

EXECUTIVE SUMMARY



Yale SCHOOL OF MANAGEMENT
CEO CAUCUS

Leading Business Optimism Through The Age of Political Grievance

Constructively Influencing Policy While
Avoiding Polarizing Politics

Washington, DC | September 18, 2024

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Yale SCHOOL OF MANAGEMENT
Chief Executive Leadership Institute

Agenda

Welcome

Professor Jeffrey A. Sonnenfeld, Lester Crown Prof. of Leadership Practice & Senior Associate Dean, Yale School of Management

Finding Common Ground at Home

COMMENTS

Nancy Pelosi, Speaker Emerita of the US House of Representatives
Senator Richard Blumenthal, US Senator (Connecticut)
Michael Steele, MSNBC Anchor; Former Chair, Republican National Committee
Congressman Ted Deutch, US Representative (Florida; 2010-2022); CEO, American Jewish Committee
Congresswoman Barbara Comstock, US Representative (Virginia; 2015-2019)
Congressman Christopher Shays, US Representative (Connecticut; 1987-2009)
Congressman C. Thomas McMillen, US Representative (Maryland; 1987-1993)
Brad Karp, Chair, Paul, Weiss
Alan Patricof, Co-Founder & Chair, Primetime Partners
Steve Lipin, Founder, Chair & CEO, Gladstone Place Partners
Michael Luttig, Ret. Judge, US Court of Appeals 4th Circuit; Counselor, The Coca-Cola Company
Olivia Troye, Former Homeland Security Advisor
Ralph Reed, Chair & CEO, Century Strategies; Founder & Chair, Faith & Freedom Coalition
Douglas Ginsburg, Senior Judge, US Court of Appeals DC Circuit
Jason Stanley, Urowsky Professor of Philosophy, Yale; Author, *Erasing History*
Jonathan Greenblatt, CEO, Anti-Defamation League
Tom Rogers, Founder, MSNBC and CNBC; Chair, Oorbit Gaming & Entertainment
Mark Penn, Chair & CEO, Stagwell
Kyle Dropp, Co-Founder & President, Morning Consult
Roger Barnett, Chair & CEO, Shaklee Corporation
Erin Frey, Assistant Professor of Organizational Behavior, Yale School of Management
Jamie Gangel, Special Correspondent, CNN
Elizabeth Ralph, Editor, POLITICO Magazine; Managing Editor, POLITICO
Asha Rangappa, Assistant Dean, Yale Jackson School; ABC Legal Contributor
Eamon Javers, Senior Washington Correspondent, CNBC

Finding Common Ground Abroad

COMMENTS

Carla Hills, 10th US Trade Representative and 5th US Secretary of Housing and Urban Development
Anne Neuberger, Deputy US National Security Advisor for Cyber And Emerging Technology
John Negroponte, 1st US Director of National Intelligence and Deputy Secretary of State (2007-2009)
Robert Hormats, Managing Director, Tiedemann Advisors; US Under Secretary of State (2009-2013)
Thomas Bossert, 7th US Homeland Security Advisor; President, Trinity Cyber
James Clapper, 4th US Director of National Intelligence
John Herbst, Former US Ambassador to Ukraine and Senior Director, The Atlantic Council
Richard Adkerson, Chair, Freeport-McMoran
Bob Diamond, Founding Partner & CEO, Atlas Merchant Capital
Frank McCourt, Executive Chair, McCourt Global; Founder, Project Liberty
Duane Holloway, General Counsel, U.S. Steel
John Lapides, Chair & CEO, United Aluminum Corporation
Eddie Tam, CEO, Central Asset Investments
Lori Esposito Murray, Managing Director of CEO Programs, Council on Foreign Relations

Finding Common Ground Through Investing In American Innovation Across Technology, Healthcare, and Financial Markets

COMMENTS

Peter Orszag, CEO, Lazard
Wayne Peacock, President & CEO, United States Automobile Association
Jeffrey Solomon, President, TD Cowen
Adam Aron, Chair & CEO, AMC Entertainment
Nancy Brown, CEO, American Heart Association
Faye Wattleton, Co-Founder, EeroQ Quantum Hardware; Former President, Planned Parenthood
Mark Ein, Chair & CEO, Capitol Investment Corp.
Afsaneh Beschloss, Founder & CEO, RockCreek
Joseph Lubin, Founder & CEO, Consensus; Co-Founder, Ethereum
John Ettelson, Chair Emeritus, William Blair
Bill Anderson, Senior Managing Director, Evercore
David Shulkin, 9th US Secretary of Veterans Affairs
Joel Myers, Founder & Executive Chair, AccuWeather
Courtland Reichman, Managing Partner, Reichman, Jorgensen, Lehman & Feldberg LLP
David Druley, CEO, Cambridge Associates
Robert Simonds, Founder & Chair, STX Entertainment
Laura Walker, 11th President, Bennington College
Sandy Climan, CEO, Entertainment Media Ventures
Steve Miller, Chair, Purdue Pharma; Partner, MidOcean Partners
Seth Feuerstein, Founder & CEO, Oui Therapeutics
Ryan Saadi, CEO, Tevogen
Chris Hunter, CEO, Acadia Healthcare
Joseph Barton, Co-Founder & General Partner, White Rock Capital
Nell Minow, Vice Chair, ValueEdge Advisors
Christine Lehman, DC Managing Partner, Reichman, Jorgensen, Lehman & Feldberg LLP

The Business Perspective: Finding Common Ground Through Lifting American Industry And The American Economy

COMMENTS

Mary Barra, Chair & CEO, General Motors
James Quincey, Chair & CEO, The Coca-Cola Company
Glenn Fogel, President & CEO, Booking Holdings
Pedro Pizarro, President & CEO, Edison International
Carey Smith, Chair, President & CEO, Parsons
Harold Yoh, Chair & CEO, Day & Zimmermann
Calvin Butler, President & CEO, Exelon
Nicholas Pinchuk, Chair & CEO, Snap-On
Farooq Kathwari, Chair & CEO, Ethan Allen
Nigel Travis, Chair, Abercrombie & Fitch; CEO, Dunkin' Brands (2009-2018)
Asutosh Padhi, Global Leader, Firm Strategy, McKinsey & Company
Rick Goings, Chairman Emeritus, Tupperware Brands
Alan Slatas, Managing Director, AlixPartners
Leonard Levie, Chair, American Industrial Acquisition Corp
Maryam Brown, President, Southern California Gas Company
Ken Schulman, President, FC Meyer Packaging
Reagan Farr, President & CEO, Silicon Ranch
Nicole Russo, President & CEO, Microboard Processing
Kelly Sullivan, Partner, Joele Frank
Tyler Mathisen, Co-Anchor, Power Lunch, CNBC

Yale Legend in Leadership Award Presentation

James Quincey, Chair & CEO, The Coca-Cola Company

PRESENTATION

Mary Barra, Chair & CEO, General Motors
Greg Brown, Chair & CEO, Motorola Solutions
Indra Nooyi, Former Chair & CEO, PepsiCo
Peter Orszag, CEO, Lazard

Leading Business Optimism Through The Age of Political Grievances: Constructively Influencing Policy While Avoiding Polarizing Politics

Overview

On September 18, 2024, in Washington DC, Jeffrey Sonnenfeld, Senior Associate Dean of the Yale School of Management, led the Fall 2024 Yale CEO Caucus—the 149th convening of the Yale CEO Forum. (The 150th will be in New York City on December 17 and 18.)



Jeffrey A. Sonnenfeld, Senior Associate Dean, Yale School of Management

This Caucus brought together CEOs and business leaders, current and former federal government officials, academics, and thought leaders from a wide variety of disciplines. The theme was *Leading Business Optimism Through The Age of Political Grievances: Constructively Influencing Policy While Avoiding Polarizing Politics*.

This Caucus looked at finding common ground at home and abroad. Participants shared their perspectives on the state of the economy, the upcoming election, global trade, and much more.

Speaker Emerita Nancy Pelosi discussed bipartisanship and her new book [The Art of Power](#), and The Legend in Leadership Award was presented to James Quincey, Chair & CEO, The Coca-Cola Company.

Brief summaries of several of the main domestic and international topics discussed are provided.

Key Themes

The US Economy

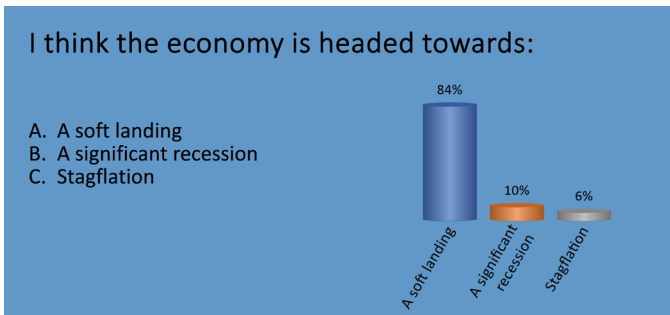
Business leaders and members of the business media proclaimed that the US economy continues to perform well. The country has not had a recession under President Biden, economic growth has been good, and jobs have been added at a good pace. Inflation is falling. Oil production is at an all-time high and oil prices have been coming down.

“The US economy looks ok, particularly relative to the rest of the world. Labor markets still seem firm. Inflation has definitely come down.”

In fact, in real-time polling, business leaders expressed surprise at how well the economy has held up thus far and a majority believe that the economy is actually performing far better than polling results convey.

Poll Question	Strongly agree	Agree	Disagree	Strongly disagree
I've been surprised by how well the economy has held up so far.	29%	50%	16%	5%
The economy is performing far better than polling results convey.	30%	35%	27%	8%

Looking ahead, the vast majority of Caucus participants (84%) believe the economy is headed toward a soft landing, with only 10% expecting a significant recession or stagflation (6%).



With this Caucus taking place on “Fed Day,” with the Federal Reserve expected to cut interest rates, 100% of Caucus participants believed that cutting interest rates was the correct move. Among business leaders, 91% thought the right move was a cut of 25 basis points while 9% thought a 50-basis-point cut was the correct move. (Note: About two hours after the completion of the Caucus, the Fed announced a cut of 50 basis points.)

Economic Disconnect

While business leaders cited statistics about the macro economy continuing to perform well, others described a disconnect between the “financial economy and the physical economy.”

One business leader said that people working in factories or garages may currently be doing ok economically but they are “confidence poor,” causing them to pull back on purchasing longer-payback items. They have economic uncertainty and skepticism about the promises of both presidential candidates, and don’t believe the conversation about interest rates will affect them.

“People at the grassroots level pay more attention to feelings than data, and their feelings aren’t so good . . . whoever is elected, things are still going to be uncertain.”

This economic disconnect can be seen in data from Stagwell showing that 64% of Americans believe the economy is on the wrong track. Further, 48% say that their life is getting worse in economic terms.

A pollster commented that while consumer confidence is now at a three-year high, people’s feelings and confidence are affected by the cost of goods for products such as eggs and bread.

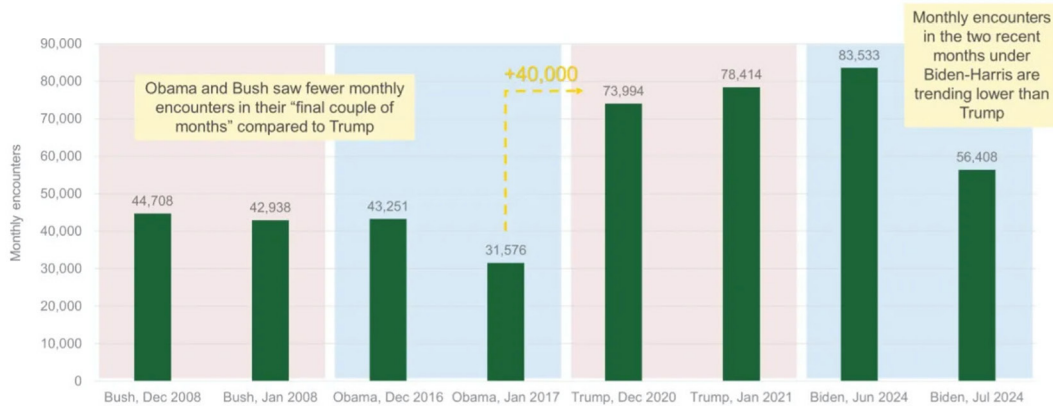
“People are unhappy about the economy and that’s one of the biggest reasons why there is a huge disconnect between attitudes in this room [of business leaders] and attitudes out there in the country.”

Professor Sonnenfeld suggested that one reason for the disconnect between the reality that the economy is doing well and public opinion that the economy is on the wrong track may be “the sleeper effect.” (See this 9/6/24 [Fortune article](#).) This effect can occur when the same message is repeated over and over, causing unfounded statements to become accepted as reality. He said that having prominent voices continuously delivering a message about how badly the US economy is doing is causing many people to believe it, even if the facts show otherwise.

“There is a split between the reality and public opinion. Sometimes, the public gets it wrong.”

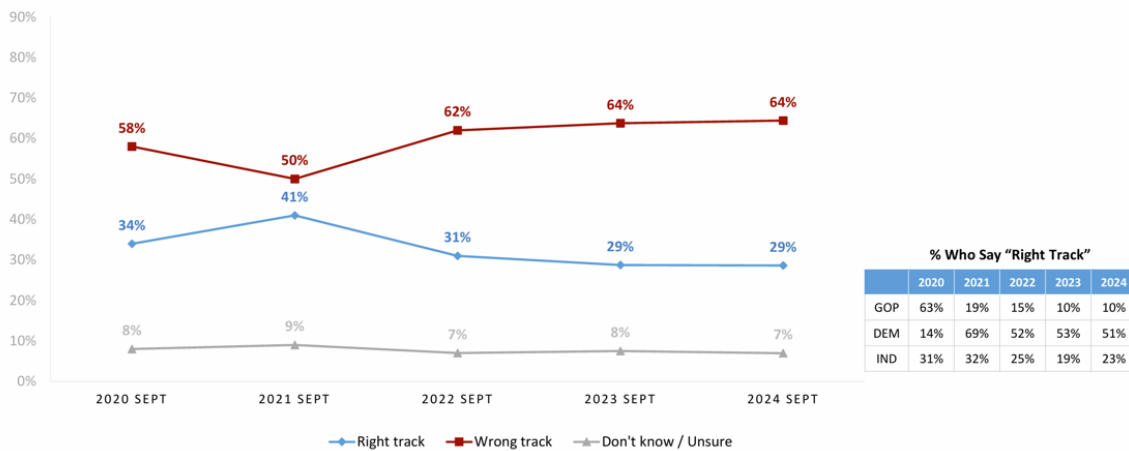
For example, data shows that Biden-Harris have seen more employment gains than Trump, even after controlling for Covid-19, and monthly encounters at the US-Mexico border were higher in Trump’s final two months in office than Bush, Obama, and Biden’s last two months.

Monthly Encounters At The US-Mexico Border In The Final Two Months Of A President's Term



Source: US Border Patrol

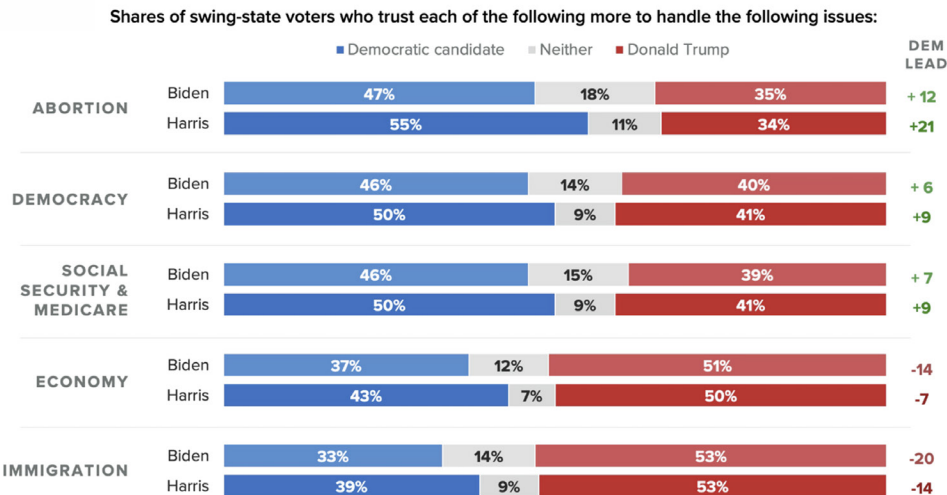
US Economy: Right track / Wrong Track



Base: Registered Voters (September 2020 n=1,907; September 2021 n=1,803; September 2022 n=1,851; September 2023 n=2,001; September 2024 n=1,505)
M2: In general, do you think the American economy is on the right track or is it off on the wrong track?

6

Harris Halves Trump's Swing-State Economic Advantage



Surveys conducted July 24-28 2024, and Aug. 23-27, 2024, among representative samples of at least 4,902 registered voters in Arizona, Georgia, Michigan, Nevada, North Carolina, Pennsylvania and Wisconsin, with unweighted margins of error of +/-1 percentage point. Figures may not add up to 100% due to rounding.

The Stagwell data showing that many Americans believe the US economy is on the wrong track can be contrasted with recent data from Morning Consult showing that an increasing percentage of Americans trust Harris on the economy, compared to Biden.

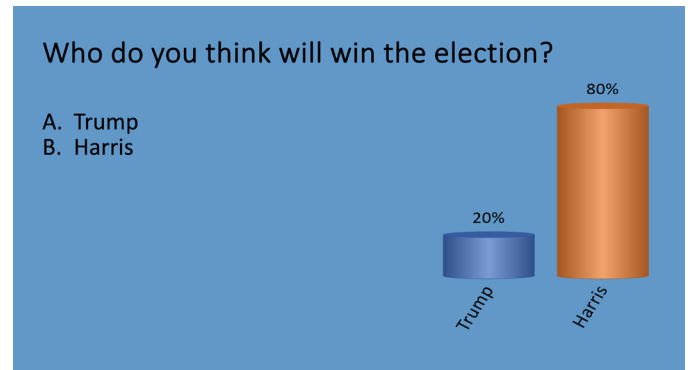
Registered voters trust Harris more than Trump on abortion, democracy, and Social Security and Medicare, while voters trust Trump more on the economy (just slightly) and immigration. However, Harris has been gaining ground as voters increasingly trust her on the economy.

These conflicting polls—during a time when the factual data shows that the economy is relatively strong, energy production is high, employment has risen, and immigration encounters are similar to the past—show the impact of the sleeper effect and the unexplainable and often erroneous variance in public opinion and polling data.

Upcoming US election

Caucus participants are evenly divided in their political orientation. When asked their political affiliation, participants responded: 37% Republican, 32% Democrat, and 32% Independent.

Participants overwhelmingly think that Kamala Harris (80%) will win the presidential election.



Bipartisanship

A former member of the Clinton administration said that with a Republican-controlled Congress, Clinton realized that he could fight, and nothing could get done, or he could take a bipartisan approach to get things done. Through bipartisanship, there was welfare reform, a balanced budget, preservation of Medicare and Medicaid, and passage of legislation involving immigration, the environment, education, and more.



Senator Richard Blumenthal, US Senator (Connecticut)

A more recent—and rare—example of bipartisanship is the Senate’s recent passage of the Kids Online Safety Act by a vote of 91 to 3. This legislation aims to improve online protection for children, impose a duty of care on social media companies, and increase transparency. This legislation now heads to the House.

However, Speaker Emerita Pelosi said, “We’ve gone off the rails in many ways.” She sees it as normal for the political parties to have differences of opinion, which are resolved through peaceful dialogue, listening, and consensus building. She said the purpose of political power is to help



Nancy Pelosi, Speaker Emerita of the US House of Representatives

people but in exercising this power it is important to have bipartisanship, transparency, and accountability to the public. She called on the Republicans to rescue their party, to focus on the future, and to make decisions on more than just their tax returns.

Several former members of Congress from both parties agreed that there was

previously much more bipartisanship than there is now. One former Congressman said that previously the “basic fundamentals” were much easier. He mentioned passing a continuing resolution in five minutes, not three months.



Congresswoman Barbara Comstock, US Representative (Virginia, 2015-2019)

“It just seems there was more institutional glue back when I was there.”

Members of Congress previously built strong personal relationships with representatives from the other party. They had prayer breakfasts together, played basketball, drove home together, and traveled around the world together.

A Caucus participant observed that while Ms. Pelosi was an incredible and effective Speaker, her legacy is about power, not bipartisanship. He described the current political environment which she helped usher in as: “Wait until I get into power.”

However, a former government official mentioned hearing from people across the country who are exhausted by the divisiveness. She hears many people wanting more unity and more bipartisanship both locally and nationally.

Democracy & Inflammatory Rhetoric

An expert on democracy and misinformation said the current struggle taking place in America is a part of democracy, which is an ongoing process that involves holding the country and leaders to ideals.

“There’s no such thing as a perfect democracy . . . the ideals of democracy are necessary to accuse people of hypocrisy, as the civil rights movement did.”

In the aftermath of two assassination attempts, President Trump is blaming Democrats for inflammatory rhetoric. But the misinformation expert said,

“Even as Trump is blaming Democrats for their rhetoric, he isn’t giving any second thoughts to his own. Throughout his time in politics, he has trafficked in the language of violence.” Trump has encouraged supporters to beat up hecklers at rallies and to “fight like hell” on January 6th, and most recently has used inflammatory rhetoric about Haitian immigrants in Springfield, Ohio. (Among Caucus participants, 87% believe Trump should apologize for false statements about the Haitians in Ohio.)

Speaker Emerita Pelosi said, “There is no equivalence between the Republicans and Democrats on this language that is concerning to us.” She mentioned Trump’s statement after white supremacists marched in Charlottesville of “fine people on both sides” and his Muslim ban.

Poll Question	Trump	Harris	Both	Neither
Is either candidate a threat to democracy?	73%	4%	8%	15%

Caucus participants largely agreed. The majority of participants see Trump (but not Harris) as a threat to democracy, and most participants agree strongly that hate speech incites violence.

Poll Question	Strongly agree	Agree	Disagree	Strongly disagree
Hate speech is inciting political violence	68%	26%	6%	0%



Olivia Troye, Former Homeland Security Advisor

A former member of the Trump administration who participated in meetings with Trump when he was president said that Trump was told directly that his words and narratives—such as referring to Covid as “the China Flu”—were leading

to real-world consequences against Americans on a daily basis. A huge problem is that Trump continues to surround himself with people who have a purposeful agenda that is incredibly divisive and dangerous.

A hate speech expert argued forcibly that “the idea that extremist political rhetoric doesn’t have a human cost is just wrong.” There are numerous examples of rhetoric having clear consequences. After Trump blamed Covid on China and called out Asian Americans, Asian Americans were threatened and attacked. After calling Mexicans criminals and rapists, someone drove 12 hours to El Paso and killed two dozen people in a Walmart, who they thought were Mexican criminals. Now, on college campuses, Jews and Zionists are being targeted.

“Irrespective of political party, we should have moral clarity in calling out extremist rhetoric. I don’t think there’s anything political about saying, ‘Stop scapegoating minorities.’”



Jonathan Greenblatt, CEO, Anti-Defamation League

Several Caucus participants shared suggestions and examples about speaking out:

- **Members of Congress need to speak up.** A former member of Congress called on elected leaders to fight back and speak up against hate. Often when members of Congress travel to other countries, they speak about democracy and civility and denounce hate. The same messages need to be delivered in a nonpartisan way across the United States.
- **Business and organizational leaders need to speak up.** A business leader who is frustrated with both political parties called on business



Brad Karp, Chair, Paul, Weiss

leaders to fight against this partisan rhetoric and to “take back the country.”

The chair of a prominent law firm with a long history of advocating on social and racial justice, recognized that it can be challenging to take controversial public positions, yet nonetheless, his firm often speaks out, early and forcefully.



Maryam Brown, President, Southern California Gas Company

“If you don’t stand for something, what’s the point?”

Energy

Three energy industry leaders, including huge electric utilities and gas companies, are seeing increased demand due to increased electrification and the reshoring of manufacturing companies. To meet this increased demand with affordable, reliable energy, these companies need to build more infrastructure—which is an area of bipartisan agreement. They would like government help to expedite siting and permitting as well as workforce development.



Calvin Butler, President & CEO, Exelon



Pedro Pizarro, President & CEO, Edison International



John Herbst, Former US Ambassador to Ukraine and Senior Director, The Atlantic Council

Ukraine

Political leaders who have recently returned from Ukraine said Ukraine’s incursion into Russia is making progress, and is likely going better than is being reported by the mainstream press. Policymakers at the Caucus supported giving Ukraine permission for deeper aggression into Russia, as part

of Ukraine’s self-defense against Russia. While some worry that greater aggression might lead to escalation by Russia—including use by Russia of nuclear weapons—that is seen as unlikely because Putin doesn’t want a war with NATO.

A Ukraine expert took issue with a recent [opinion piece](#) by Robert F. Kennedy Jr. and Donald Trump Jr. that exaggerates the danger of Russian nuclear escalation, encourages America to stop sending support to Ukraine, and essentially gives Ukraine to Russia. “This would be a critical defeat for the US and would make our lives less secure.” It would give Putin a victory by threatening nuclear war, which he has no intention of waging, and encourage him to threaten and take other countries.

Foreign Actors Influencing Elections

A national security leader confirmed that there are foreign actors seeking to foment disagreement and instability in the US. This includes inflaming hate speech and working to influence US elections.

Strategies to combat these efforts include sharing information with social media platforms so they can address these activities and transparently sharing information, where possible, with the American public to inoculate Americans from foreign influence. An example is a June 2024 [statement from the Director of National Intelligence](#) about Iranian efforts to stoke discord by using social media platforms and by providing financial support for protests about Gaza.



Anne Neuberger, Deputy US National Security Advisor for Cyber and Emerging Technology

Global Trade

Most Caucus participants who spoke about trade began their remarks by saying, “I’m in favor of global trade and free markets.” One avowed globalist asked, “Do you start from the premise of free trade or from the premise of isolationism? If you look back at economic history, when the biggest powers go for free trade, they grow exponentially.”

However, there are limits to free trade. The majority of Caucus participants believe that unfair trade practices must be countered.

Arguments for why the US government should intervene to protect US companies include:

- **National security.** There are industries, technologies, and supply chains the US needs to have domestically. Relying on foreign countries and companies for certain products and technologies could put the US at risk.
- **Level playing field.** If a foreign government subsidizes an industry or a company, it makes it difficult for a US company to compete. Most US companies want to compete, but want a level playing field.



Mary Barra, Chair & CEO, General Motors

“In my heart I’m a free trader, but I have to have a level playing field.”

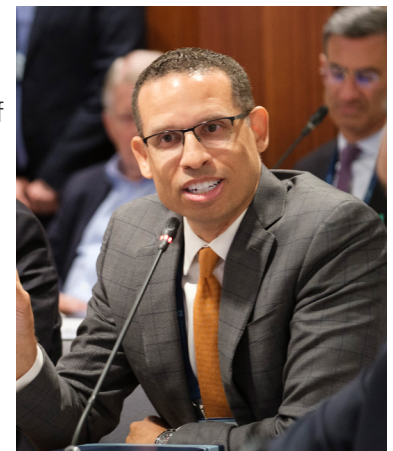
The majority of business leaders support protecting vital US industries from unfair foreign competition through government barriers and/or tariffs.

Poll Question	Strongly agree	Agree	Disagree	Strongly disagree
We need to protect vital US industries from unfair foreign competition through government barriers to foreign ownership	22%	50%	22%	6%
We need to protect vital US industries from unfair foreign competition through tariffs	21%	47%	18%	13%

In looking at foreign ownership of firms doing business in the United States, Caucus participants think differently about U.S. Steel and TikTok.

- **U.S. Steel.** In December 2023, U.S. Steel signed an agreement with a Japanese company to acquire the company. According to a company leader, this agreement benefits stockholders, employees, customers, and US communities. It provides a lifeline to keep this company and industry in the US and is an important example of foreign direct investment by a US ally in an industrial company. It also helps the US compete against China.

However, in advance of the election, the deal has been



Duane Holloway, General Counsel, U.S. Steel



delayed by the Biden administration. A participant observed, “It seems like the government thought China was buying this company, not Japan.” A former Congressman noted multiple Japanese-owned companies in his former district and saw no difference here. Among business leaders at the Caucus, 69% believe the Japanese buyers should be allowed to buy U.S. Steel.

- **TikTok.** Owned by a Chinese company, TikTok is able to scrape personal information on 170 million



Frank McCourt, Executive Chair, McCourt Global; Founder, Project Liberty

Americans, have that information go to China, and use and manipulate that information. A critic of TikTok said it is a powerful technology that can be exploitive and predatory. A national security expert agreed that TikTok poses a danger, but feels that simply taking away TikTok and forcing a sale seems like a singular ad hoc reaction. Instead, the US needs a clear set of rules to guide such actions.

However, 84% of participants don’t think the US government can move fast enough to create rules and guardrails . . . and 80% believe TikTok should be forced to sell to a US owner. Others, who see the risks associated with TikTok, argued for creation of a next-generation decentralized internet.



Glenn Fogel, President & CEO, Booking Holdings

There was also mention of unfair trade barriers being enacted by other countries, especially in Europe, targeting US service industries. The CEO of a major US digital services company believes the US needs to fight back in this area.

Antitrust

Multiple participants criticized the FTC for going too far in interpreting and seeking to enforce antitrust laws, which is seen as hurting US firms and hurting the US economy. One CEO commented that antitrust enforcement is “misdirected by some current administration leaders.” There is hope among critics of antitrust enforcement that this will change after the election.



LEGEND IN LEADERSHIP AWARD

James Quincey

Chair & CEO, The Coca-Cola Company

PRESENTERS:

Mary Barra, Chair & CEO, General Motors

Greg Brown, Chair & CEO, Motorola Solutions

Indra Nooyi, Former Chair & CEO, PepsiCo

Peter Orszag, CEO, Lazard

Coca-Cola Chair and CEO James Quincey was presented the Yale Legend in Leadership Award. Quincey was recognized as a visionary, innovative, and transformative leader who has revitalized Coca-Cola and led the company through a sustained period of commercial success. Quincey has driven relentless product innovation and has reoriented the company toward a more diverse portfolio, making Coca-Cola a “total beverage company.”

Quincey has also built on Coca-Cola’s legacy of social responsibility and community engagement.

Personally, Quincey is seen as a leader who is relaxed and fun, as well as direct and blunt. He thrives in a wide variety of different environments by combining financial and political sophistication with tremendous character and integrity. He is a disciplined and decisive leader who leads based on values.



Peter Orszag, CEO, Lazard; Mary Barra, Chair & CEO, General Motors; James Quincey, Chair & CEO, The Coca-Cola Company; Jeffrey A. Sonnenfeld, Senior Associate Dean, Yale School of Management



Indra Nooyi, Former Chair & CEO, PepsiCo



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James Quincey, Chair & CEO, The Coca-Cola Company; Jeffrey A. Sonnenfeld, Senior Associate Dean, Yale School of Management