

Building Better Financial Futures

**An Interview with Laurence D. Fink,
Chairman and Chief Executive Officer, BlackRock, Inc.**

EDITORS' NOTE *Larry Fink is Founder, Chairman and Chief Executive Officer of BlackRock, Inc. He also leads the firm's Global Executive Committee. Fink and seven partners founded BlackRock in 1988. He was named one of the "World's Most Respected Leaders" by FORTUNE in 2016, "CEO of the Decade" by Financial News in 2011, and one of the "World's Best CEOs" by Barron's for the past 11 consecutive years. Prior to founding BlackRock, Fink was a member of the Management Committee and a Managing Director of The First Boston Corporation. He earned an M.B.A. with a concentration in real estate from the University of California at Los Angeles (UCLA) in 1976 and a B.A. in political science from UCLA in 1974.*



Laurence D. Fink

COMPANY BRIEF *BlackRock is the world's leading investment manager, with \$5.7 trillion under management as of June 30, 2017. As a fiduciary to their clients, BlackRock helps investors of all types build better financial futures. They provide clients with global reach and the investment options they need to plan for the future, all backed by unparalleled technology, risk management, and market insight.*

What has been the key reason for BlackRock's consistent success and leadership in the industry?

We have a simple focus: building better financial futures for our clients. In everything we do – the way we invest, the technology we build, the way we run operations, and compliance and hiring – there is a single goal. Because we've never lost sight of serving our clients, we've been able to innovate and grow in ways that continue to serve them.

You often speak about the enormous responsibility that BlackRock has to its clients, from a sovereign wealth fund to a school teacher. How do you communicate this responsibility to your employees and ensure that this remains the number one focus for the firm?

It's one thing to say, "We are a fiduciary." It's something else entirely to behave that way. It's all in the culture you build. What's special about BlackRock is that people at every level

of the firm, in every role, are proud of our responsibility – we are proud that we help people build better financial futures.

With BlackRock's size and scale, how are you able to maintain an entrepreneurial culture and innovative edge?

I always talk to employees about being a constant student – of the markets, of technology, of the world. They're probably sick of hearing me say it. But that institutional curiosity is essential to our success: It's the only way to understand our own weaknesses and discover new opportunities.

It's not just a value – it's built into the firm and is embodied everywhere you turn. For example, we recently introduced an internal iPhone app for employees to increase their knowledge of the markets. We also have an annual employee Hackathon, which has given birth to new innovations and businesses. And learning is a priority regardless of seniority. We now have a "reverse mentor" program – an opportunity for the firm's senior leaders to partner with younger employees to learn more about technology.

You have been very vocal about the concern over financial security for retirees. What needs to be done in this regard?

In short, people need to save and invest more. But that's not a simple goal, and it requires better partnerships across business, government, and education. The world has become increasingly complex – especially in financial terms – but we haven't given people the tools and the education they need to understand their financial futures.

At the same time, education is only one piece of the puzzle. More employers need to provide plans, and they need to offer features such as auto-enrollment, auto-escalation and a company match. Companies also need to do more to educate employees to make sure they are saving as much as they can.

We also have to broaden access to retirement savings. People who don't have workplace plans are far less likely to have retirement accounts, and if they do, they tend to be smaller. One idea that has great potential is pooling, which allows workers across a variety of employers to join the same plan,

creating something akin to the plan at a single large company.

How important is it to have a national infrastructure program in the United States when you look at the state of roads, bridges, airports, tunnels, etc.?

It's essential, and I'm glad that it remains an area with bipartisan focus despite the current political climate.

There are a variety of reasons infrastructure investment is so critical. In the short term, it provides good-paying jobs for less-skilled workers, which is particularly important given the pressure on this sector of the workforce due to automation. Then, in the longer term, infrastructure drives economic growth by reducing costs and increasing productivity – for example, by reducing time wasted in traffic.

Another less-cited benefit is that infrastructure can provide a key source of investment returns for institutional investors, especially ones with long-time horizons like insurance companies or university endowments. In the U.S., we don't have a particularly strong market for private infrastructure investment, which is actually an unintended consequence of our historically strong municipal debt markets. Attracting private capital needs to be a key focus of any new infrastructure legislation, and I'm encouraged that legislators have recognized this as a priority.

You have served as Co-Chair of the Partnership for New York City. What makes the Partnership so effective, and would you highlight the need for a strong public/private partnership in order for New York to maintain its position as the leading global city?

Public/private partnerships are essential to New York's success. To touch on infrastructure again – the solution to the city's challenges lies in effective partnerships, whether in the form of ideas, capital, or people. There's no better organization to achieve that than the Partnership. What makes the organization unique is its ability to bring together such a wide variety of voices. It's not limited in its mandate, its goals, or its potential partners. That's how it has played such an important role for New York and why it will continue to do so for many years. ●