

## Client Service, Excellence, Integrity, and Partnership

An Interview with Stephanie E. Cohen, Global Co-Head of Consumer and Wealth Management, Goldman Sachs

**EDITORS' NOTE** *Stephanie Cohen is Global Co-Head of Consumer and Wealth Management at Goldman Sachs, the only woman to currently lead one of the firm's four revenue divisions. She is also a Global Executive Sponsor of the Women's Network and a member of the Management Committee, the most senior governing leadership body at the firm. Prior to assuming her current role, Cohen was the firm's Chief Strategy Officer, where she drove strategy, Mergers &*



Stephanie E. Cohen

*Acquisitions (M&A), strategic investing and partnerships for the firm. She also led Launch With GS, Goldman Sachs' \$1 billion investment strategy which aims to increase access to capital and facilitate connections for women, Black, Latinx, and other diverse entrepreneurs and investors, as well as GS Accelerate, the firm's in-house innovation engine. Before that, Cohen was Global Head of Financial Sponsor M&A in the Investment Banking Division (IBD). She was sector captain for General Industrials in the Global Industrials Group and a member of the M&A Group in IBD. In 2008, she managed Conflicts and Business Selection for IBD in the Americas. Prior to that, Cohen was a vice president in the Industrials and Merger Leadership Groups in San Francisco. Earlier in her career, she worked in New York in the M&A department. She has served as a member of the Global Inclusion and Diversity Committee as well as Global Program Sponsor for the Women Career Strategies Initiative. Cohen joined Goldman Sachs as an analyst in 1999, was named Managing Director in 2008 and Partner in 2014. She serves on the National Board of Directors of CollegeSpring and as a member of the Board of Quill.org. She also serves as trustee for the Board of The Economic Club of New York. Cohen earned a degree in finance from the University of Illinois.*

**FIRM BRIEF** *Goldman Sachs (goldmansachs.com) is a leading global financial institution that delivers a broad range of financial services across investment banking, securities, investment management, and consumer banking to a large and diversified client base that includes corporations, financial institutions, governments, and individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.*

### How do you define Goldman Sachs' mission and purpose?

At Goldman Sachs, we're committed to advancing sustainable economic growth and financial opportunity, a mission that guides all of our work across the firm. Our purpose comes to life through our four core values: Client Service, Excellence, Integrity, and Partnership.

Our clients and customers come first, and our people are what truly set us apart. Our colleagues work together to serve clients, customers,

and communities around the world, building upon a rich history of innovative ideas from extraordinary people.

### Will you provide an overview of your role and areas of focus?

I have co-led Consumer and Wealth Management at Goldman Sachs alongside my co-head, Tucker York, since the division was formed in January 2021. Across the division, we help empower millions of clients and customers around the world to achieve their financial goals through three businesses that Tucker and I oversee – Private Wealth Management, our workplace and personal wealth business and the Consumer business, which includes Marcus by Goldman Sachs as well as large partnerships.

Consumer and Wealth Management brings together our established wealth management businesses with the digital consumer-facing businesses, allowing us to serve a broad group

of people in a digitally led or digitally enabled way. From growing savings through a Marcus high-yield Online Savings Account to developing a financial plan for the future through our workplace and personal wealth offering to building generational wealth and achieving long-term philanthropic goals with Private Wealth Management, we're focused on delivering the financial expertise and resources of Goldman Sachs to millions of clients and customers.

### What have been the keys to the strength and leadership of Goldman Sachs' Consumer and Wealth Management business?

I cannot underscore enough that being a part of Goldman Sachs and having the ability to bring the expertise and resources of the broader organization to the millions of clients and customers we serve has been a key factor as we drive growth across Consumer and Wealth Management. Beyond that, the strength of our division, and Goldman Sachs more broadly, is grounded in our people. Having a diverse senior leadership team is essential to the success of the business, as it enables us to combine our unique perspectives and ensure our team reflects the diverse group of individuals we serve. As we've grown the division, diversity has been and will continue to be a strategic imperative for us. It's the strength of our leadership and the diversity of the ideas that they bring to the table that allows us to provide best-in-class products and services to everyone we serve across Consumer and Wealth Management.

**“I cannot underscore enough that being a part of Goldman Sachs and having the ability to bring the expertise and resources of the broader organization to the millions of clients and customers we serve has been a key factor as we drive growth across Consumer and Wealth Management.”**

**You led Launch With GS, Goldman Sachs' \$1 billion investment strategy which aims to increase access to capital and facilitate connections for women, Black, Latinx, and other diverse entrepreneurs and investors. What was the vision for creating Launch With GS and what has been the impact of this effort?**

We started Launch With GS in 2018 based on our data-driven thesis that diverse teams drive strong returns. We began by providing female founders access to capital and networks, and in 2019 expanded the program to serve Black and Latinx entrepreneurs. To date we've deployed over \$800 million of capital to companies and venture capital and private equity firms with diverse management teams. Launch With GS has worked with 36 Black- and Latinx-founded companies across three Entrepreneur Cohorts since 2020, and more broadly, the initiative has touched over 10,000 entrepreneurs and investors globally since 2018.

As one of the first firms to spearhead such an impactful program, we are proud to have inspired others to focus on similar inclusion and diversity initiatives across industries and are excited to see the continued commitment to narrowing investing gaps and advancing racial and gender equity.

**Will you highlight GS Accelerate, Goldman Sachs' in-house innovation engine, and the role it plays within the firm?**

We have over 45,000 people in more than 40 countries and they produce amazing ideas. GS Accelerate was born in 2018 as one of the first things I did as Chief Strategy Officer to harness the power of these ideas and make it easier for employees at all levels to transform their ideas into viable new businesses and services for the firm and our clients. The Accelerate platform aims to foster innovation and experimentation, allowing people to be entrepreneurs inside the firm and supporting our relentless commitment to serving our clients in a constantly changing, more digital world.

In the spirit of encouraging constant innovation, we have continued to evolve the program and last year shifted away from an annual submission deadline. After all, you cannot schedule innovation. We want to encourage our people to regularly try new ideas, even if they don't always work out the first time. As Accelerate continues to grow, it has been rewarding to see the client-facing results that come from the program. Since we introduced GS Accelerate, ten new products have launched for client and employee use, including the first product – the Goldman Sachs Directed Share Program – which was commercialized in our Private Wealth Management business.

**How important is it to Goldman Sachs to build a diverse and inclusive workforce to bring diverse perspectives and experiences to the table when addressing client needs?**

At Goldman Sachs, we know that to be successful our people must reflect the diversity of the clients and customers we serve,

as well as the communities in which we operate. I'm a firm believer that diversity needs to be discussed in the same rooms that we discuss market share, margins, and growth rates – not just in meetings about diversity – because we know that diversity drives outperformance.

In 2019 as a firm, we set ambitious goals and developed a comprehensive plan to increase diverse representation at the entry level. In 2020, we announced additional goals to accelerate the recruitment of diverse candidates at all levels of the firm, focused on our vice presidents and recruits from Historically Black Colleges and Universities. By 2025, we are aiming to achieve representation in our vice president population of 40 percent women globally, 7 percent Black professionals in the Americas and the UK, and 9 percent Hispanic and Latinx professionals in the Americas. I'm proud to say that our Managing Director Class of 2021 was the most diverse in our history. We also exceeded the goals we set forth for our campus analyst class last year, with a new class that was 52 percent women, 12 percent Black and 19 percent Hispanic.

Across the firm, we take a deliberate approach to fostering diversity and inclusion among our people. We have created over 80 inclusion networks at both the firm and divisional levels, as well as specific programs focused on retaining and growing the careers of our diverse talent.

Our focus on diversity and inclusion is connected to meeting the needs of an increasingly diverse client base. In order to serve that growing client base, we have introduced specific inclusive wealth initiatives within Private Wealth Management tailored for women, the Black community and the LGBTQ+ community. We advise clients on some of the most personal matters related to their financial futures and those of their families, which is why it is so important to have a team that reflects the diverse people we serve who each have specific personal needs and goals.

**What do you see as Goldman Sachs' responsibility to the communities it serves?**

In addition to our unwavering commitment to our clients and customers, we are dedicated to supporting and serving the communities in which we live and work, as well as in places where opportunity can be multiplied. We are focused on investing significant capital in initiatives that narrow investing gaps and advance racial and gender equity.

Over the last decade the firm has deployed over \$2.5 billion through programs that help level the playing field and spark economic growth for people and communities around the world. These programs include 10,000 Small Businesses, which provides best-in-class business education, access to capital, and support services to small businesses; One Million Black Women, an initiative that funds Black women-led and Black women-serving nonprofits through which we've already deployed over \$1 billion of our more than \$10 billion commitment; and the Goldman Sachs Gives program, a donor-advised

fund that allows Goldman Sachs' current and retired senior employees to work together to recommend grants to a range of nonprofit organizations to help them achieve their goals in underserved communities globally.

Another initiative that I'm particularly proud of is Goldman Sachs' landmark policy announced at the 2020 World Economic Forum to increase diversity on corporate boards. In January 2020, the firm announced that we will only take companies in the U.S. or Europe public if they have at least one diverse board member. The next year, we built upon that commitment and increased the requirement to two diverse board members, one of whom must be a woman. We made this decision based on research demonstrating that companies with diverse boards generate better returns and our experience advising companies on board governance. As a part of these efforts, we put in place a dedicated team focused on helping our clients identify exceptional diverse talent for their boards. Since July 2020, we have worked with hundreds of clients and helped facilitate 50 diverse placements on corporate boards of both private and public companies.

**Do you feel that there are strong opportunities for women to grow and lead in the industry?**

Absolutely. We see diversity as a business imperative, and while representation across gender, race and sexual orientation has improved, there is still much to be done. Diverse perspectives are essential to the success of the business, especially as we are increasingly focused on serving a more diverse group of clients. I'd be remiss not to mention two stats that I believe sum up the importance of this focus: In the U.S., over \$80 trillion in wealth is expected to change hands in the next quarter century from baby boomers to their heirs, and by 2030, women in the U.S. are expected to control much of the \$30 trillion in financial assets that baby boomers will possess. We are laser-focused on creating offerings for the next, more diverse generation of wealth creators.

**You joined Goldman Sachs over twenty years ago. What has made the experience so special for you?**

Simply put, the people. The teamwork and partnership mentality is deeply embedded in the culture of Goldman Sachs. Since joining the firm, I've had the opportunity to work with and learn from remarkable leaders. On top of that, thousands of new people join the firm each year, bringing with them new ideas and infectious energy. Being surrounded by smart, hard-working, and innovative people is what has tethered me to the firm and continues to drive me every day. They are the reason our people are our greatest asset.

**What advice do you offer to young people beginning their careers during this challenging and unprecedented time?**

Stay curious. Remember to focus on the journey and not just the destination. If you follow your curiosity, you will be surprised by the amazing places it can take you. ●