



THIS WEEK'S PROGRAM

October 10, 2023

2023-2024 Board Members

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Andy Dinkin

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Foundation Joe Morris

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Kelly King, Leader

by Rick Handford

Hunter Widener introduced Kelly King, the former Chairman and CEO of Truist, who stepped down in September of 2021 after a combined 49 years with Truist and BB&T, 35 of those years on the executive leadership team. He led the merger of equals between BB&T and SunTrust to create Truist.

Kelly is a native North Carolinian who received his BBA and MBA from East Carolina University. Rather than go through Kelly's long list of accomplishments and important positions (See the reminder of today's meeting for details) Hunter described how interacting with Kelly had influenced his life and career.

Hunter joined Truist in January of 2021, during the height of the pandemic and at a time when everyone, including new hires, had to work from home. Unable to meet with his new colleagues in person, Hunter acquired much of his knowledge of Truist's culture from the weekly talks that Kelly broadcast electronically to his employees. These talks were not about performance but about purpose, and how to deal with those rough times and take care of themselves, their families, and their clients. These messages always included personal as well as professional stories and provided positive ways to live a better life.

Kelly revealed that he had been a member of this Club back in the early 70's and that he always enjoyed interacting with Rotarians and appreciated all of the good work that we do in the community and the world. He noted that in every talk he gives he has a goal of sharing at least one thing that will help you professionally and one that will help you personally.

Great leaders always have a focus on three things: (1) To be clear and honest about the realities that they face; (2) To have a vision of how to deal with those realities; and (3) To have the courage to act.

He moved on to the economy, which he believes is stronger than most people think. The yield curve should be flattening over the next year, but we are not in a traditional environment because of the profligate spending on the part of the government. We must control our spending if we are to have any hope for better times in the future, and if we don't we will face increasing inflation and interest rates going forward. In the short term, he believes that we won't be entering into a recession. Recessions always result from supply/demand imbalances, such as the current significant imbalance in the office sector because many people continue to work from home, leading to large vacancies in downtown office buildings. But because these buildings usually are financed by insurance companies and venture capitalists instead of banks, their problems won't result in as large a disruption to the financial system as many might expect.

Kelly noted that the Fed is frequently wrong because their data-driven approach requires that they look backward instead of forward because no future data is available. He also made the profound observation that in the long run the economy will either be okay or not. If we elect people that will make the tough decisions on fiscal policy and stop the excessive spending rather than those who will continue to kick the can down the road and hope that everything will work out, then we will be okay. But if we continue to elect weak politicians, then the future holds more debt, more inflation, and the eventual collapse of the system as we have seen in Venezuela, Argentina, and many other countries.

In addition to the economy, we are also looking at substantial political risk associated with the recent events in Israel. With the ongoing Ukraine/Russia conflict and the Israel/Hamas conflict, we face the prospect of China, Iran, and perhaps others getting involved, which could lead us quickly into a real mess.

Not trying to be scary, just pointing out that these geopolitical risks are real and will require some serious leadership and a substantial amount of time and treasure to get resolved.

There are also two mega-issues closer to home that many people don't think about, but that are just as dangerous as the ones previously discussed. In the short run, the most pressing problem we face is the level of illiteracy in this country. Most people don't take the time to think about the long-term effects of the fact that 2/3 of third graders in the public school system cannot read. Fifty years ago, if you couldn't read there were a good number of jobs available where you could get a job and make a modest living by working hard. But in today's world, there are very few things you can do if you cannot read.

So, what happens when 2/3 of the kids coming out of the public schools can't read? While the private schools are doing a good job of educating kids, there are relatively few of them, and they can't produce enough graduates to make up for the public school failures. And this is not a matter of throwing more money at the public schools. The system is dysfunctional, and it will take new leadership and a new vision to reshape the schools into working. It worked much better when we were growing up, and we need to fix it to work even better going forward. We must get involved, now, and start forcing positive change.

If we don't, here's what will happen. Kids come out of school and can't read or do arithmetic, and thus can't get a job at a living wage. So the socialists will step in and say we need to print more money to take care of these people, and then say "Here's some food stamps so you can

eat, and we'll take care of your student debt (if you have any), and we'll help pay for a place for you to live. And all you need to do is vote the way we tell you so that we can continue to support you." And that is the end. Inflation takes over, money won't buy anything, you can't raise taxes more or people will quit working, and there is a charismatic dictator who gets on top by promising to solve everything (easy to do because most people who can't read are unable to discern truth from a falsehood). And the United States goes the way of Venezuela, or Brazil, or Cuba or Argentina.

The second mega problem that this country faces is the mental health issue. Ask people about their feelings over the past week, and 60% will say that they have had serious issues with anxiety, depression, and/or thoughts of suicide. Leaders don't typically think about these issues because they are too busy thinking about things that they can measure and deal with. So leaders miss it, and meanwhile, people are dying emotionally and sometimes physically, and we don't know about it. We need to find a way to detect and quantify this and figure out a way to make it better at the company, local, state, and federal levels.

Kelly then discussed how the name "Truist" came to be. It grew out of the need to have a true 'merger of equals' between BB&T and SunTrust. Leadership had to be shared in a way that clearly established this was the case; a new location that was not in Winston-Salem or Atlanta needed to be found (hence Charlotte) for the Headquarters location; and a new name that had no discernable relation to either BB&T or SunTrust was needed. A consultant was hired to come up with such a name and came up with Truist, which fit the specifications and which most people liked. It didn't hurt that "Truist" is close to "Trust" and has "u and i" in the middle.

He is currently serving as board chair of NC Innovations, which raised \$23 million from private sources and has recently received a \$500 million grant from the state to help convert ideas (NC is ranked either 1st or 2nd in the country in research, depending on who you ask) into tangible products (with all that research prowess we rank only 20th in innovation). By providing leadership and education on how to turn ideas into products, and with venture capital to support manufacturing of these products in the 51 countries that are losing population, we can create jobs in the rural areas and reverse the declines.

Kelly noted that there is a shortage of political and corporate leadership in this country and a decaying morality. We are not living up to the ideals expressed in the Declaration of Independence and codified in the Constitution. The inalienable rights to life, liberty, and the pursuit of happiness are fading. Can the child who never is taught to read reasonably be said to have equal opportunity compared to those who can? Liberty is defined as freedom to live your life without the government tyrannically keeping you from doing so, and yet the regulatory state continues to grow and enact more and more laws that take away our freedoms. And the unfettered immigration is flooding the country with people who have no knowledge or understanding of what it is to be an American and no interest in becoming one.

The times are crazy, and make it hard for people to be happy, but Kelly closed by providing us with the formula for being happy in the worst of circumstances.

1. **Choose to be happy.** Science has shown that if you decide to be happy and decide to smile, then you will be happy. You control this if you choose to.
2. **Be clear about your purpose in life.** Figure out what is important to you, be it raising your children, having a good marriage, being successful in your career, inventing a better mousetrap, etc. Without purpose, any little thing can make you depressed. If you know your *why*, you can endure any *how*. Stated another way, if you know your purpose in life,

you can work out how to make it happen. Purpose drives energy, direction, motivation, and action that makes you successful in life.

3. **Choose a growth mindset.** You can choose to have a growth mindset or a sick mindset. If you choose the latter, then you are deciding that you are limited in your capacity. 'I can't really learn, I can't grow, I can't change myself or my fate'. When faced with a problem you surrender, become a victim, and blame everybody else for your problem. With a growth mindset, you are always learning, and you find a way to solve the problem. Whatever you need to learn, whatever you need to change, whoever you need to ask for help, whatever it takes to get it done. You decide.
4. **Help others.** You are surrounded by people who need help all the time. They are depressed, and lonely, and believe that nobody cares about them—that their life does not matter. Often this can be helped through simple things that take little time and little or no money.

Kelly told a story about a young man who left his apartment, walked a couple of miles to the top of the Golden Gate Bridge, and jumped to his immediate death. He must have passed hundreds of people along the way. When the police went to clean out his apartment, they found a note saying that he was going to walk to the bridge, and if one person smiled at him along the way then he would not jump. One person, one smile, one life.

He wants you to imagine that you have a handful of seeds in your hand when you get out of bed in the morning and that these are seeds of hope. When you see people, give them a smile, or a pat on the back, or ask them how they are doing and wait for an answer. When a neighbor is sick, offer to go to the store for them or take them a meal. If you see a child with trouble reading or doing arithmetic, take some time to offer them help. And if you do these little acts of kindness along the way, then you can change the world. And what could be more satisfying and wonderful than that?

Thank you, Kelly King, for coming to speak to us, and don't forget that you are supposed to come back!

*This week's meeting was not recorded due to the change in venue.