

**CRISIS AND RECOVERY: FROM 2008-PRESENT, PART 2**

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Featuring:

Rosie Rios, 43<sup>rd</sup> Treasurer of the United States and CEO of Red River Associates

Robin Vince, Vice Chair of BNY Mellon and CEO of Global Market Infrastructure

Moderated by Tom Hoare, Deputy Chief Communications Officer, BNY Mellon

TOM HOARE: Hey everyone, it's Tom Hoare. Thanks for joining us for another episode of our BNY Mellon Perspectives podcast series.

Welcome back to part two of our conversation between Rosie Rios and Robin Vince. For those who have not had a chance to listen to the first part yet, or if you don't know Rosie, she is an incredible leader. She served as 43<sup>rd</sup> Treasurer of the United States in the Barack Obama Administration and served in very senior roles in both the Obama and Biden Treasury transition teams.

And while the first part of the conversation largely focused on her experiences on those transition teams and having a front-row seat to how incoming presidential transitions navigate economic crises, today's discussion is more forward-facing. Rosie and Robin discuss her role in helping get women represented on our national currency – in fact, she was instrumental to legislation signed earlier this year, which will help put historic female leaders on coins. They also discuss the future of digital currencies and digital assets. This is an area where BNY Mellon is at the forefront with our announcements earlier this year, and where Rosie is very much involved as well, having recently joined the board of Ripple, a real-time crypto settlement and payment service.

Finally, you'll get to hear a little bit about Rosie's experience as a co-panelist on a reality television show with Apple co-founder Steve Wozniak, and how that fits in with the future of leadership and entrepreneurialism.

Finally, a bit of a plug, Rosie is speaking at BNY Mellon Pershing's upcoming INSITE 2021 conference. It's the largest conference hosted by the firm each year, and I'd love for you to learn

more about the line up and register at [BNYMellonINSITE.com](http://BNYMellonINSITE.com).

So without any further ado, let's get right to part two of this conversation between Rosie Rios and Robin Vince. Remember as always to leave us a review and a rating in your feedback, wherever you listen to your podcasts. We'll see you at the next episode.

ROBIN VINCE: So let's carry on for a second on this currency theme, because I know that you've got some other interesting things to talk about in this space. I mean, here at BNY Mellon, as America's oldest, we do know something about currency. Our founder, Alexander Hamilton, is on the \$10 bill as you know, but what our listeners might not know is that you were very involved in the legislation around adding women to minted U.S. coins, and that you really started and led the efforts to place a portrait of a woman on U.S. currency for the first time in over a century. You're the founder of an initiative that facilitates the physical recognition of historical American women. And so can you give us your take on the importance of that point of having role models from history represented, and particularly given your work, represented on our currency? I mean, how did that start? How does it work? Where does it stand now? Just tell us about that.

ROSIE RIOS: Well, thank you so much for asking that. So if you would've known me 15 years ago, obviously I'm a woman, I'm a woman in finance, which is already kind of a rare breed, but if you would have asked me 15 years ago that my personal passions would have been historical American women, I would have been very surprised. Not that I wasn't proud of who I am, but it's just something I didn't really wear on my sleeve. I've had amazing bosses where I've never really felt like gender played a big role in my career path. So it was actually my awakening, if you will. You heard me, you mentioned accidental historian. I'm also an accidental educator. And I guess I call myself an accidental feminist. It was very eye-opening what happened during that time of the transition team. Again, when your brain, your head is already kind of in this other space of stress, and then again, my respite of going to the historical resource center and when you go through something for a while, you start to see a pattern, right? When you look at something and you see something over and over and over again, you realize holy cow, right?

So as I'm going through that artistry, those renderings and concepts that I mentioned earlier in all these financial products, I noticed that these symbols were used on all the financial products as part of the design. And every image that I came across of a woman was not a real woman. They were allegorical, like lady liberties, usually in their togas and sometimes no togas. But every image that I came across of a man was a real man, a Founding Father, a Cabinet member, a President. And that kind of woke me up a little bit and I kind of did a little bit of research and I realized that in the history of our Federal Reserve notes, we had never had the portrait of a woman on there ever, which I thought was odd because I also did a little bit more research and I realized at that time, there were almost 30 countries who had women on the modern day currency. So here we are, the leader of the free world, why was that the case? So I asked the Bureau of Engraving and Printing director who would eventually report to me and his assistant and his assistant, I asked him the same question, why this has never happened before. And all three of them had the exact same answer: They had about a hundred years total at the Bureau of Engraving and Printing. The same answer individually. Ready? No one's ever brought it up.

ROBIN VINCE: It's unbelievable.

ROSIE RIOS: Right? How could that be? Because again, it's all around us. And by the way, today, I'm kind of exaggerating a little bit about the modern developed nations. It's pretty much still about us and Saudi Arabia. So I did a little bit more homework during that time, and I realized that, ready for this? By law, it's an act of Congress to redesign coins, but to redesign paper currency, it's one person in the world. Not Congress, not the President, but the Secretary of the Treasury, by law. So I knew that all I had to do was get to one person, Secretary Geithner. And it's not an easy task, you can't just go and slap something on there and call it a day. There is a very technical process for how currency is redesigned based on security threats. So it's measured in parts per million, and I knew that I would have to do this in a way that would normally follow a currency redesign process, because I wanted to take the politics out of it. And it took me a few years. It was me and my small team.

I chose Treasury of the United States to cobble together this portfolio that would allow me to oversee this process, and make the final recommendation to the Secretary. That included being a Senior Advisor to the Secretary. That included being the Chair of the Advanced Counterfeit Deterrent Steering Committee, which is the only collaborative that exists between Treasury of the Secret Service and the Federal Reserve, specifically on monitoring threats to our currency and ultimately currency design for the future. So, by having the confidence of Secretary Geithner and our Chief of Staff, Mark Patterson, who was amazing. They allowed me to cobble together this portfolio. I'm the first person ever in the history of any administration to have the responsibilities that I had, including oversight of the Bureau of Engraving and Printing, that allowed me to tee this up. It took a good four years to tee this up. But when I ultimately made the final presentation to Secretary Geithner in 2012, his response was, "This is cool. We should do this."

ROBIN VINCE: And so where does it stand?

ROSIE RIOS: Well, as you know, we made the announcement in April of 2016 to have Harriet Tubman on the \$20 bill. As you probably heard, and this was certainly the case during transition, President Biden would like to take another look at how we can expedite this project. And believe me when I say no one wants this to happen more than I do. Again, I really don't think of this as a gender initiative. I just think about this... as I keep saying, it's not his story or her story. This is our story. And the reason why I focus on historical American women ... Again, people might think this is a gender issue. But what I realized, especially during my two years as a visiting scholar studying millennials and post-millennials, is that this really resonates with them. These stories really resonate with them about these historical American women. And I'll never forget. So, put it this way. If you think it's hard to be a woman today, imagine what it was like 50 years ago, or 100 years ago, or 150 years ago. If you're going to make a dent in history, it's going to be something overwhelmingly difficult. It's going to be just a lot of courage and perseverance to get something done. When kids, especially high schoolers or middle school, because they read these stories. These are just dramatic stories. These are just people doing extraordinary things to make a difference above and beyond the call of duty. They don't think, "Oh, that's a woman's story." It's like, "Cool. That woman had to dress up like a man to serve in that war, or that woman had to teach herself how to read by candlelight in order to fill in the blank." It's just these crazy stories of real people who made a difference. It's very inspiring. It's what I call inspirations for aspirations. Using real people to make a difference in someone's future,

male or female.

ROBIN VINCE: And physical representation matters at the end of the day, as you were saying. Whether it is statues, or whether it's the coins, or the currency, and kind of the printed bills. It really does make a difference.

ROSIE RIOS: It makes a huge difference. One of the other initiatives that I have is what I call "Women, Money and Power." Women in positions of money and power. Very threatening. But it's because, if you look at every indicator of how women have participated in social, political, economic indicators, for whatever reason we flatline at 20 percent. Whether it's in Congress, whether it's in the Senate, whether it's mayors, whether it's governors, whether it's corporate boards, whether it's a C-suite. It's like this strange little 20 percent flatline. 20-something percent that we flatline, and moving the needle just doesn't happen. Again, women are 51 percent of the population. The reason why I focus on it is because everyone has a mother, a daughter, a grandmother, a niece, a granddaughter, whatever it is where they feel an equity stake.

And I know people don't like when I say this, but most of my champions have been men with daughters. If men are in 80 percent of the decision-making capacity, that's how change happens. Women-to-women, it's just not getting done. And the only way change happens is when we don't accept the status quo. When I sit down with the CEO, or I sit down with a decisionmaker and I tell them, "If it doesn't change, your daughter is going to experience the same." And then their first reaction is usually, "What do you mean? My daughter is going to 'fill in the blank,'" and then I show them the stats. These are my numbers. These are the numbers. And it's a wake-up call. It is. It is a future leadership issue. It is much about boys as it is girls. We don't want to be the novelty, we want to be the norm. The only way that happens. And that's why I focus on this next generation, because they already see it. Right? My generation grew up with those same kind of borders, boxes, and boundaries of checking boxes. These kids, or young adults, love optionality. They love fluidity. It isn't necessarily about one gender, or one race, or one political affiliation, or one religion. They're very spiritual, but they're not necessarily landing on one religion.

And again, as our country becomes much more diverse, you're likely going to be that your in-law, son-in-law, whoever it's going to be, may not look like you. It's all about the numbers, right? Our country's changing whether we like it or not. And I am on this very big mission. I'm on this Congressional Commission that's starting to plan the nation's 250th anniversary in 2026. I don't know if you remember the Bicentennial in 1976 in the U.S. But I remember like it was yesterday, and we went to go see the little fireworks in our little local airport. Then as a class, we took a field trip to the Amtrak station in Oakland to see the Freedom Train coming around. So, it's kind of ironic that I get to be part of this executive committee that's actually planning what this commemoration is going to look like in five years. I think I'm giving myself, perhaps, this five-year journey to try to make a dent. You mentioned the coin initiative, the coin legislation. That took me five years. Five years. And this last December, both Houses of Congress passed it. It was signed by the President in January, where next year we're going to have five quarters – the quarters in your pocket – five quarters a year that's going to highlight historical American women, youth sports, the Olympics, and our 250th commemoration. All the pieces that I love are very passionate about. All of those will be on our quarters starting next year. So exciting. But it took me five years, and I'm still working on the paper currency redesign. I'm

not going to give up. I still have a journey here.

ROBIN VINCE: OK, so Rosie, I'd love to stick with this theme of future for a second, but pivot a little bit to finance, and talk a little bit about some of the transformations that we've all been seeing in technology in the financial sector. You've been an observer of this for many years...

ROSIE RIOS: Well, I'm a participant. I'm a participant. Absolutely.

ROBIN VINCE: You're a participant and an observer over a long period of time, and actively since you started in Treasury, for sure. And at BNY Mellon, we're also very focused on these evolutions, and the opportunity that comes with them, to help our clients be more efficient. Could you give us a little perspective from your vantage point on some of the disruptions that are going on right now? What's exciting to you in the future of finance right now as we see it?

ROSIE RIOS: I'm all about disruption. It is interesting to see how Wall Street, how financial institutions in general, have had to not just adapt, but be the leaders. Right? You're the ones who are finding and funding the future economy. The current economy, but more importantly the future economy. Because we all know it's about growth. It's always about growth. What a lot of people wouldn't realize is what happened in tandem with the financial crisis, as I mentioned, the advent of the use of social media. But the iPhone came out in 2007, and that really opened up these huge digital doors that didn't exist before. A lot of the upswing in terms of jobs was in these technology jobs. Again, what happened with Facebook, and Google, and Apple, Amazon, Microsoft. All these companies that just went out guns blazing. Those were the disruptors, if you will, of this new gig economy for that period of time.

What you're seeing now, and government does play a big role in that as well, is planting the seeds for future growth. And so the emphasis today on artificial intelligence, on cyber, on crypto. Again, it starts with a C. Those are going to be ... Follow the money. That's where you're going to find the levels of investment. And also in the nanotechnology, the biotechnology, all these kinds of seeds that are germinating around institutions, around colleges and universities. Those are really, really key. And it's not a one-size-fits-all. It's not just going to be Wall Street that's going to do it. It's obviously going to be in Silicon Valley, in the VC world. Again, in these research and development centers where a lot of this due diligence happens.

I'll give you a great example though that it doesn't happen overnight. But boy, do you have to be very forward-thinking just in how this all works together. You probably know a lot of government contracts are what seed a lot of space missions, what happens in Health and Human Services, what happens in Defense. I mean, there are some really cool ideas that have started with these government relationships. But I'm going to tell you something that I worked on that I think is going to be a huge game changer, which is in 2000... You probably know, of course, IPOs were at their lowest in 2008. It was actually dismal. Very, very dismal. And in 2011, Treasury hosted an Access to Capital Conference. It was at that Access to Capital Conference that this task force was formulated, which ended up providing the recommendations to Congress that ultimately led to the passage of the JOBS Act, the Jumpstart Our Business Startup Act of 2012. And it took a long time, actually, about 10 years... almost going on 10 years.

The SEC had to kind of get up and running, and figure out some of the rules and guidelines for how crowdfunding in particular was going to work. But they just came out with one of their rulings last November that changes, really, how we think about how companies, how these, these ... both startups, and Series A, Series B, how this funding can work to provide more opportunities for IPOs. But again, that's not kind of one industry. That's all these industries coming together. Government with the capital world, with the [Research & Development] R&D worlds that are trying to grow these businesses. And if you ever want to know the secret to government how to get something through, it's one word. One word: jobs. If it's about jobs. I mean, really, it's almost kind of interesting. Every time you see another piece of legislation come through, you're going to find the word jobs, or change it to say the word jobs. Because that is what our country is about. Whether we want to admit it or not, it's not going to be about coal mining. You may not even be about manufacturing the way we see it. It's going to be how we as a country can provide the most bang for the buck in terms of providing those opportunities for jobs today, and more importantly, jobs tomorrow. If you think about your kids or my kids, they're already out there looking not just at what's out there today, but what they personally can do to be that next CEO by the time they're 30. I love it. I love it.

ROBIN VINCE: We here at BNY Mellon recently announced our new Digital Assets Unit, which is our platform to try to bridge from the traditional expertise that we have around collateral, and settlement, and clearance, and the various other businesses that we're in, with this new digital realm of currencies and traditional assets. I know you recently joined Ripple's Board of Directors, and for listeners, Ripple's a real-time settlement service that allows for crypto trading and custodies its own coin. Can you specifically talk a little bit about that? You've got the background of the traditional notes and coins, your signature is on \$1.7 trillion worth of US dollars in circulation. But, how do you think these new digital currencies are going to play out?

ROSIE RIOS: That's a great question. As Treasurer, I actually led our Future of Money initiative and that Future of Money initiative included, not just coin and currency, but also thinking about literally, these virtual currencies, this digital world, how was going to play out. That was way back when, it seems like a lifetime ago, which in the world of digital currencies is a lifetime ago. And at that time, there were some economies... Canada was looking at turning some of their coins into digital coins. There's still, what China and a lot of countries in Eastern Europe, are trying to do. The challenge has been, and maybe continues to be, that people thought U.S. currency and coin were going away. Actually, it makes sense when you think about it that way. There's so many options. But when I started, there was about \$850 billion of U.S. currency in circulation worldwide. When I left, there was about \$1.6 trillion, so it just about doubled. Now you think, "Well, that's probably stored value," which is true. A lot of it was store value, but look at coins. When I started, we were making about, I think it's about three to four billion coins a year. When I left, and I think it's still continuous, about 15 billion. So people just like options.

Usually coin and currency usage follows the growth of GDPs, so if we're expecting GDP to grow, then we should expect that people will tend to use more coin and currency. But that point about optionality is key, because especially this next generation, believe me when I say it always comes back to this next generation, they like optionality. They like flexibility. They love the app. They love to rely on their phone. What I try to tell people, especially my friends were still in government: The train has left the station already. Digital currency is not just here, it is the future, and it's not something that's going to

go away. And so I do think that government needs to play a much stronger role in providing a path forward, because the last thing this economy needs is more uncertainty, that's for sure. And you mentioned Ripple. The reason I joined the Ripple board is because... It's not a secret, there are a lot of digital currencies that are used for illicit activities, it's true. It funds the dark web, et cetera. And the reason why I chose Ripple was because it has an application that I think is very useful. As you mentioned, it settles cross border payments. And that's something that I think is, again, a very legitimate and viable path. And that facilitates, again, commerce globally. These things aren't going to go away. And so government, again, usually, is a follower, not a leader. And so in this case, you need to have the right people on board who know what they're doing, who can at least start the conversation, solicit the feedback and get it to a point where you can start issuing guidance that makes sense. I'm a big fan of Gary Gensler. I actually think he's the right person as chair of the SEC to not just start these conversations, but again, provide that leadership that is so needed.

ROBIN VINCE: Do you think we're going to see a digital dollar, à la a Chinese digital yuan?

ROSIE RIOS: Well, yes, I do. I absolutely do. And you mentioned China, so yes, China is already intermittently involved in its commerce already as a government entity. So again, the piece that's always been missing is, are you going to have a legitimate government out there who's going to back this up? Again, Canada thought about it. Eastern Europe, you're probably going to find a country out there that's probably going to do something too, but-

ROBIN VINCE: What about the US, what do you think? Give me a timeframe then, because it's inevitable you're right.

ROSIE RIOS: That is so unfair. I think-

ROBIN VINCE: I'll put it in brackets of five years. Is it sort of next five, five later, decades from now? What do you think?

ROSIE RIOS: I think the Federal Reserve has some really amazing people on staff, on the Board, as the president of regional banks, who really, really want to do something constructive, courageous, and safe and certain. Do I think that something's going to be issued in the next five years that's going to be U.S.-backed? Not necessarily. I would say, I don't think so.

ROBIN VINCE: But by the end of the decade?

ROSIE RIOS: Maybe. But I do think that they are going to come forward to again, provide the guidance that I think is needed on the innovations that are already out there. The last thing you want to do is close down industries, or think about ways to put people on a leash who are already doing so many fabulous, disruptive things already. You don't want that, but you do want to minimize risks. You do want to think about how to protect the investor, how to protect the consumer. That is their number one goal. And I think that should be in place. So, it's got to be a partnership.

ROBIN VINCE: Let's maybe take fintech into a slightly different direction, just focus for a moment on innovators. We've recently launched here at the firm, an Accelerator Program for up-and-coming fintechs. We've got a keen interest in innovation. I know along those lines, you've been doing

something that sounds super fun, which is taping a pilot for a new show with Apple Co-founder Steve Wozniak. And for our listeners, the basic premise is sort of Shark Tank for up-and-coming unicorn companies. Tell us a little bit more. Take us behind the scenes, literally. Tell us a little bit about the experience on the show and working with “Woz.” That’s neat.

ROSIE RIOS: Oh my gosh. What an experience. And even if you would've asked me, even six months ago, "Rosie, you want to do something on TV?" I would have been like, no. And I've said no, actually, to a lot of different things that have come my way. No offense to anyone who enjoys TV, I'm just not one of them. I'm just not. Any Real Housewives of anything, just shoot me now, there's no way. But when this concept came my way, and it was literally on the premise of what the SEC had already rolled on, again, on these crowdfunding options, it came full circle for me, ten years later. As you mentioned, I am one of the panelists in the Circle of Money, along with Steve Wozniak, and Lance Bass from NSYNC, who's actually a very savvy investor himself, and a couple of other folks. We get to ask the hard questions to these companies who are looking for their next \$25 to \$50 million. For me, it's fabulous because it uses my investment background, uses my government background. It's this, again, thinking about how to inspire this next generation in a very visual way. There's an entertainment component. Of course, in being a woman, I think people need to see how this kind of all comes together in a really, really fabulous way. It was so much fun. So, yes, it's a reality series.

But Woz... I've met a lot of tech CEOs in my day. He is so down to earth, so authentic. And I think he's going to really resonate with the viewers in a very different way, because we have this image, and there are a lot of people who live up to that image of this arrogance and talking down. It is what it is, but he wasn't that all. He was lovely. He was in the trailer next to me. And then of course, when we had a chance to do the Circle of Money, we just played off of each other's energy. Very, very wonderful dialogue, really, just a dialogue. And so the way the show works is the companies, usually the CEOs, come and do their pitch. We grill them, ask them questions, the usual questions you would ask anyone trying to form a company. What's your exit strategy, or your executive team, what's this going to look like, if you raised an additional \$20 million, what would you do? Normal questions that you would ask. And then they leave the room, we talk about it amongst ourselves, they come back, maybe ask a few more questions. And then we decide if we want to personally invest in them, which is really fun. It's a very closed system usually. So to have that opportunity for us, and then believe it or not, the audience gets to do the same. So they go to the websites, obviously very careful in terms of the offering documents, private placement memorandums, et cetera. But it's just a fun way for people to learn about what's coming their way, the next step in the future, democratizing access to wealth in a way that was never done before. So I may do season two. I'm still thinking about it, I don't know. Again, the whole TV thing just isn't my thing, but if it's something that can be used in a constructive way to make some real change, I'm more than happy to do it. So I call myself a constructive disruptor. And that's what I think this is.

ROBIN VINCE: So Steve Wozniak, Lance Bass, your own trailer, Fort Knox. Talk about being able to be a hero to the millennials and post-millennials in your life. Good for you.

ROSIE RIOS: I've got to tell you, this is the saddest thing, Steve Wozniak, he has these fabulous pads of \$2 bills, there's four per page. And he gives them out of souvenirs. He signs them, he gives



them out. And so when he brings the pads asking for my autograph, it was my name on his \$2 bills, you know something's wrong in this world when the "Woz" is asking for your autograph. Something's really wrong. For me, it's like, "Oh my God, the godfather of Silicon Valley is asking for my autograph," that's something.

ROBIN VINCE: Well, maybe to the point earlier on of women in history and looking up to them, maybe it's exactly as it should be. So Rosie, look, I can't believe it, but we are out of time. I really, really appreciate you being with us today. Your insights into the worlds of public policy and finance and various issues of today, I've loved our conversation. And so on behalf of myself and all of my colleagues at BNY Mellon, thank you so much for spending the time with us.

ROSIE RIOS: Thank you so much, Robin.