Caldwell

LEADERSHIP ROUNDTABLE RECAP

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Les Gombik: Good morning, everyone. Thanks to all 400 of you from across North America for joining us today. My name is Les Gombik, and I am a managing partner with Caldwell. This is our 19th webinar in our Leadership Roundtable series. Now as we get started, I wanted to acknowledge and express my condolences to everyone on the call who's been impacted by any of the one million deaths around the world that have occurred since the crisis started.

Now, after taking a couple of months off from our last session in July on diversity and anti-black systemic racism, we're excited to kick things off again for our fall series. Full disclaimer, we toyed with whether we keep these going. They're a lot of work and we're search people. We're not professional event planners and for those of you who've been on these calls before, you know that I'm not a professional moderator. Then again, for any of you saw the presidential debate last night, I don't know who would want to be a professional moderator anyway. Now, that said, we've heard from many of you that even though this started originally as a COVID focused call, many of you enjoy coming back because things have really shifted beyond just COVID. So because many of you still keep joining, we're going to keep putting them on.

Like prior meetings, we have a great panel for you today. We have three first rate guests. We have a returnee panelist, Craig Alexander, the chief economist from Deloitte, who was on one of our very first panels in the spring. It will be interesting to hear Craig's thoughts on where things are going and how his thinking has shifted, or not from when he joined us five months ago. Next, we'll have Heather Munroe-Blum, the chair of CPP Investments and a director with RBC, among other boards. What's also interesting with Heather, is the fact that she's a former professor of psychiatric epidemiology and she'll be able to share some very interesting insights into how boards, organizations, governments and individuals are managing through the various crises. Finally, we have David Windley, the former chief HR officer with Yahoo!, the current CEO of IQ Talent, and who also sits as the chair of the board of SHRM, the largest HR association in the US. He is going to share information on what they're seeing in terms of return to the office practices broadly and also talk about the research they've done on diversity and racism. Now, each of our panelists is going to speak for five to ten minutes and then we will get into Q&A. Although I've already received dozens of questions alongside the registrations that came in, this is going to be even better if you send any additional questions to me via text, email or via the Zoom question button.

Let's get started. As mentioned, our first speaker is Craig Alexander from Deloitte. Craig, thanks for joining us. Now, Craig, of the over 50 panelists that have joined us since the start of this series, you were the first and only one we've invited back. Now, although most of the panelists over the series have been very, very enlightening, when I go back to your content from five or so months ago, I find that a lot of what you said has in fact, actually happened, which I think is pretty rare for economists. Now, assuming you're right all the time, then, Craig, help us plan by letting us know what you think about how things are going and where you think things are going next.

Craig Alexander: Sure, in terms of the economic performance, one of the defining characteristics of this crisis has been the speed of the drop, but also the speed of the rebound. When we look at the global economy, it is currently tracking towards about a five percent contraction in economic activity this year. If we compare that to the 2008-2009 financial crisis and what was at the time dubbed the Great Recession, the world economy only contracted by point one percent. So, this is the worst economic contraction in modern history. But it was also very concentrated. The weakness started in January when the outbreak happened in China. The economy contracted globally and in North America in March and April when the economic lockdown hit. But once the economy started to reopen, economic activity came roaring back. I would tell you that the speed of the rebound, the strength of it, has been far stronger than most economists and economic forecasters were anticipating. We knew, that when you turn the economy back on, you're going to get a lot of growth. But even allowing for that, it has been very strong.

If we think about the Canadian economic environment, the economy contracted by 18 percent during March and April. We had numbers just out this morning suggesting that between May and July, the economy actually rebounded by 15 percent. Now, you might think, well, 18 less 15, you're down three percent. Well, that's not how the math works unfortunately. If you have an investment worth one hundred dollars and it drops by 50 percent, you have an investment of 50 dollars, you need 100 percent to get back to your starting point. So, the Canadian economy is currently about six percent below its pre-COVID levels. If you think about that in terms of a magnitude of a drop, we're still in what would be considered a deep recession, but it's not nearly as bad as was feared. We've seen a similar sort of development on the job front. We lost three million jobs, but we've now recovered two million jobs. So, we've recovered two thirds of the jobs that had been lost. So broadly speaking, the economic data has been very favorable. But this is where there's a bit of a sobering note, and that is as we look farther ahead, we're likely to find that the pace of recovery slows materially. Statistics Canada this morning published numbers saying that their initial flash estimate, is that it looks like the economy grew by one percent last month. In other words, the speed of recovery is slowing and it's slowing sharply. We're going to see the same thing on the jobs front. It's going to take us actually quite a long time to fully recover from the economic scars created by COVID. Our base case forecast assumes that the infection rates that we're seeing rising right now persist and that we might get selected very surgical lockdowns in certain areas where the health risks have become more acute. If that assumption works out, it probably will take us towards the end of next year before we get the overall economy back to pre-COVID levels.

The other thing that has been a defining characteristic has been that the recovery has been very uneven across industries. For example, air transportation fell 95 percent during the lockdown and barely recovered. If we look at gasoline, energy consumption, again, very depressed. But then there are sectors that have posted quite a remarkable increase. A good example of that was the retail sector. It's quite surprising to me that overall aggregate retail spending got back to its pre-COVID level by June. Now, you might think about that and say, well, how is that possible? We have all these negative stories about how tough things are in retail. What's happened is the total amount of spending has rebounded but spending patterns have fundamentally changed. What you're seeing, for example, is clothing sales are very depressed or anything that's related to being in the office. Business clothing sales, very depressed, cosmetics sales, very depressed. You get some funny stories here. For example, shampoo consumption has dropped. People working from home aren't shampooing as much. So, you're seeing changes in behavior and that is impacting the performance of different industries and different sectors.

When we think about the recovery, what I would highlight is, I think that the hardest hit industries are also the ones that are likely to have the slowest recovery, partly because the virus is still in circulation. Now, you said kind things about the accuracy of comments I made in the past. What I would tell you and I've been saying right from the start, don't run your businesses under the presumption of one economic scenario because we truly do not know. So, you need to think about scenarios. You need to think about the path that the economy could take. So, the scenarios I think about are the infection rates rise, but we don't get lockdowns; the infection rates rise, we get surgical selected, localized lockdowns. Then there is the scenario where those localized lockdowns are inadequate and consequently, the infection rates keep climbing, at which point policymakers will think about broader economic lockdowns. I'm in Canada, so I think about the health risks in Canada. If Canada manages the health risks, but the United States doesn't, then it will have a profound impact on the Canadian recovery because Canada is a small, open economy. If our major trading partners are struggling or their recovery stalls, so too will ours. So, we also need to think about the international risks.

The other key risk out there besides the health risks is political risk. Part of the political risk is around the fact that one of the reasons why the economy has done so well, both in Canada, the United States and in Europe has been the massive government income supports that were put in place. One of the key risks is as those programs are scaled back, are they scaled back in a way that allows the recovery to be maintained or does that pose risks to the strength of the recovery? In Canada, I would say that in light of what was announced in the Throne speech, it looks like we're not going to see those income support scaled back sharply, jeopardizing the recovery. In contrast, in the United States, this is a material risk because the income support programs are coming to a close and Congress is in the midst of dealing with an election. There's a real risk that the income support could suddenly disappear. I think if it led to really weak economic conditions, if we saw a real blow to the economy, Congress would scramble very quickly to put something in place. But you don't actually want the volatility that comes from the loss of government support and then some element of it coming back. So that's beyond getting into political risks around the continued tensions between the U.S. and China, which I think are going to persist regardless of who wins the election. I'm talking happy to talk about any other details that you'd like during the Q&A.

So main message: the economy has bounced back. The recovery so far has been very strong but be mindful it's going to lose momentum. The pace of recovery is going to be very uneven, both in terms of the experience of workers and more of our vulnerable population has been impacted by this downturn. Equally, some of the hardest hit industries are going to be the slowest to recover here. It is going to be a long grind ahead and there are still enormous risks. I look forward to your questions.

Les Gombik: Thank you, Craig. I guess the very first point is that my wife will not let me slow down my shampoo usage, by the way. That was an interesting stat that you shared broadly. I hadn't even thought of that. Your comments around things being uneven maybe makes this question a little bit hard but I'll ask this polling question to the audience just to see what we're feeling generally as a group. So, the question: How long do you believe it will take for your company's financial performance to return to pre-COVID levels? Now, you heard Craig say it was interesting, depending on the industry, how good or bad it's been. But we'll ask for the audience to participate. We'll get to the results at the end of the session in the Q&A. Thank you, Craig, for your comments.

Let's shift gears and speak with Heather Munroe-Blum. Heather, with your director roles at CPP Investments and RBC, you have line of sight, obviously, to investment performance and financials that impact a huge amount of the population. So, I'm sure a lot of what Craig has talked about is front and center to what you're dealing with. I'm guessing you actually see things through a different lens, being a psychiatric epidemiologist by training. So why don't I just hand it over to you and get your perspective on things from the board lens and maybe through the lens of the first psychiatric epidemiologist I've ever met. So, Heather, over to you.

Heather Munroe-Blum: Thanks so much Les. It's a pleasure to be here on this panel today and to be meeting with you and the audience. I want to commend you and Caldwell on running this series and your good judgment at bringing Craig back. He's formidable and that was a tremendous launch to this panel. Just one word quickly on epidemiology. When I switched careers in my late 20s and moved into science, statistics and epidemiology, my mother said, "couldn't you study something that I could tell my friends about?" That was back at the turn into the 1980s and just tells you how far things have come subsequently. So, we'll come back to that, maybe a little more in the Q&A. I want to focus, as you said, on the board responsibility and the board lens that draws on my decades involved on corporate boards and a range of sectors, but also many not-for-profit organizations. It may be that my greatest governance experience was shaped by chairing Senate as Principal of McGill for a decade but that's another context. I want to speak from the board perspective on a couple of themes: talent in the corporate world, planning polarizations that come up especially in a crisis context, and the changing role of corporations in society. Maybe as a backdrop to this, which does come from an epidemiologist, just to cite Fauci, who's been the lead voice on science and the implications of science for public policy right now, I think this pertains to everything we're talking about today, that science and responsible leadership matter and misinformation kills.

One of the goals clearly for board directors is to make sure they're really engaged sufficiently to understand what's happening with their company and to support management without getting in the way of them doing their duties. When you think about the extraordinary real time analysis and action required of management dealing with the pandemic context, whether it's a solely domestic entity or like CPP Investments, that is globally positioned geographically in terms of its investments, it's really important to understand that we have a key role to play as a board. It has got to be supportive. It has got to be effective oversight and it's got to be well timed. All of this at all times, but especially in this context, begins with the dialogue between the board and the CEO and very much the board chairperson and the CEO. This interaction has become accelerated during the pandemic and extends to the full board, ensuring that the board has frequent updates on ongoing operational responses to the crisis, but also foresight and understanding of what's coming up.

It's also the small things. The boards I'm on have deliberately divided both the cycle of information coming towards, and coming from boards back to management, but also on our work as a board, working virtually. It gives us a real palpable sense of what firms, companies, and organizations are dealing with in the virtual world. It is really tough to be working virtually even for those who love to work all the time and who are driven by a passion for the work. It is really hard to be on a screen eight to ten hours a day. One kind of multivariable check on how your company doing is, are people getting the breaks or are they getting the downtime? That goes right across the organization.

One of the most valuable things the board can instill in the organization at all times is the importance of forward planning. In a context of deep complexity and great uncertainty, two conditions together cause the greatest stress on both individuals and organizations in terms of disrupting the sense of where we're going. One is how to balance the emphasis on keeping your focus on the mental long-term strategy and performance of the organization. The other being dealing with the exigencies that are coming up day by day and requiring a real deftness and agility and profound trust, both within a board and between board and management. Being able to pivot. Being able to be empathic, understand what's happening, to listen hard and not judge quickly. This probably goes to how we're comporting ourselves in our personal lives as well at times of such stress and uncertainty. It is important to have the ability to move out of the pro forma agenda to bring the retrospective view down to a very short focus in the interaction between board and management and focus on the here and now and the go forward. To use board meetings, which are now happening in kind of chunks over several days versus long days, back to back; to do deep dives that really have the board feeling well informed.

There's been a lot of discussion about the degree to which the pandemic has sped up already occurring transformations in business, and these include working from home and digital commerce. It certainly sped up many of the priorities that boards are increasingly focusing on and were prior to the pandemic- cyber security, risk management, risk enterprise assessment and geopolitics. Just to give an example, at CPP Investments, we wouldn't claim to have predicted the pandemic. But in looking at business continuity and maybe this was coupled with good luck, we did begin pandemic planning in 2018 as part of broader crisis management and which the board risk committee reviewed in the context of our broader work plan. We had an advantage which sure didn't feel like it at the time, but of having one office situated in Hong Kong in the middle of the then constant protests and disruptions that were happening. We were as both board and management thinking a lot and acting on ensuring the well-being of employees in that context. There are a number of silver linings that come out of this pandemic that ought to be taken forward. One is that it meant we had a whole office that was prepared, managing at home, working virtually, and where everyone had focused on supporting them. They've become a great resource to the rest of the company and our global offices and our domestic office in sharing practices.

We continue to conduct scenario analysis and revisit and confirm with some iteration of our five-year strategic plan. The thematic investing group studies anticipated shifts that are pertinent to global business and having that as a backdrop of data analytics and real practice inputs gives us the opportunity to again bring in and iterate on the strategy and the annual plans in a way that's helpful. This is not to say that it isn't hugely demanding.

We know from the field of consumer psychology that individuals who experienced the largest impacts from this situation will undergo the most dramatic, long lasting changes in behavior. The longer the crisis persists, the more likely people are to form new habits. So how do we make sure that our people are supported to be adjusting in ways that are going to be effective for the long run. Back to the mental health dimension of this, it is something that really demands real engagement by boards as much as by management teams, not only through the HR leads, but more comprehensively. Just to give a couple of anecdotes, people behave very differently in a confined lockdown situation. People who are high performing extroverts are suddenly in a vacuum and there's some early indication that they're suffering more. Some people who are introverts are thriving and becoming creative, more outgoing and reaching out to teams that are operating virtually.

We know that women, racialized groups, youth are suffering more during the complexity and uncertainty here. There will be a greater emphasis on the instinct towards polarization and inequality, a theme I know this roundtable has addressed before and we will be speaking more about this morning, but the pandemic accelerates all of this. Over 1.5 million Canadian women lost jobs in March and April. Globally, women make up 39 percent of the workforce, but account for more than half of all jobs lost during the pandemic. This will have a significant impact on corporations and not-for-profits. This is just on gender. There's a huge link, as we all know, between diversity and profitability. If your innovators, your capacity for dealing with complexity because you have diversity around the worktable and around the board is undermined by the impacts of the pandemic, that will have a long-term impact.

From a public policy perspective, how do we fix this? Numerous studies have shown that access to quality, early learning and childcare has enduring impacts on life outcomes, health, education, and employment. This will feature in the return to work. I do want to applaud the recent federal government announcement, that it will invest in Canada wide, early learning and education.

Let me just finish quickly on the role of the corporation in society. This is key and increasingly a focal point of discussions about corporate governance in Canada and globally. It's increasingly clear that corporate social responsibility is no longer a nice to have, but a must have. It's important to first acknowledge that corporations have historically played an important role in society beyond generating profits for shareholders. The Royal Bank of Canada, for example, has been one of Canada's largest corporate donors, dating back to 1891. The concept of ESG while founded on the fact of doing good and being seen to do good, is very much embedded in the fact that successful businesses require social license to operate and that can only be earned and granted at the behest of the public. In a digital world that is something that's being tested in real time. Let me just finish up by saying that our role as directors is to ensure that management is thinking carefully about how organizations are adapting in real time; what we ought to have persist out of this adaptation; a focus on risk and the going forward than on the retrospective understanding that inaction at this time, a lack of engagement and hunkering down will cause permanent damage. I just want to end then on the fact that asset managers globally have become a force for change. At CPP investments, just to use an example, consistent with the viewpoint of many institutional investors, companies that effectively manage environmental, social governance and talent factors are more likely to succeed and create on financial advantage going forward. That's never been more true than now. I'll finish there and happy to come to the Q&A with more.

Les Gombik: Oh, Heather, that was impressive. One of the things I love about these sessions is we get multiple panelists who are experts in all sorts of things and just with your ten minutes alone, we could unpack ten different items. Let's keep going, and thank you for those comments. One thing in particular, though, that I really did want to acknowledge and say that was quite interesting is oftentimes in our conversations at Caldwell with boards as well as management, oftentimes there's a little bit of a disconnect where management feels that maybe the board just doesn't truly appreciate what management is doing on a day to day basis. You commented firsthand around how you see how difficult it is just based on having to work virtually just like many of management, so thank you for bringing that up.

So, David is the CEO of IQ Talent, the former CHRO of Yahoo! and then senior HR roles at Microsoft, and the chair of SHRM, the Society for HR Management, the largest HR association in the U.S. David, you have fresh research and current knowledge on what global companies, including Canadian companies, are doing in the U.S. and what U.S. companies are doing around the world. You've got a great perspective on things that a lot of us are really interested in. Two areas of research that I know you've done some recent studies on: workplace practices broadly and in particular around return to the office, and diversity. So why don't I hand it over to you?

David Windley: All right. Well, thanks Les. Thanks for having me on this panel. Heather when you were talking, two things really struck me. One was talking about the trends of workplace flexibility pre-COVID. It was already a trend and then COVID accelerating it and I'll touch on that. You also mentioned about the role of the corporation these days. Edelman does a trust survey globally and this is dated by over a year now, but it showed that when you ask people what organizations or institutions they trust, for the first time, your workplace has risen tremendously globally over governments, over media, over NGOs. So, when you think about something like the pandemic and this crisis and all the various institutions, where do you trust the messaging? What do you trust? All of us on this call as senior managers or board members should understand that context. I think it was like 75 percent of people say they trust their workplace. It's a very important context as you come up with these policies and protect your workers etc.

I won't go through all of the survey information, but SHRM did conduct a survey on coming back to work. There are a couple of things I just want to highlight. While you hear the press and especially here in the U.S. and my background being in tech, you hear a lot of the big tech companies, which are also now the largest companies in the economy, with these policies of letting everyone work from home and that's going to be a definite. You get this impression that's what's happening, but that's not actually what's happening. Back even in July, over 50 percent of organizations have already returned back to work, so to speak. And that's increased. What we see now is, for the most part as restrictions are lifted in the jurisdictions, many companies are returning to work. Now, there's a big difference between, as Craig mentioned, the types of industries. What we see in the workplace and it comes through in the survey, is companies that are predominantly knowledge work, a professional workforce, are working from home or flexible work at a higher percent. Any company that has physical work, think manufacturing, think fulfillment centers, they are back for the most part. Again, only if there are restrictions in their local jurisdictions. In our survey, we asked about the use of social distancing, adjusting workplaces and so forth. Everyone's making some adjustments that are coming back to work. As Craig mentioned, people are seeing the economy coming back and that's reflected in people coming back to the work environment.

Now to Heather's point about the trend of flexible work and COVID accelerating that. Interesting point in the survey, 68 percent of organizations report that they will probably or definitely will adopt broader, more flexible work from home policies post-COVID. So I don't know what that number would have been before COVID, but the fact that it's that high, I think speaks to the point that this experience with COVID is accelerating a trend that was already happening. But as Heather mentioned, the longer this goes, the more we get used to it, the more people realize that it can happen, and you can be effective. Match that with what Craig is telling you, the economy is bouncing back and we're doing this with remote work. I think it's proving to people that much of the work that is done in a modern company now, especially a knowledge-based company, can be done remotely, not exclusively, but can be done. You're seeing that reflected in organizations being more open to that. There are some differences. 73 percent of large organizations will offer this flexibility, whereas it's only about 65 percent of smaller organizations, of one hundred employees or less. There's a huge difference between the industries. We just broke it down broadly into knowledge industries vs. service or physical industries. That break out says that 75 percent of knowledge industries say they will offer this flexibility and about 62 percent of physical or service industries.

There's a survey question I want to touch on and it relates to childcare and kids going to school from home. So, how are organizations responding to the childcare accommodations needed during this time period? There is definitely a difference in the industries. Knowledge industries, seven in ten plan to create a worksite plan around child care. Whereas in the physical industries, it is only 28 percent. Heather and Craig talked about the uneven effect that this pandemic has depending on the type of work or type of company. If you're in manufacturing or an accountant and your child has to go to school from home, each worker really has the same situation. But, as an employer, we're making major impact on people's lives by our decisions at our companies.

Here's an example where there's definitely different treatment. The next question talks about what companies are doing to accommodate. The strategies are mainly around flexibility of work. Only nine percent of organizations are considering providing any subsidies for childcare or anything like that. So, those companies that are making accommodations, it's mainly around allowing flexible hours, remote work or considering reduced working hours. It's all about the flexibility for their workers to be able to stay home with their school aged children, but not subsidies and things like that. If you're in a knowledge industry, it's a type of work where those policies can happen more and that's why they are accommodating. So just one interesting snippet in the effects of COVID.

As we're returning to work here, especially the United States, we have another issue that really popped into our consciousness in June, which is racial equity. I know that your last session was really on this subject and this is more of a follow up with some survey information. We also did a study on racial equity in the workplace. I'm just going to highlight a couple things that really, I think, illustrate why this is a tough problem to deal with. So, the question to workers, does discrimination based on race or ethnicity exist in your workplace? Overall, only 14 percent of people felt that. So right there, in general, your workers don't feel this is an issue. But then when you break it down, only seven percent of white workers feel that. Whereas 35 percent of Black workers feel that is an issue. Five times more. That experience itself gives you an idea why this is a tough problem. Most of your white workers do not feel that there's a problem. They just don't see it. I'm not saying right or wrong, this is just the survey information. This is the reality we're dealing with in our workplaces.

You can look at another question specifically. The question is about have you been discriminated against in the workplace? Four percent of white people feel that they have been discriminated against in the workplace. 52 percent of Black employees feel they have been discriminated against. Part of the issue we're dealing with is people just have totally different perspectives based on the lives they've lived.

This has been an intractable problem because the third question I will comment on is, do you feel uncomfortable engaging in candid conversations about race at work? This is the one question where it's the same for Black or white. Thirty seven percent of white employees answered that they feel uncomfortable. Thirty seven percent of Black employees feel uncomfortable talking about race. In this case, we're sticking with Black. We could tick other minority groups. But in this case, a group that has experienced discrimination, feels it's not necessarily 100 percent equal and that there should be changes made in the workplace. But you have colleagues that really don't see a problem. On top of that, no one wants to talk about this subject. So that context is important as all of us on boards, as management. I know many of you are putting together plans to address racial equity in your workplaces, but I think we have to hit this head on and understand this reality. If we just dive into programs, recruiting, hire more diverse people etc, and we never deal with this underlying issue, I think we'll just be back to where we've been. I know many of the people on the phone have been in the corporate world for years. I have myself and this is not a new issue. We've been trying to deal with this for a long time. But I think just these three questions illuminate why this is a tough issue and unless we get to a better understanding and get all people, employees to understand the issue, as it were, it's going to be hard to tackle it. I'll leave it at that. A lot to chew on.

Les Gombik: There's a lot to chew on. David, thank you. I just wanted to acknowledge one thing that you said, David, right at the end. That was around, people just don't want to talk about this issue. It's funny, I don't know about you, but it seems like all I ever talk about is COVID and I wish we wouldn't talk about it anymore, but we're not talking about important issues like racial equity and the things that you just acknowledged. We appreciate you being part of this discussion and sharing that research. Hopefully, if you're OK, we might be able to get access to that research so that we can share it with everybody on the webinar. Thank you, David.

Let's get into some of the Q&A. I think one of the ways to prompt some of the questions and get into this would be to share the results from the first polling question. That was specifically around how long do you believe as a group it will be before your company's financial performance returns to pre-COVID levels? As we can see, it looks like at least a quarter of us are feeling like we're already back to normal. That's great to see and with the lion's share being 40 percent feel like we're still at least another year to maybe two years away before we get to that point. Craig, I assume you're probably going to feel like this is normal and you were expecting some of this because of the differentiated makeup of organizations that might be on the call. Do you have any general thoughts on what you're seeing here?

Craig Alexander: I don't think the results are surprising. There are many businesses that have gotten back to pre-COVID levels of activity. When you think about any essential industries, they didn't experience as much of a decline and they have benefited from the recovery. The 40 percent that are saying, 13 to 24 months, there is certainly going to be a significant share of the economy that, like I said, the hardest hit industries accommodation, food services, hospitality, arts and entertainment and anything related to travel, are going to take well over a year before they get back to pre-COVID levels. As I expressed in my comments, because of the health risks that are present, we can't guarantee that the recovery is going to be steady. I suspect that with the increase in infection rates that we're currently seeing is also probably showing up in terms of the responses that people are giving because we have seen an increase in terms of the risks.

Les Gombik: Thanks, Craig. Just another very quick question for you. On the presidential debate last night, I think it was Trump said it was going to be a V shaped recovery and then you heard Biden say something like a K shaped recovery. Can you comment on your thoughts around how this recovery is looking generally? I think I'll ask Heather next to talk about the human factor around the recovery and how that will play out.

Craig Alexander: If you look at it from a chart point of view, it looks very V shaped because of how far we fell and then the rebound during the reopening. As I tried to stress in my remarks, going forward, it's going to be a much harder grind. This is where it isn't so much V as it's like a Nike swoosh where you go down, you come back up, and then the tail starts to extend farther out. It's going to take us a long time to get there. In advance of the comment around the human factor, this is why there's still a million Canadians who lost their jobs and they're going to need more support and continued support. They might not have jobs to go back to at the same employer.

We are going to see the economic scars start to build as we go forward because the government income support and all the government efforts has really mitigated a lot of the observable economic pain. But now, I think as we get in the fall and winter, we're actually going to see more of the damage that's been done to our economy and to our labor market. The K shape, which you ask, how the hell can the economy have a K shape? What it's capturing is the idea that you have some of the economy that's going up very rapidly and doing very well. While there's a segment that's gone down. That's the shape analogy there, which is true. If you look at grocery stores and compare them to clothing stores, you get opposite directions in terms of how they're actually performing. I know there was a question that came in about, could there be a W which would be the double dip. In the scenarios I was talking about, if you had a renewed lockdown, you could actually have a double dip and you would get a W shape to this downturn.

The one thing I would stress, though, is every policymaker I talk to in Ottawa and all the provincial capitals, we've learned a lot about the health risk by industry. So, any initial new lockdowns are likely to be very targeted. So, we know, for example, that if you shut down restaurants, bars and gyms, you significantly reduce health risks. Those are industries where there's infection. When the U.S. reopened, we saw rising infection rates in the U.S. south, Florida, Texas and then in New Mexico. But when those states actually cracked down in terms of activity in restaurants and bars and gyms, the infection rates dropped. We can be more targeted this time around, which reduces the economic risks, which reduces the risk of the W. But again, if it starts overwhelm the health system, then you get a broad based lockdown.

Les Gombik: We just have a few minutes left. I wanted to really quickly pass over to Heather, which is continuing on your conversation, Craig, that people are people. Heather, you commented before the session that people want to get on planes again. As soon as that happens, then we're going to start seeing this. People want to go to the gym and socialize with their friends. Heather, maybe comment on that.

Heather Munroe-Blum: Yeah, just a couple of very quick points. One, we're all hoping for a vaccine and we're all hoping for really effective treatments to come into play. But the fact is, with a pandemic like this, the virus is just looking for places to land, people to land on, all the time. It's our own ability, individual by individual and group by group, to do what we know we have to do. Social distance, wear a mask, have track and tracing. We also know that young people in particular, are one of the reasons why we're seeing this spike. For young people we already can predict it's going to be harder for them to retreat again and reengage those distancing and safe practices than it was in the first instance when people thought this is just going to come and go. So, it's going to be long standing. I can say, as an epidemiologist, there are also going to be other pandemics. The Western world has been pretty protected, but for obvious examples, HIV and SARS. This is the first major global pandemic since the 50s. But it is the start of a new wave with mobility and so forth.

And just one last point, if I can sneak it in, building on some of David's comments. We know there are groups that have not been fully engaged in the workplace commensurate with their abilities and their capacity to contribute. Racialized groups, youth, women are going to be harder hit by this and so the economic trends that we're predicting are, again, based on what we've understood about past performance. But we've got to do a lot now from a company, institution and policy point of view to accelerate inclusion for those groups who we really need and who deserve to be participating in the economic recovery that will come in. One group we haven't mentioned that I think is a real concern for Canada is that whole class of young entrepreneurs who had a rug pulled out from under them while they were just accelerating in their careers and we can't afford to lose a generation in addition to having other groups left out of the mix.

Les Gombik: Well, you've all given us so much to talk about. We are at that time, but we haven't given you a chance yet, David, to comment on a final piece of advice for everybody. You were doing studies around the gig-ifying of the workplace, even before all of this came out. You've probably got some general thoughts and words of wisdom for everybody. I know I'm throwing this at you out of the blue, but do you have any final thoughts, comments or advice for all of us on the line today before we finish up?

David Windley: Now, if you want to talk about the trend of flexible work and like you said, the gig-ifying of the economy, what I'd encourage is really look at the type of work that your workers are doing. There are many types of work now with technology that are allowing people to be more flexible of where they execute their work. As you move into these more flexible work arrangements, I think it's important for us to make sure that we have the culture that will allow for success. From a management perspective, it is really getting your managers to manage more on objectives and performance than trying to manage the inputs like looking over people's shoulders and feeling comfortable that they're physically at work to get the work done. I think that's better management anyways. But it is definitely the type of management you need and culture you need to really make remote work, flexible work, work well. So that would be my advice.

Les Gombik: Well, thank you, David. The good thing about these sessions is that we have great panelists with lots of content and we could go on forever. The problem is we've only got an hour and I really wish we had more time to get into what it is that we're talking about. Feel free to send any additional questions directly to me. We'll try to answer some of those questions after the fact and we'll post them on our site. Thank you for everybody for joining. In particular, thank you to the three of you, Craig, Heather and David, for joining us and sharing with us your valuable insights and time. You've all got lots of other important things to do, and we appreciate you paying it forward for everybody on the line. The bottom line is we are over time. So I'm going to literally fly through the close and that is, we're proud to put these on. This is one of the favorite things that I do. We're going to do them a little bit more- back in two weeks on October the 14th, the 21st and the 28th and then a couple in November. Ultimately, if you find them valuable, please send the invite off to your colleagues and friends and have them join. We'll add them to the master list once they've joined. If you want to listen to the replay or share it with anybody, it'll be up on our site by the end of the day. Have a great day, be safe and take care, everybody.

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