be thinking about what you would like to ask about and we'll give you that opportunity as we proceed through this discussion as well.

One of the things that you talked about kind of at the end of your remarks was the importance of the regulation but also the importance of sort of moderation. And I think one of the patterns we've seen in the economy is regulation has to catch up with the behavior of companies and individuals. So we sort of go down a path and then the regulation tries to pull us back. How do we get out of that cycle and how do we get businesses to think in more moderate terms without regulation having to always be coming in and pull us back? Or is that just going to be the nature of the way the system works?

Brian Moynihan: Well, I think you can look at areas where the industry had maybe learned lessons that you didn't see repeat themselves. So, even though the commercial real estate business is going to be a business, which you can read about in the papers-- going to have troubles and defaults and stuff, but if you think about the nature of that compared to the '89, '90, '91 crisis, it is very muted compared to that.

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And that's because the lenders-- a lot of lenders in that business went through that cycle and said, "I won't do this again." And so I think the difference here is we had a series of instruments, derivatives and other types of things, a lot of risks to be bottled in a way that nobody had ever seen the other side of.

So I think that the good news is that we learn from our past mistakes and we can do that. I think the second thing is the creativity that made its way through all the schemes, including the regulatory scheme allowed too much leverage. And I think that's what you're seeing come out. And if you regulate leverage, you actually can stop the problem. So if somebody can't leverage past a certain point, there's only so much damage they can do themselves.

And so, and I think that will help keep it moderation and a lot of what Tim Geithner and the banking regulators under the Fed are talking about is trying to make sure regulate stays in bottle. I think those are the ways to keep moderation, enforce moderation. From a company perspective, it's better risk management. Keep looking out, trying to figure out how things relate to each other. We've learned a lot of lessons. We've learned about counterparty risk. Nobody ever thought that Lehman could go bankrupt. So, thinking about that. So, that's more internal risk management. I think you take all those factors and mix them up: experience, leverage. Keep the leverage low and then people learning how to spot around the corners, that should work.

Dean Linda Livingstone: One of the other things you commented on was how the markets-- money was too available to companies and there was too much liquidity. And then we sort of overreacted again and got to the point where companies couldn't get access to capital to continue to operate their businesses. And so we're kind of back at a better point.

But capital is still pretty difficult to access, especially for some of the smaller businesses. Where do you see that going? And where's the equilibrium going to become in terms of that access to capital, particular with smaller and midsize businesses that are still struggling at times to get the access they need.

Brian Moynihan: If you divide the capital thought process really into a couple buckets-- so the high-end markets, leverage markets are more robust than they've ever been. The IPO markets start to kick up and you started seeing equity come into business. Even the real estate business through the first half of this year drew tremendous equity into it as it repositions the balance sheet. So there's been a lot of activity. So there is capital.

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Now there are industries that there isn't capital for and frankly because of the operating posture, you can understand that. But I think a big issue that's starting to emerge in the public psyche is the concept of lending to small business. So in the first quarter, our company did \$200 billion dollars in loans and the second quarter we did \$180-something billion dollars in loans. So we lend a lot of money. The problem that I have—and I have some of the smaller business stuff and my teammate David Darnel has the stuff that sort of starts with two million dollar revenue companies up—is when you look by size, that's where the real default rates are highest. And so the conundrum is, how can you lend into the 20% default rates for small loans under \$100,000.00? And a lot of people say you can but those are-- tend to find businesses there are just generally economically exposed.

So I think between ourselves and the policymakers, we need to come up with some programs to help capital. But I would say the mistake people are making in some ways is it's all about fundamental demands. We got to actually have programs that create fundamental demand. Cash for Clunkers and things like that did that. I think we need more programs that are funneled to small businesses as they purvey the wares of the work. And that would help. And I think if you can get some combinations going but it's going to be difficult to get a lot of capital small business that we're renewing a lot. We're giving a lot. But if you look at the quality of people we're turning down, they don't have the cash flows to support the loans. It's a fundamental underwriting decision.

Dean Linda Livingstone: We did a podcast earlier so you'll be able to listen to more conversation with Brian. But one of the things that we talked about in that was sort of the global financial markets and the global banking markets. And I would like for you to share with this group, because you didn't really touch on that in your remarks, sort of your view of that and what the challenges in that arena are. Because I think it opens up some interesting thinking and questions that some of you may have on the global perspective even beyond what we've been talking about here. So, share some of your thoughts on that and what those challenges are.

Brian Moynihan: Well, I think if you think about what happened around the globe the last 12, 24 months-- you have countries who have banking systems that are bigger than they are. So that's the case and Iceland was most extreme case. So, as you think about reconciling that going forward, it's going to be very interesting. So, you're seeing the UK's response that, with EU, is to actually divide up some of their banks, which are much more consolidated than US banks but doing that. You're seeing a view that maybe they should divest some of their international operations and concentrate their capital locally.

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And so, I think the core challenge is if you're in a country like Iceland, just to use the example, and your banks are doing business all over the world and yet your citizens have the deposits there, how do you factor all that in if something goes wrong? And I think that jurisdictional scheme doesn't exist. There's no scheme. It's individual countries regulated and there's no overall reaching scheme. So I think between me, you, and United States and various Asian organizations, we're going to have to figure out a way that companies can operate around the world because the world capital needs to be liquid and figure out a way to regulate them.

Otherwise, left to their own devices, what you're starting to see is put all your capital in my country and I'm fine. And that's going to make a very inefficient use of the system and actually create like in Lehman where you saw that the UK just ran and tried to grab the money. And that's not helpful to how you resolve these things. So, we need to scheme to regulate and a scheme to resolve and a scheme frankly to make sure that citizens of a lot of countries don't get hurt by the international operations of the banks.

Dean Linda Livingstone: And how likely is it that we'll come up with that kind of a scheme in any short order given the complicated nature of all the parties involved in making that happen-- both on the private side and on the public side?

Brian Moynihan: It's going to be difficult. They're working on it. The first thing to do is avoid everybody running to their own corner and trying to hide from each other. And that's kind of what's going on a little bit now is that people are putting up-- so we're putting our capital ratios for financial services in this country up to level that nobody in the world can comply with. So when I go to Japan or Europe and talk to financial peers that have 25% of the capital we did in the new <inaudible>; they could never come close. And so, that's what we decided. Raise our capital levels. Well, that's not that good because that means the other people can't participate. So, right now, everybody's running for their own corners.

There's a lot of work going on but I think this is actually a much more important issue for us than we think as a country because our banking system, to support our economy, actually needs to continue to grow. And that's one of the issues going on now is we can't continue to grow our banking system. We've got to finance the economy in some way. And so I think we need not to go to our four corners and say <inaudible>.

Dean Linda Livingstone: I'm going to open the floor to questions. And as you have a question, stand up so the audience can see and hear you and let us know your name and what company you're with. So, who would like to start off with the first question for Brian? Please.

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Macesh Misha: Macesh Misha with Farmer's Insurance. So Brian, you talked about the recovery and really leading in a crisis mode and one of the things I'm curious, do organizations need to rethink strategies, their core competencies, what it takes to win the game? Because if you think about crisis, even now going forward, we're sort of assuming that things will be back to the way they were two, three years ago. And maybe they won't if the game has changed. Especially if savings rate is increased among consumers and is going to stay that way, should that be key part of leading into the future? It's not about crisis. So let's sort of assume this is the new world and what is it going to take to win in this new world? Should that be part of what executives need to be thinking about looking forward?

Brian Moynihan: I was in Japan six months ago and I was talking to a major bank. And we were talking about the savings rate in Japan and I said we need your savings rate but not tomorrow. And because if our consumers have fueled the economic growth not only in our country but around the world and if we all start saving like we've done, that pullback actually takes a lot out of the economy. So we need to manage this carefully over time. But I think your point about the implications of an unemployment level that could stay above 5% for a substantial period of time, a savings rate that could take money sort of into this system and a little bit out of the system of leverage and then grow; buying things and creating an economy. The number of people who under the current rules won't be eligible for credit because of the charge offs and things like that. So, those are all going to be factors that we got to think through as to how that happens.

And then frankly, the structure in a financial services industry at least is much different now because you have four or five major companies that are actually going to have to compete more like a Coke/Pepsi competition than the traditional way they competed years ago where it was more geographic based and stuff. So, all those that factor into-- the more general lesson is you got to look at your customers and follow your customers and they're going to tell you what they need. And right now, our customers, the Americans are saying I want to be more conservative. I want to stretch every dollar and I want to do this. And I think every industry has to think that through and we'll see what happens over time. And their behavior will change over time but right now, that's where they are. And I think that's how you have to be competitive is to follow what your customers ask you to do.

Kyle Murphy: Kyle Murphy, president of Switch Stream and Adjunct Faculty at Pepperdine. With the repeal of the Glass-Steagall Act in '99, it allowed-- or a few years before that-- it allowed the risk neutral of commercial banks to start doing business or be tied together with the really risk-seeking of investment banks. Do you think that was one of the cause of why we got to where we are and a lot of the banks, particularly commercial banks being so damaged by overleveraging?

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Brian Moynihan: I don't think so because I don't think it's the commercial banking system that actually failed because of the integration with the securities business. The securities companies actually have all become banks because they need to stable funding and stuff. So I think that's a too easy an answer to the question, which is if we have a corporate customer and they want us to provide them access to capital markets, that has to happen. There doesn't need to be a separate industry. The analysis for a good underwriting is the same whether it gets distributed or whether it gets capped. And so I think to blame it on Glass-Steagall repeal, which remember, it was largely broken down way before that. And so I think that's a convenient idea.

One of the challenges that we have to have in the regulatory environment is to regulate the problem and not the institutions and think about the problem. So, if you put it in the context of consumers, if as a matter of social policy we think somebody shouldn't buy a home without a down payment, you got to regulate that activity. You can regulate banks but they didn't make-- they weren't in a sub-prime business by and large, right? So you have to think about that. Same with the securities industry. You can regulate derivatives but on the other hand, who makes the derivatives shouldn't be the question as you want to regulate derivatives and bring them to the exchange. That's what you ought to do for transparency and settlement and things like that. So, I'm not sure that Glass-Steagall makes a difference in that.

I think it's really figuring out where the activities are. And the securities firms had much more leverage than the banking system at the time. And the foreign banks had much more leverage than the US. So this isn't saying who was right and who's wrong. I just don't know if that's the right answer. The right answer is what activities cause a problem and regulate them no matter where they show up. So find the pea under the mattress and say, "We're regulating that." Not let's try to regulate the mattresses on the way down and that's a mistake I think we can make because we can go to the entities and not find the pea.

Victor Alvarez: Brian, good evening. Victor Alvarez, Wells Fargo and EMBA student. You mentioned that the small business segment is really the one that had the highest default rate and certainly working in that segment of the industry, I have seen the same. So, I really have two questions. In part, the first one would be: Do you think that some of the better or the more financially sound companies within that segment are looked at differently but just because of the small business nature? And second: Do you think introducing maybe some sort of an audited tracked kind of like the larger corporations would be more needed or something that's needed within that market just to help them gain some capital?

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Brian Moynihan: I think we as an industry need to keep making fundamental underwriting decisions on the one but make sure that we're really looking at every application, for lack of a better term, with every request for credit very carefully and making sure that we're not being too conservative right now. If you have a consumer led recession, which we've had and that is affecting a lot of categories of small business.

The categories around residential construction, which is driving the economy now has come down to a much smaller position. It was driving restaurants and things like that. It was driving retail sales and allowed that to happen. I think the lesson learned is if you look at-- we have a group that finances dentists and doctors. No default problem at all because that was core to their need to make money, therefore, they were going to pay to finance their practice to buy the equipment and stuff.

So, I think it's customer selectivity on the lending side but it's also being realistic about the type of things that go on when you have 10% unemployment and the drop in consumer spending and housing values we've had and not try to cure that problem now. But, not try to cure the excess that created that problem now but actually figure out how to get some money in the hands of small business. We're working on some ideas to do it but it is difficult because a lot of the business where people would like to give financing to are businesses that just don't do well now. And so we see the failure because they don't have the debt service right now. And so that's something we need to keep working through because it's very important to kind of get the economy going to the next step and so we're working on some programs and the thoughts and hopefully we'll be able to do some stuff.

Dean Linda Livingstone: Yes, Bill.

Bill Allison: Hi Brian. Bill Allison, South Coast Engineering; a consulting firm that works with small businesses on strategy. I'd like to come back to your comments on leadership and communication. So I want to put a phrase out first and that is, "The less you know, the more you make up." And the intent of that phrase is especially in an organization; if you're not getting information about what's going on, what the objectives are and things are bad, you tend to create an image of what's bad that probably much worse than reality. So, getting that communication of the workforce is extremely important.

So you illustrated using why and using your management structure to flow down information. What I'm curious about and what I've seen as a failing in a lot of companies is what do you use as a check and balance to make sure your message actually gets down to the people in the workforce and that what you intended to communicate was being properly heard?

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Brian Moynihan: There's a couple different thoughts on that. First, one of the things of a leader at anytime is to actually be able to visualize everything you ask your company to do or ask your team to do to the person that actually has to do it. And one of the ways I think you acquire that skill is to actually go out and talk to people who actually do it a lot. And they will tell you right away if they think you're off course. The toughest part of getting told the truth, for lack of a better term, is actually intervening layers. It's never the people who actually have to do it. And I've found that in a matter of-- I've had investment bankers. I've had financial advisors. I've had tellers. I've had proof operators, which the people that process all those checks. I've got all different kinds of people in my life and the one truism is the people who actually do the work will tell you what you're doing right or wrong. So, one is to go out and talk to them. And that's so you can hear your message.

The second is to actually make sure that people-- that the team's that in the middle management, for lack of a better term; understands it is their job and understands that as we do associate listening and stuff, we will figure out if they're do their job well. And so we can go down to ten people to tell you whether your associates feel free that they can speak their mind or whether associates feel free that they understand the company strategy. So we test this every year. We go back and survey our associates. And so we can pinpoint it to where it is. And so I think you have to have processes like that.

One, you have to listen and actively listen as a senior manager and have people that have that skill working for you. And then you have to have formal processes where people can give feedback. But it is a challenge to make sure it gets through. In the world we are today, you also have just the ability to put something out and distribute it through the 300,000 people like that. So, we have Internets and Intranets in the company and stuff. And so we use a thing we call Media Buzz, which is during this crisis was largely just to arm our people with the facts or not the facts about what might be written about us in a given day. And associates here will tell you that gives them a great ability to at least say, "I understand what the media said and I understand what our point of view is." Sometimes that gets through to the customer, sometimes not. So, you can have those techniques too. But I think you come back from a leadership perspective, it's your ability to listen or to facilitate listening in a way that no matter how big the company is, you have to be able to do.

Dean Linda Livingstone: So in a follow-up to that, and you touched on that a little bit in there, there's clearly the communication with your employees in the organization in making sure that's getting down clearly. But you began to touch on how you get the accurate message out to your customers and to the public. And with all the media that's been around what's gone on in the financial service and banking industry-- some of it accurate, probably some of it not accurate-- how do you get that message out? And there's obviously a lot of skepticism and cynicism in the broader community around what's gone on in

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financial services. So, how do you manage that side of the communication; that side of kind of managing the message that gets out there?

Brian Moynihan: It is difficult now because the media is not going to listen. Winning the war in the media is an impossible task on a given day just because there's so much information, so much going on. But the idea is ultimately your associates know what you're doing as a company. Know what you're doing. And if you communicate directly to them, they're comfortable that they know the facts. So, in the depths of this in March when our stock price got down to under \$3.00, we were lumped in that we were undercapitalized; this and that and the other thing. In fact, our capital at that time was the highest percentage it'd been in our history in some cases. And so you just sit there and publish the facts and said that here's the ratios and here's the things. And so, it was an odd thing to be talking to people like financial advisors who are obviously financially very sophisticated but also to people who wouldn't have that as their background, to talk about capital ratios. But we had to because the media kept saying that we were undercapitalized and it wasn't close to being true.

But at some point, you have to put out the facts. So, when the move's going on, you can't let the press shape what your associates think. You have to shape it, which is both of your points and I agree with that. But you have to do it in a way that people can understand it and a speed that people can absorb it. But that's what we did. And Ken went out and did a lot of public appearances in a way that-- just to make sure that people knew that we here and fine. And that helped stabilize the team and the team here would all agree with that I think. But it wasn't that you're going to get the person to write a paper story that said the opposite because it was just too hard to figure all that out.

Eric Kim: Hi, my name is Eric Kim. I'm part of the 15 month program currently. And if you don't mind, I'd like to switch gears a little bit. Just me, as being a student currently and aspiring to be in a position that you are in today, if you could tell us-- maybe speaking on behalf of some of the other students here, how you got to be where you are? If it's something that you always wanted to do? And if you could tell us, if you could give somebody like me advice, especially when it comes to management in the financial services industry, what tangible steps that I can take now that I can prepare myself and hit the ground running next year?

Brian Moynihan: I started to answer that question a little cynically saying, "You really want to do what I do right now?" <Laughs> But what I do, I feel privileged to do it every day. So I speak often to the groups of leadership development programs we have and everybody always asks this question. And often lawyers ask me this question, "How'd you get to do this?" And there's one thing I'll tell you, if you try

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to plan your career 10, 20 years out, you will be in the position you constantly disappoint yourself because no matter what you think is going to happen, it will happen somehow different. So, one of the keys to be successful, never turn down an assignment. Because your boss thinks it's important, it's probably important. So never say I just won't-- I can't do it.

Now, we decide work/life balance, you got to manage your life. But never turn down an assignment. When you move from job to job, make sure you do the job you're in and not the job you used to do, which for first level managers is one of the critical mistakes. Third, is learn as much as you can and have a passion for what you do so that people can see it and feel that you're going to add value. And fourth is just don't be that inflexible that when something comes up, just do it and not be worried about it. Because if you're really worried about it and you really say I'm going to figure out what I'm going to do in 2014 and '15 and '16? It just isn't going to happen.

So, be flexible. Be intelligent. Learn. Go out and do things. Learn a lot. Grab everything you can as I always refer to it; get a lot of flight time. Get a lot of hours in the air. And then let the things shape and make your decisions. And the last thing is make sure you work with people you like because it is work and it will be much more enjoyable if you work with people you like. So, make sure you work with people you like. And so, that's the range of things I'd give you. If you want me to say go to law school and then do this, I'm sending you on a course that's not what you should do.

Dean Linda Livingstone: Tell them to get their MBA and then do it. That would be a better answer.
<Laughs>

Brian Moynihan: So, just let it happen.

Dean Linda Livingstone: So Brian, when you look back on your career, were there people along the way that were really significant to helping you learn these things or helping you make good choices? Maybe who were some of those people and what were the lessons you've learned from them? Beyond your big brother Kevin, you can save that for later.

Brian Moynihan: If you think about different CEOs I've worked for, they've had different views and attitudes and what formed them. And so, you learn from some of them real customer focus. You learn from other ones the toughness and the 'don't believe your own BS' so much. You learn from other ones combinations of discipline and how to manage across organizations. So I'd say from a mentor

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perspective, I was lucky. When I was a lawyer, I had a wonderful partner named Doug N. Johnson for years that let me do more than he should have. And then when I went into business the same thing happened. With Terry Murray and Chad Gifford and Ken Lewis, the three CEOs I worked for. So, people were always willing to take a risk and you have to learn about that.

I think people discount how much you learn from the people that actually work for you. And so, through my career one of the things people would say is you surround yourself with all these very young, bright, energetic people and then their conclusion was they would do what I said. I actually surround myself with young, bright, energetic people who beat the heck out of me and never would do what I said unless I was so convincing that they had me worn out that they'd finally give in. And that's something I've always appreciated.

So if you said who-- they would be people who would be critical to my career and success who worked for me and a lot of them are still working-- most of them still work in our company somewhere else or somewhere else. But the key about them was-- is they-- maybe they just weren't political astute enough in their careers that they were willing to have it. And that's something that you got to have because it's hard to get an honest read from people and that's what I value. So someone like Fung Bo here is over here who has worked for me for now five or six years-- actually, she technically doesn't work for me now-- would tell me when I first met her, what we were doing right and wrong. And that's critical. And so, surround yourself with people who are smart but give them an atmosphere where they could actually tell you where to go. And at some point, you have to lay the rule down-- this is the rules and this is what we're going to do. Make the decisions. That doesn't mean-- but you got to have that input and spirit.

Dean Linda Livingstone: That says a lot about your style too that you are willing to put people around you that will disagree and you'll listen to that. That's one of the failings of many leaders is that they don't want people around them disagreeing with them or telling them that they're doing something wrong or that they have a different opinion. And so, certainly that's a quality that a leader needs.

Brian Moynihan: One of the things that I learned from one of the CEOs and as you get more senior is you spend more and more time listening and less time talking and doing. And in that process you have to listen with a knife and that's one of the challenges. In other words, you have to listen in a way that actually can cause a result and be very sharp edged and listen. You don't say a word but you have to listen in a way that you can actually absorb and make sure things happen.

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And I was taught that by one of the CEOs I worked for and he always marveled me because he-- I said, "You have patience that I've never believed you have." Because I've seen him outside a formal business meeting. And he said, "But if I don't listen, I'm not going to really learn what they're trying to say and I probably know the answer I'm going to get to in a lot of this stuff." Because he'd been-- vast experience; worked in all the business. "But if I don't listen, I'm not going to really figure out if I'm right." So, he learned to listen more and you have to listen more. And it's something that I can do every day and learn from.

But you listen with a purpose. It's not just listening. Who's smart? Who's good? Who's giving me right ideas? How are they're thinking about the ideas? When they're challenged by one of their associates, how do they react? Do they have the buy in of the people they need to do it? And you can get all that without saying a word. And it takes incredible patience and believe me, it takes incredible patience. And I've had to develop it because I'm one of eight kids. You spoke fast and you spoke a lot because the next person was going to come in and speak over top of you. And so to learn how to be that patient has taken a lot of work.

Dean Linda Livingstone: Do we have anymore audience questions? I would like to conclude with another question. So let's do one more from the audience and then I have a question I would like to conclude with.

Carla Ray Chema: Carla Ray Chema, doctorate student in the Organization and Leadership Program and an associate as well. And you mentioned work/life balance a little bit. How would you define work/life balance and is it attainable at your level?

Brian Moynihan: I'm probably not the best person to ask that because in a sense, that's a measure you which you may think you have balance but you have to ask your family. And I'm lucky that I have a wonderful wife and three wonderful kids that somehow-- What I do is I work and I spend time with them. And that's a decision I made so what our clients say-- you could play golf or go to this sporting event, and I just focus on trying to do that with them. So whether I maintain that balance right or not, I know that I only have a couple choices and I try to make them wisely in terms of where you spend your time.

Work/life balance in the progress, especially females in financial services is something that I've worked with my team-- I'm the Chairman of the Global Diversity Inclusion Council for Bank of America. And it's a wonderful thing and I've been doing it for about five years. And we're one of the best companies in diversity by statistics and everything. But we really focus on-- we've moved from statistics to inclusion.

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So, can we be the bank of opportunity for every associate? Can they do what they want? In a core issue around women is how to have people work and take-- women and actually and more and more with men with parents and stuff but this whole issue of on-ramp/off-ramp and getting a balance where people can actually not only work and have work/life balance but also have abilities to move in and out of career path and maintain a career path. And that's something we're working on hard as a company because it's a challenge. And because of behaviors have been built up over the years are not conducive to that. And so, we've spent a lot of time and I think we've gotten better at it. And yet we have a lot of work to do and we'll continue to work on it.

But when it comes to work/life balance, I think it's one of those things that you just have to-- if you're not comfortable, if you're fighting it; you're not doing the right thing. If you go home and you're comfortable with how you spent your day and your family is comfortable with how you spent your day and that works, you're comfortable. And that's going to be a different answer for every single person. But if you're torturing yourself, you got to step back because it will affect your performance over time. You can't go to work knowing that you've somehow done damage to the most important part of your life at the same time because of how you're behaving or how you're working and stuff like that. So I think that balance is actually good. And I try to coach it into our team and you often get, "Well, how do you handle it?" And the answer is, do as I say, not as I do. You got to figure out what works for you.

Dean Linda Livingstone: I want to conclude with a question that ties into something you talked about in your introduction that we haven't talked about yet. But you do a lot of service work in the community or try to embed that in what you do. In the mission statement of the university, we talk about preparing students for lives of purpose, service and leadership. So, talk a little bit about why you think that service piece of what you do in the nonprofit world is important and maybe even what advice you would give to either the individuals here or to companies about how they sort of embed that even more fully in the experience that they have.

Brian Moynihan: Well, in our company we embed it-- the Team Bank of America, which is a name we give to our volunteer efforts is hundreds and hundreds and hundreds and hundreds of thousands of hours. Then you get to associates who sit on nonprofit Boards and volunteer their time without putting it through the system. So, it's something we value and something most companies value and sponsor. But I think we've all gotten more from society than we probably deserve. Look at all of us. And so the challenge that we got to give back in a natural way that's natural for you.

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So I pick things that I know I can actually impact. So I don't sit on Opera Boards or something like that because I'm one of 20-something members and what happens? I pick things I can actually impact because frankly if I was going to spend the time, I want to see if I could actually help. So, and other people make the choice a different way and that's fine. But I've always believed that this shouldn't be something you do, it should be something you want to do. And the reason why I do it is something kicks an interest up or something gets me started and I get into it and try to do something. But it is something that we value at our company. It's something our leaders value. But it's something you can talk about too much but the reason why that you should do it is for the right reasons and then do whatever turns you on.

And when you go to that work/life balance, the idea of seeing a bunch of kids in a small setting that the team has been able to help and you've been able to give you little part is wonderful. And so, that just makes what you do worthwhile. I always remember there was a <inaudible> sit on nonprofit Boards and you see when the economy hits a nonprofit and how they have to take out people just like we do all the time in big business and businesses. And you just go home and you say, "This is unbelievable that this five million dollar enterprise is taking out \$200,000.00 in compensation." And it's so gut wrenching to go through that you have to remember that they are companies too. They're businesses too. And to help them, guide them is good. So, I do it because it's what I like to do but I do it where I can have an impact that actually be it my advice or my time or my energy or my support structure, I can bring them through the company and through colleagues that share the same things can be helpful. Other people choose other things and that's fine. But I think it's incumbent upon all of us to do it. And it will make your life more right and therefore have more purpose.

Dean Linda Livingstone: Well, I think that's a good note to conclude on tonight but we really appreciate you spending the evening with us Brian. Thank you so much. We have a small token of appreciation for your time with us so thank you very, very much. Well, we appreciate so much all of you joining us tonight. We hope it was very valuable and beneficial to you. You will have two ways that you can hear Brian again or more of Brian through the podcast that we did earlier, which we even touched on a few different topics and this it will be available on iTunes University in the next few days. And then the video of this presentation will be on YouTube University so you can watch this again if you'd like to hear more of this; certainly share it with others as well if it would be valuable to you. And we hope we see you again on December 3rd at Fox Studios for Jim Giannopoulos. So thank you for being here and have a safe trip home.

####End ####

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