



OVERDRAFT

Overdraft University Symposia Series

UNIVERSITY OF SOUTHERN CALIFORNIA AND PEPPERDINE UNIVERSITY

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Travelers Institute

Travelers established the Travelers Institute as a means of participating in public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals and other experts to provide information, analysis and recommendations to public policymakers and regulators.

SullivanCurtisMonroe Insurance Services, LLC

SullivanCurtisMonroe (SCM) is a privately held, full-service insurance agency that has provided commercial property & casualty, employee benefits, and personal lines coverage since 1931. SCM has offices and several hundred employees throughout Southern California.

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Attendees are welcomed to the University of Southern California's Taper Hall of Humanities for the event.

In October 2013, the Travelers Institute and SullivanCurtisMonroe Insurance Services, LLC (SCM) partnered with the University of Southern California and Pepperdine University to engage students in a nonpartisan dialogue about the national debt.

The events, part of the Travelers Institute's multi-year *Overdraft* University Symposia Series, featured the award-winning documentary *Overdraft*, presented by the Travelers Institute, and panel discussions raising awareness about the facts of the U.S. debt and its critical implications for the American Opportunity. The series, which began in 2012, was on track to engage thousands of students at more than 40 universities across the country by the close of 2013.

SCM Chairman and CEO John Monroe, who spearheaded bringing the dialogue to southern California, kicked off discussions at both the University of Southern California and Pepperdine University, emphasizing the debt's importance to younger generations.



SCM Chairman and CEO John Monroe discusses the national debt with students at Pepperdine University.

University of Southern California

LOS ANGELES, CA • OCTOBER 22, 2013

Welcoming Remarks

- James Ellis, Dean, Robert R. Dockson Dean's Chair in Business Administration, and Professor of Marketing, Marshall School of Business, University of Southern California
- John Monroe, Chairman and CEO, SullivanCurtisMonroe Insurance Services, LLC
- Joan Woodward, President, Travelers Institute; Executive Vice President of Public Policy, The Travelers Companies, Inc.

Panel

Moderator – Richard K. Green, Professor, Director and Chair, USC Lusk Center for Real Estate, Sol Price School of Public Policy, University of Southern California

- Lawrence Harris, Fred V. Keenan Chair in Finance, Professor of Finance and Business Economics, Marshall School of Business, University of Southern California
- Christopher Holmes Smith, Clinical Associate Professor; Co-Director, Media, Economics and Entrepreneurship, Annenberg School for Communication and Journalism, University of Southern California
- Joan Woodward, President, Travelers Institute; Executive Vice President of Public Policy, The Travelers Companies, Inc.

The dialogue launched at the University of Southern California (USC) in conjunction with its Marshall School of Business. Marshall School Dean James Ellis welcomed attendees and Sol Price School of Public Policy Professor Richard K. Green moderated a conversation exploring how public messaging is fundamental to spurring action on the national debt.

Focusing on effective communication, Annenberg School Co-Director for Media, Economics and Entrepreneurship Christopher Holmes Smith praised *Overdraft* for helping convey facts about the debt in an accessible way. The public needs a simplified message, he said, one that communicates a shared objective and a need to solve the problem together. Marshall School Professor of Finance and Business Economics Lawrence Harris noted that how information is conveyed is critically important to how it is perceived. The \$17 trillion debt may be more meaningful when put into context for individuals, he said. For example, the debt burden for each U.S. citizen exceeds \$54,000 or more than \$320,000 for a U.S. family of six.

Green added that even journalists sometimes have difficulty communicating effectively about the issue, confusing the terms debt and deficit. The former refers to total accumulated obligations over time, while the latter indicates the amount by which expenses exceed revenues in a single fiscal year. In addition to these measures, he encouraged students to monitor the national debt as a share of Gross Domestic Product (GDP).

Students joined the conversation and asked how the financial crisis has added to the debt. Travelers Institute President Joan Woodward explained that



L to R: SCM Chairman and CEO John Monroe with USC Marshall School of Business Dean James Ellis

during the crisis, the country saw four consecutive quarters of negative GDP growth – a first since the U.S. Bureau of Economic Analysis began tracking the statistic in 1947. This recession is deeper and longer than most economists have experienced, she said. Harris noted that while the crisis will change the rules of the game in financial services, the country’s changing demography will be the enduring issue. Finally, Green added that more and more people have returned to school during the crisis, which will be helpful for future growth.

When asked about solutions, Woodward said the key to any budget agreement will be its ability to pass both chambers of Congress. Smith added that equitable revenue increases should be a part of the solution, while Harris commented that any plan should be accompanied by creative solutions that reduce costs while increasing productivity.

University of Southern California

The University of Southern California, one of the world’s leading private research universities, has a strong tradition of integrating liberal and professional education and fosters a vibrant culture of public service that encourages students to cross academic as well as geographic boundaries.



A USC student reads about the *Overdraft University Symposia Series*.

University of Southern California’s Marshall School of Business

The University of Southern California’s Marshall School of Business, a leader among the nation’s premier business schools, places an emphasis on entrepreneurship and innovation, collaborative research and social responsibility, positioning itself to address the challenges of a rapidly changing business environment.



L to R: USC Professor Lawrence Harris, Travelers Institute President Joan Woodward, USC Clinical Associate Professor Christopher Holmes Smith and USC Professor Richard K. Green

Pepperdine University's Graziadio School of Business and Management

MALIBU, CA • OCTOBER 23, 2013



Travelers Institute President Joan Woodward introduces the national debt documentary, *Overdraft*.

Welcoming Remarks

- Michael L. Williams, Associate Dean of Full-Time Programs, Associate Professor of Information Systems, Graziadio School of Business and Management, Pepperdine University
- John Monroe, Chairman and CEO, SullivanCurtisMonroe Insurance Services, LLC
- Joan Woodward, President, Travelers Institute; Executive Vice President of Public Policy, The Travelers Companies, Inc.

Panel

Moderator – Michael L. Williams, Associate Dean of Full-Time Programs and Associate Professor of Information Systems, Graziadio School of Business and Management, Pepperdine University

- Michael Shires, Associate Professor of Public Policy, School of Public Policy, Pepperdine University
- Joan Woodward, President, Travelers Institute; Executive Vice President of Public Policy, The Travelers Companies, Inc.
- David M. Smith, Senior Associate Dean, Associate Professor of Economics, Graziadio School of Business and Management, Pepperdine University

The conversation continued at Pepperdine University's Graziadio School of Business and Management, where more than 200 students joined for the *Overdraft* documentary screening and panel discussion moderated by Graziadio Associate Dean of Full-Time Programs Michael L. Williams.

Williams joined SullivanCurtisMonroe Chairman and CEO John Monroe and Travelers Institute President Joan Woodward in welcoming students to the event, held on the university's Drescher Graduate Campus in Malibu, Calif. Monroe, the father of two Pepperdine alumni, explained how he had greatly benefited from the American dream and was deeply concerned about preserving that same opportunity for the next generation. Woodward echoed his remarks, encouraging students to stay informed and be a part of the national discussion on this important issue.

Panelists assessed the national debt, its sources and the 16-day federal government shutdown, which had just ended. Associate Professor of Public Policy Michael Shires said the current debt situation was the result of an aging baby boomer generation combined with rising healthcare costs. These costs factored into the shutdown, which Graziadio Senior Associate Dean David M. Smith said may actually have helped raise public awareness about the debt.

Panelists called for students to actively engage on the issue. Emphasizing the importance of an informed electorate, Smith encouraged students to speak with family members about the debt. The longer we kick the can down the road, he said, the worse off the nation will be. Woodward likewise encouraged students to vote – citing that 93 million eligible voters chose not to cast a ballot in the 2012 elections.



L to R: Pepperdine Professors Michael Shires and David M. Smith

Students joined the dialogue, discussing reforms to the corporate tax code and digital innovation as a means for driving down costs. Shires encouraged them to be part of the solution to the national debt by embracing an entrepreneurial culture and creating new businesses that would grow the nation's economic base.

Pepperdine University's George L. Graziadio School of Business and Management

The George L. Graziadio School of Business and Management at Pepperdine University develops values-centered leaders and advances responsible business practice through education that is entrepreneurial in spirit, ethical in focus and global in orientation.



L to R: SCM Chairman and CEO John Monroe and Travelers Regional President Thomas McCormack



Pepperdine University students gather before the *Overdraft* screening on campus.



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