

Texas 2036 Straight Talk Texas: Interview with Elaine Agather, Chairman of the Dallas Region for JPMorgan Chase & Co

Join us as we speak with Chairman of the Dallas Region for JPMorgan Chase & Co, Elaine Agather. Elaine also serves as South and Midwest Region Head and Managing Director of The Private Bank at J.P. Morgan. She and Texas 2036 founder and chairman Tom Luce will discuss how JPMorgan Chase is responding to the pandemic and how she sees economic recovery in Texas.

The following interview has been edited for clarity and brevity, as well as to provide audiences with the key highlights.

Tom Luce: We'd all be remiss if we didn't say our state and country face even more challenges than the pandemic today, given what has happened with the murder of Mr. Floyd. How are you and your colleagues at the bank feeling about all this?

Elaine Agather: It breaks my heart. I'm from Sherman, Texas so it's not a new conversation. I think it starts in the workforce where we treat each other equally and fairly. At our bank, it's been a deep conversation that perhaps we should have had five years ago when Ferguson happened, but it's something that's important to me. It's important this doesn't get lost in the pandemic. We need to continue these conversations, we need to understand what our colleagues are feeling, and we need to change things now. I'm very proud of the bank and how we've been addressing it. The time spent working through these issues has been enormously beneficial.

Tom Luce: It does feel like a failure for our generation but hopefully we can be part of the solution. I know you and I share that deep commitment. This is coming in the midst of the pandemic and corresponding economic fallout. I know the bank has been a major participant in how we recover from this, starting with the gigantic efforts with the PPP loans. Share with us where you think we've come since the last 30 days and what this is going to look like for the rest of the year.

Elaine Agather: I've been at the bank 40 years and when the pandemic hit, it didn't seem possible to find ways to work from home. But in five days we had 80% of our workforce working from home. Number one, we realized technology can do a lot more than we thought it could. There are things that we have learned and becoming more self-sufficient was the silver lining in all this. I'm also proud of the way we took care of our clients. We've done everything from loan assistance, deferring mortgages, helping small businesses, all that you would expect a bank to be doing today. The good news is, this crisis is different. Everybody has said it a million times, but the banks are healthy and strong. I think that has been comforting, knowing we can help people. We've worked harder than we ever have, because there is so much need out there right now. On the PPP loan, we funded more small businesses than any other bank.

Our average loan size was about \$120,000. We really focused on that because there's a lot of small businesses that don't know how to get the money. You've got to help people figure out how to help themselves. It's complicated and there's a lot of forms. Our bankers have spent hours and hours trying to help people access the money available. For us, that's been really gratifying and kept us very busy. As for our employees, there were a lot of employees that needed to come in, our tellers. We gave all our tellers extra bonuses, we gave all our 250,000 employees five days extra and the joke was, "Where are we going to go? Where are we going to take that?"

Money won't fix all of this, but it's important. Money and jobs are important. I've always said, "A J-O-B is everything." So last year, just in Dallas, we gave almost \$10 million in commit and jobs programs. Talent is critical and we have to train talent for our state. If you look back at our bank ten, 15 years ago, the way we allocated money was very dispersed. We've since tried to focus on more specific areas that can truly help all of us, and that's our talent and low income housing, et cetera.

Tom Luce: I think that's going to be even more important. We're going to have a lot of economic dislocation and we're going to have to rescale and upscale and change jobs. There's going to be a lot of fallout from this. We have to make sure people can be trained and kept in the workforce, even though the nature of their job is changing. That's going to require a real adjustment of our education system, and a dedication to aligning educational outcomes with employer needs.

Elaine Agather: Financial education is critical. T. Duckett, our leader in the retail world, is one of the rising black leaders in New York. Maybe we can run her for president at some point because she's awesome. She has been hyper focused on financial education because there are so many people in our country that have not saved even \$100. We have to teach people, young people from the start, how to handle their money. It becomes a mystery to so many people.

In Texas, we just built a beautiful location in Plano that's going to have 11,000 employees. I think there will be a lot of, to your point, how do you redeploy and reeducate people? Things that people were doing before the pandemic, we've become more efficient. We have to keep making sure we are training our own people. It starts at home redeploying them within our bank.

Tom Luce: It's a big job for employers right now and it's interesting with all the publicity about reopening the economy, so many employers are still thinking through how to safely and adequately do that. That's a perfect example of that. Well, I see that you've taken on a new role in Fort Worth. Tell me about what you all are doing in that arena.

Elaine Agather: I have always been so focused on the bank, I love to give back, but when I got a call from Mayor Price in Fort Worth, I thought, "Now's the time." This is an example of cities across Texas focusing on how to attract new employers to our state. What is attractive about our state? How should we be proactive about getting

companies to move here? Not just reactive, not just, "Oh, look, Tesla's moving. Call us if you have time." We need to be proactive because that is also how we're going to help our economy in repurposing some of the jobs that are lost. And Texas has a lot of attractive qualities. So that's part of Fort Worth now. There are two phases - a jumpstart that is really critical and then the Chamber. There is a lot of money out there right now that needs to be put in the right hands, such as small businesses. A lot of people need to know where the money is and how to access that money, in addition to knowing what the needs are. Fortunately, I haven't called anybody that's not willing to help.

Tom Luce: How do you think about the rest of the year economically? How do we think about these uncertain times economically? Is it an L shape, V shape, U shape, W shape, backward check mark?

Elaine Agather: Obviously with the stock market there's been a real disconnect, but we all know the stock market is made up of different stocks, and huge pieces of our stock market are driven by tech stocks, and oil and gas. We do think there's a lot of bright spots. We are bullish. In fact, we're bullish on oil next year. We think there'll be clearly some disruption, destruction, but it's not going away. There is, I would say, a big fat U. We're going to have a period here during the rest of 20 and 21 with a lot of ups and downs, but the basic economy and some of the opportunities, once we continue to get this economy restarted, will bounce back faster than others. I think the very dense areas like New York and Chicago might be a little slower to reopen, but in the middle of the country, we might reopen things and spur the activity.

Tom Luce: If you have to face a pandemic, you'd rather face it in Texas and in the United States than any other place in the world. So that's the bright spot we have to keep telling ourselves. We all lived through 2007, 2008, the 80s financial crises, but this is a different ball game now. It's impacting so many people. We had more people file for unemployment in three weeks in March than we did in all of 2019. That's just staggering. The other thing is we've had an awful lot of people lose jobs that have never been unemployed, never faced the situation. I mean, we live in really dramatic times, but I think we'll get through this with the help of institutions like yours. Thank you.