

## DiMeo Schneider & Associates, Nonprofit Investment Stewards Podcast

Episode 5, November 18, 2020

### How the 2020 Elections Could Impact Nonprofit Investors — With Frank Kelly

[00:00:00] Welcome to Nonprofit Investments Stewards Podcast with Bob DiMeo and Devon Francis from DiMeo Schneider and Associates, Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment foundation or retirement plan investments, this podcast exists to help stewards, improve performance, reduce costs and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:27] Now onto the show. Hello, and welcome back to the non-profit investment stewards podcast. I'm Bob DiMeo as always joined by co-host Devon Francis. Today, we have a special edition episode, a super timely topic, our recent elections, and what impact the results may have on investors in general and nonprofits, more specifically, a couple of things right up front first, this will be a nonpartisan episode.

[00:00:54] We'll dive into policies and portfolios rather than political parties. Next, [00:01:00] we're doing something a little bit different with questions for our renowned guests. In addition to questions from me and Devon, we have a few specific questions from some of our nonprofit clients. I think you'll really enjoy this show, but first Devon, how are you today?

[00:01:15] I am. Excellent. Thanks Bob. I'm really looking forward to this modified format with questions from our clients. And of course, I'm looking forward to hearing from our outstanding guest, Frank Kelly, with Deutsche bank to give you a bit of background on Frank. He is the head of government and public affairs in North America and Latin America.

[00:01:34] At Deutsche bank. He advises clients on geopolitical and political risks and their impact on markets. He also manages relationships with elected official and legislative bodies. He has quite a storied past, which includes time with the SEC and the US department of justice, as well as several roles in the white house, under multiple administrations.

[00:01:56] So, Frank, we are glad to have you here. Thank you so much. I [00:02:00] imagine you've been incredibly busy this election season. I have thank you for having me. Um, uh, and, uh, yes, it's been busy. It's been exciting and that it seems it's going to continue to be exciting for weeks and months to come here. Big, big changes, Frank, along that note.

[00:02:15] And so glad to have you, before you talk about what election outcomes might mean for investors in nonprofits, can you bring us up to speed on where we broadly stand regarding any shifts of power, open items like runoffs and so on. Sure. It's um, that's where, where we're, we're still sort of struggling here, uh, in that you still have two or three States that haven't formally been called.

[00:02:40] I think it's Arizona and North Carolina and Georgia. Uh, I think also Alaska still hasn't been formally called, but that's not so surprise because Alaska is so massive there. Literally, uh, flying in boats in off of, um, which planes and other things to get to their Capitol to count them all up. But at the end of the [00:03:00] day, I think it's fair and safe to say that Joe Biden's won it's, it's clear that his overall electoral vote tally, uh, and the individual vote he's won by at least 3 million there.

[00:03:12] Now of course, president Trump's disputing that, which is his right. Which is part of democracy. It's a fascinating thing. I know it seems to be, uh, upsetting a lot of people.

And if people want this to be over and finalized, but he's going to be asking for recounts, probably be some lawsuits over how mail-in ballots were dealt with, particularly in Pennsylvania.

[00:03:31] What do you do with mail-in ballots that that may have come in after election day and if weren't properly timestamps. So there's, there's some issues that have to be worked out, but quite frankly, may be good in the long-term for future elections. So I think it's Biden is effectively one, not finalized yet, but pretty much.

[00:03:50] So the Senate is the big game here because you have still three outstanding Senate seats, Alaska, which we'll go through the Republican again, [00:04:00] it's, it's depends on when the, uh, the Bush planes come in and the, uh, the dog sleds deliver the ballots and. Quite frankly, I think that is actually happening. And then the two big ones are in Georgia and this is where policy can really shift one way or the other.

[00:04:17] You have both Senate seats up for a runoff election. Now, normally you don't have both Senate seats in a state. Up for election in the same year, there's always staggered, but it's an anomaly because the former Senator stepped down for health reasons, a new Senator who was appointed by the governor, but this was then required to run within two years.

[00:04:39] So that was hit this year, the same time, the normal schedule for the other center race. This is going to be one heck of a battle. Uh, you're going to see money pouring in there because it's control of the Senate. I think after Alaska, which I think they may even call today, you'll see, Republicans will have 50 seats.

[00:04:57] Uh, Democrats will have [00:05:00] 48 and if they get the two seats, Democrats get the two seats in Georgia, then the vice-president of the LEC Kamala Harris with the tiebreaker, meaning the Senate is under the control of the Democrats Republicans hold it. Of course they will have a 52 to 48 a vote total. Now moving to the house, which is the market has missed in, in a, in a big way.

[00:05:24] Fascinating the play there. What happened? Democrats expected to win a net 12 to 15 seats, which have really would have bolstered speaker of the house, Nancy Pelosi and her final two years as speaker. She is term-limited herself and said, she'd stepped down in 2022. The complete inverse happened. In a surprise to everybody.

[00:05:45] Republicans have picked up at least 10 seats and may pick up 14, 15. There's about 20, more of these seats are in recount. So it has, it has changed the dynamics in the house considerably. And we're centrists. Now [00:06:00] a centrist Democrats are much more powerful, progressive left, diminished to some degree. And, uh, so it's, it's, you're sitting a scenario here of Joe Biden in the white house, a Republican Senate.

[00:06:13] By a narrow margin and a much more centrist house, which says to me, uh, the American people have spoken. They want centrist, get it done, come together, uh, legislation over the next two to four years. It's such a fascinating time and fascinating outcome. Frank, what do you think the results might mean in terms of the overall economy?

[00:06:35] Well, you have to look at this from two different perspectives. If Republicans hold the Senate. When one of these two Senate seats or both, if even with one, they'll have a one seat, majority tax reform is off the table until at least 2023, because Republicans in the Senate will block it. Democrats, get it.

[00:06:56] I think there will be a hard push to do a significant rewrite. [00:07:00] Of the Trump 2017 tax bill, uh, and it could be significant in some of the things that they've been advocating for financial transaction tax, uh, higher taxes on, uh, individuals, uh, the point of New Jersey and other States that are looking at, uh, financial implemented, a financial transaction tax or a wealth tax taxes on, on your overall assets, as opposed to revenues.

[00:07:27] So it's do we have tax reform and in, in February or March, or do we not see it until 2023? I think the really fascinating thing though is, and let me, I should touch on stimulus and where that goes, because that's the immediate issue. I think stimulus and, and the requests for something in the \$2 trillion range is diminishing. Energy is, is coming out of that pretty quickly for two reasons.

[00:07:52] One, uh, last week we saw very strong employment numbers, so is getting back to work. And [00:08:00] second. It appears we're on the cusp of, or may actually have a vaccine. So how much stimulus do we need from the us Congress? It may be much more targeted. And I think that's where we end up in the 500 billion to a trillion dollar range, but targeted on key sectors, whether it's airlines or hotels or restaurants.

[00:08:20] So that'll be the immediate battle, certainly over the next month and a half the lamb doc and early in a Biden administration. What, what do we need and who gets it? But economically for the medium and term, I think the big thing is going to be infrastructure. And I think this is going to be transformational and the markets are really sort of beginning to see this.

[00:08:42] And it's not just potholes and rusty bridges. It is, as we're seeing with the president, like Biden, very committed. To climate change and addressing that meaning ESG in all forms, the E the S and the G become a huge focus [00:09:00] and intertwined in the infrastructure package. You've puts forward. You're looking at something in a three to \$4 trillion range, and it's fascinating to see what will be the focus of that.

[00:09:12] It will not only be smart grids like ribs, uh, as. President like Biden has been pushing hard for why everybody's driving more and more electric cars. Why don't we have electric charging stations on all of our federal highways? Why aren't we doing more on a high speed electric bullet trains to help cut emissions?

[00:09:31] Because those things are not just a US thing. It's not just good to do it for climate, but it's becoming a competitive issue globally and . No single aspect of infrastructure is more competitive now than broadband, which will be a major platform, uh, inside that infrastructure bill Y uh, you talk to governors.

[00:09:57] I had a conversation with one, one governor [00:10:00] just this past Monday who said we don't have 5g. The rest of the world seems to have 5g. China is out there actually retailing it. They're selling it everywhere. We don't have it. We can't offer it. So how do you track inbound investments with that? Right.

[00:10:15] Governor spend a lot of time trying to recruit businesses to come into their state. And how do we keep up nationally? If we don't have better broadband 5g in the next generation six year world, where we go from there, this deals with the education issue we have right now, 30 million kids are being educated from home because of COVID.

[00:10:36] Many of them have inferior or no broadband capacity. Teachers, same thing. And if you're trying to sort of cut back on travel and carbon emissions. Well don't, we want better broadband so that instead of just zooming each other, that we're in 3d or some enhanced capability, and this cuts down on travel. So this, this appeals to [00:11:00] everybody, and

most of all, big business who are embracing this for the competitiveness issue, they see profit in it and an opportunity.

[00:11:07] And you see that now in Washington. Uh, and that means that Republicans will not be resistant to this. And quite frankly, they will embrace a lot of it. Frank, thanks for touching on what sectors might benefit given the outcome of the elections, what sectors might face more challenges. And then how do you feel broadly about stocks and bonds on a go-forward basis?

[00:11:29] Well, I think that in terms of what sectors get touched or will be impacted clearly healthcare, I think the pharmaceutical sector, right? Uh, there's a lot of things that won't happen. So for example, concern about the banning of fracking, which Joe Biden has been very clear. He doesn't want to do, even though that there's a big sector in a section of his party that wants to ban it outright, uh, including his vice-president, who campaigned when she was running for president, she wanted to get rid of fracking.

[00:11:59] I don't [00:12:00] think that'll happen. There'll be nervousness near there in the oil and gas sector. Um, and, and where you go. And again, this goes back to Georgia. We're hanging on what happens on Georgia. Uh, because one of the things that we have to pay attention to here is that. If the Democrats do get control of the Senate, we're not in a part of the Metairie system.

[00:12:23] They don't have to do with the president, even if he's in the same party, tells them to do. And the more Progressive's is the fear in the market. The Progressive's will push on taxes. They will push on bending on fracking and that this sets up a challenge to the president elect on, on how things go. And this is why you're beginning to see by the way more and more commentators.

[00:12:45] Uh, publicly wondering if Joe Biden is happy with the idea of having Republican Senate, because it keeps that wing of his party in check, and he's a great negotiator and that can deal with a majority leader McConnell and, uh, because they've known each other so

[00:13:00] well. So I think the energy sector is going to be a big focus, uh, healthcare.

[00:13:05] And what happens, uh, down the line. But quite frankly, I don't think anything radical happens. If we do have this Republican Senate as a speed bump to any sector, I don't think anybody's in line to take significant hits. I think there's probably going to be in the financial services sector. Uh, our world more scrutiny, you will have tougher regulators being put in place, whether it's the sec CFTC OCC or the consumer financial protection Bureau.

[00:13:35] But remember again, Because you've got a Republican Senate, likely you're not going to see anybody go in there who is, uh, you know, uh, breaking China and the China shop because they can't get confirmed if they are seen as too aggressive towards that sector. So for now, I think it's almost a status quo thing, uh, which is, uh, a big, uh, just an overall positive.

[00:13:58] And I think that's why the market is reacting [00:14:00] the way it is. To the bigger question of, of, and I think that kind of goes to your second question. Where does the market, in terms of stocks and bonds go, I am not an, uh, I'm not a market strategist and don't want to pretend to be, but I think overall it's, it's a positive, one of the things to pay attention to though here as well, is Republicans holding the Senate?

[00:14:21] The fiscal Hawk has returned. You're starting to see the plumage re appear among Republicans, uh, hence their argument for only a \$500 billion stimulus and against 2

trillion. So at that point, what does that do? And I leave it to, to the listeners here too. Figure that out in many ways. Cause I don't want to be prognosticating on fed policy per se, but you'll have Jay Powell there.

[00:14:46] I think quite frankly, I'd be surprised if he's not reappointed. Uh, when he's up in two years, I believe so. A lot of predictability in the bond market and. We start wrestling a bit with the fiscal debt, which we haven't talked about for [00:15:00] two years now or four, even. So I think overall, quite a positive outlook for the market.

[00:15:06] Frank, as you know, most of our listeners are involved with non-profit organizations, either as CEOs, executive directors, board members, investment committee members. Can you talk a bit about what. Non-profits might be in for in general and perhaps even more specifically with regard to their endowment and foundation asset pool.

[00:15:30] Well, it's a great question. And I think this really gets to two things. One again, if we, uh, if Republicans hold the Senate, Then you're not going to have any tax issues coming up. Not that the endowment or, or non-for-profit sector would be in any sort of risk at that point. But of course, when you start playing around with, with the tax laws, anything can happen and it gets everybody a bit jittery.

[00:15:57] So I think one. It's very [00:16:00] safe at this point, and that you will see the ability in terms of people making contributions and the tax benefits to that. So it was a good time here, I think over the next two years. So people will really want to step up. And also if you're looking at the prospect of major tax reform, if Democrats take control of the Senate in 2022, that, uh, and, and keep hold of a house well, and 2023 is taxes.

[00:16:27] My guess is a lot of people are going to be doing a lot of tax planning over the next two years and making a lot of decisions in terms of their charitable contributions and what they are doing. So it's going to be a very, I think, interesting and opportunistic time. The same thing I want to just point out is what's going to be very interesting as well is something that happened literally October 27th, which the market has not really paid attention to, but I think it's quite big.

[00:16:55] The chairman of the house ways and means committee, uh, Congressman Richie Neal [00:17:00] and the ranking Republican Kevin Brady's from Texas. The two most powerful tax writing members of Congress. Either side came out together and presented bi-partisan legislation to strengthen American retirement security. It's a big comprehensive bill.

[00:17:17] It's got components in there to encourage and enhanced contributions to endowments and non-for-profits for tax purposes. As part of planning, uh, it enhances significantly retirement planning opportunities for firms. Wow. Where did that come from? Nobody. And I mean, nobody was expecting to see this happen, but these two powerful guys came out together.

[00:17:41] Again, bipartisan put down a marker. I think you could see that legislation moving the first six to eight months of next year. That could be quite a positive for the sectors we're talking about here. That's terrific. Frank, I don't know if you're going all the way to the point of a Goldilocks scenario, but it does sound like charitable organizations will be in a [00:18:00] positive light for, for some time here.

[00:18:02] And that that's absolutely terrific. Frank, what we're going to do here is jump to some questions from. Clients of ours from various sectors in the nonprofit world. And the first comes from Andy Horner, who's executive vice president at the university of Dayton, a large

endowment portfolio there that they oversee and he asked many universities, received, cares grants both directly from the federal government and from their States.

[00:18:27] The monies were important to offset costs associated with the pandemic and to hold down tuition. And given we're in a lame duck session or about to be, what is your best insight into the timing and magnitude of another fee stimulus package to support industries like higher ed that are facing really significant revenue pressures and all of these unplanned costs?

[00:18:49] Well, first, uh, go fliers, university date, and a lot of friends who went to that grade school for a great, a great question. Look, I think it's going to be tough to get something done [00:19:00] in the lame duck session, but where they're going on. A lot of this, there's a lot of money still sitting out there. Right? I think the last time I checked, there's like 110 to \$120 billion in the PPP program.

[00:19:12] What are we doing with that? Can we divert that to other things? Can we help universities in some ways? So there's a lot of discussion going around that, but. The problem is you running out of time? Uh, most members you find members who've been defeated. I've seen this, I've grown up here in Washington and fifth generation Washingtonian and at two third generation where, uh, father and grandfather were either lobbyists or, or analysts for government.

[00:19:39] You literally find members. If they've lost, they come back and literally pack up and leave. Seriously. They're they're gone instead of serving out the full term. So you start seeing, it's kind of like those last couple of days of university. If I can, uh, know what it's like, right. People just I'm done. I finished my exams, I'm gone.

[00:19:57] Senior-itis senior-itis [00:20:00] precisely you have that as an issue. And so it's hard to get this done. And I think this ends up becoming more of an early January with the new Congress. But again, you're going to have to figure out who wins those two Senate seats. And at that point, I think it's much more, it's much more negotiated and targeted and as universities and others make the case.

[00:20:21] And now's the time to really make the case on, on aid, uh, between now and then, because it's also kind of a sweet spot for congressmen, because there's so much going on. They're not going to get attacked if they're helping out the home university, if they're doing something for sectors, right? The politics has just been drained out for the next two and a half months.

[00:20:41] And actually it's can be sometimes very constructive as you're trying to get a major piece of legislation through like, The appropriations bill that they need to do to keep the government running the defense appropriations, but multi-trillion dollar things. And you just tack on these things. Nobody, nobody squawks it [00:21:00] gets done.

[00:21:00] So it's the time to press and press, press art. So our next question comes from Russ Grunewald. Who's the CEO of Bryan health, which is a hospital system. So Russ says reigning in the cost of prescription drugs was a priority of both Trump and Biden with both favoring increased price controls, either in the form of international indexing or imposed spending caps.

[00:21:23] Do you expect the new administration and or Congress will be able to do that? And if so, what impact, if any, will it have on pharmaceutical stocks? I think a couple of things are gonna happen here in. 2021, the house representatives certainly will do a look back at the pharmaceutical industry and how it performed during COVID.

[00:21:45] What were, what were the prices of pharmaceuticals? Uh, surprise pricing, whether for medical. Treatment that people were getting or were they getting hit with shockingly high pharmaceutical prices, unexpected that aren't covered [00:22:00] this. So there'll be a full review. We're going to do a review of a lot of things over the next year in Congress, right?

00:22:05] How banks performed, how, you know, w what was going on in the rental market, just the full gamut, what worked and what didn't and what needs to be done legislatively fix it. If God forbid we enter into another pandemic scenario. There will be a lot of debate over pharmaceutical pricing. But again, this goes right to control of the Senate.

[00:22:25] If Republicans hold control, they're not going to do anything about it. President Trump talked about it a lot, but quite frankly, I don't recall him ever actually pushing specific legislation. He did things tinkered around the edges. I would argue and having the department of health and human services, do things and try and work out marginal thing, but there was never any major legislation.

[00:22:48] If there is a democratic Senate, I think this is something that you would see a potentially big debate over pricing, over price capping, uh, and, and the whole, everything that you've [00:23:00] raised in your very smart question. Uh, but again, it depends on this outcome of these two Senate races. I keep going back to it.

[00:23:06] I know it sound like a broken record, but it's shockingly amazing how different the scenario could be. If, if, if Republicans lose those two seats. It just underscores the importance. So I don't mind you revisiting that at all. Our second and last question comes from James folly. He CFO at the Morton Arboretum and he talks about the fed, uh, really indicating that short term rates will remain extremely low for the foreseeable future and economies everywhere are struggling.

[00:23:34] Yes, what alternative investment ideas should be considered to traditional fixed income to provide current income and or meaningful returns. And I asked this on his behalf, knowing that you're not a investment portfolio manager first, but any broad thoughts on that, Frank? Well, again, I'm not a, a market strategist and certainly not a fixed income strategy.

[00:23:57] Some of our folks at DWS would be [00:24:00] fantastic in, in advising on that. And I work closely with them. I would say this though. It's pretty clear that that there's a very good relationship and an old relationship, uh, many years decades between Jay Powell and Joe Biden, they've known each other that long. And it seems to be quite friendly and, and Paoli seen by Democrats.

[00:24:20] And certainly has been over the last three, four years of his tenure as chair of the fed as, as nonpartisan. And really great to work with and very responsive to their questions and their needs. So I think. Quite frankly, the idea of him being replaced at the end of his tenure is relatively small. There may be pressure within the party to put somebody in there, uh, other than the other hand.

[00:24:45] But I think quite frankly, they'll want to keep him because he's been a steady hand on the till. I don't think there'll be any political pressure to raise rates at all. And I think that their before performance, certainly during the crisis, uh, in terms of rolling out all of these

[00:25:00] different, uh, emergency funding, Avenues have been, uh, widely applauded.

[00:25:05] There's been some hiccups and bumps, but look, they tried. And, uh, and I, I, so I think that that, that keeps things going where they are. The other thing to also remember

here in terms of stimulus and what the Fed's role here is. Remember that J Powell has been urging Congress, bring it on. Literally I think this is his word, bring it on, bring more stimulus.

[00:25:25] We can control it from this end. That is music to the ears of everybody. In Washington, even the fiscal Hawks will smirk and say, yeah, maybe we can do a little bit more here. So overall I think that there's going to be continuity and stability to the, to the fed meaning there's going to be continuity and stability to their monetary outlook.

[00:25:47] Over the next two to three years as to where you go alternately, I'm not the guy to ask you. You don't want to ask me that because quite frankly, uh, you'll you'll end up bankrupt probably. Well then we [00:26:00] appreciate you not giving an answer to that question. Okay. And then our last client question comes from Eli Rosario, who is the CFO at Heartland Alliance.

[00:26:10] And Eli is curious about your views on ESG and socially responsible investing over the course of the prospective Biden administration. I know you talked a bit about the potential for infrastructure spending focused on climate change so that, you know, speaks to the EU. But if you can share any other comments, you might have.

[00:26:32] Well, I think this is everybody when they hear ESG focus on it as if it's solely environmental. And I think one of the things that you will see is a focus on the S and the G the societal and the governance, and what role two businesses have, for example, To help to, to be more stakeholders than shareholders.

[00:26:57] I, I point out and remind everybody in [00:27:00] one of his first major speeches after becoming the nominee, president Biden said the error of shareholder capitalism is over well that wasn't like some sort of Marxist diatribe that was it's now the error of stakeholder capitalism. And you're beginning to see this.

[00:27:15] I mean, certainly we at DWS are very focused on this as well. That businesses have a role to play in helping the communities they live in and society overall. So that gets you to the societal side that gets us to in the wake of the nightmare and horror of what's happened, uh, in Minnesota and elsewhere, uh, in terms of social justice issues, racial justice issues that, that businesses actually.

[00:27:45] Deal with this and embrace ways to be more inclusive. I mean, I see that here at DWS and it's no longer just sort of happy talk. It's not aspirational. No, no, this is, we've got to do this. Right. And, and quite [00:28:00] frankly, it's good for our nation. It's good for our country and that this is where the market can play that role.

[00:28:05] So it's time to step up and do it. And it's there. There's great outcomes that can come from that. Biden is going to be very focused on this. It was even before we started taping here, news coming across that he's going to be looking at the department of transportation and several other agencies, not for the traditional role that they, that they played, but what role can they, what, how are they addressing these bury issues?

[00:28:32] Not just climate but society. Right? What are we doing for people in terms of transportation? What are we doing in terms of broadband? What all of these things, I think it's going to be really fascinating to see the transformational aspect of it. And what is potential here four years from now? And I'm not being partisan.

[00:28:50] I am not a partisan analyst, but where I think we may just be at the sweet spot where Republicans and Democrats see the markets can play a very important role here.

[00:29:00] Not to run wild and be making money off of poor people or what, but that they can

be transformational. And if this can be hammered out, this can happen.

[00:29:09] And guys, let me just add this. The one thing about Joe Biden, I think people should think of, he is the first hardcore legislator we've had sitting in the white house since Richard Nixon in his first term. Think about that. And I have the greatest respect for Barack Obama was an extraordinary.

[00:29:29] Extraordinary president, but he wasn't a legislator very long before, or he was just swept up and became president of the United States. This is Joe Biden for 40 some years in the Senate working side by side, almost the same timeframe with Senator Mitch McConnell they're in each other's heads. They know each it's like two great chess masters who know each other's plays and it makes for very exciting and I think quite fulfilling legislative opportunities here.

[00:29:56] And I say Richard Nixon, think of this first term, not impeachment Nixon. The second [00:30:00] term, first term, a former vice president who had been a Senator for 20, 30 years. Look at the things he did across the aisle seen as a conservative, but what he did on pricing for a gasoline it's fascinating stuff. I think we're at that moment.

[00:30:16] So there's a long answer to your question, but I think this gets back to where ESG becomes a defining. Blueprint for how business and government operates going forward. Right. This is all so incredibly insightful and, and so timely and frankly, so encouraging. So we're so grateful for all of these insights before we let you go.

[00:30:39] We do want to learn a little bit about Frank, the person and, and frankly, uh, curious what you enjoy doing outside of work for fun. And perhaps in this stranger of 2020, if there are any pandemic, silver linings you care to share with us. Well, I, I live on a small farm outside of Washington, DC and I, I, one of my [00:31:00] great pastimes is helping my wife, who actually is the farmer sort of the reverse of green acres for those viewers.

[00:31:06] Uh, she's, I'm the guy in the suit and she's out there, uh, mucking stalls and, uh, helping to birth, uh, sheep and chickens and turkeys. But it's, there's a, there's just a beauty and harmony to be, which I hope people have gotten more of this certain during the pandemic. Just nature and being out in nature and camping and getting out and doing things like that.

[00:31:29] I think, you know, going forward, I think one of the fascinating things is no analogy. Certainly historical analogy is, is perfect. But think back to the Spanish influence. And as you read more about that, we came out of the horror of suspension Flinzer, which was so much more deadly than what we've we're dealing with.

[00:31:47] Now. I can't even imagine what it was like. That got us into the roaring twenties. I think there's so much pent up energy, excitement, opportunity. It's like a new day for everybody everybody's just being released. And I think that in the [00:32:00] technological developments that are at hand here, um, and, and where we're going technologically and, and the, the spinoff capability, uh, whether the government's doing it.

[00:32:12] I mean, I, I talk regularly. People think I'm nuts, but. Donald Trump created something called space force, an entire new branch of the military. This is if you've, this has to be, it created the us Navy and said, okay, we better start building ships and everything to support it. This is huge techno it's all technological hundred percent where we are.

[00:32:36] You know, whether you, you worry about it from a military perspective. I understand that. But think of the, the, the R and D that goes into that. I had a conversation

with a friend of mine. Just give you an example the other day. And I asked how his brother was, who I knew was that joined space force. And I said, what's he been working on?

[00:32:53] He said, Oh, he just he's just finished the prototype of the flying car. What. Yeah. Yeah. I mean, so we've [00:33:00] had Humvees and everything. And what we've seen what's happened in, in Afghanistan and the horrors of landmines. Why aren't we just flying troops at low altitude or even high altitude at high speed?

[00:33:11] Okay. Well, I'm not, I'm not a warmonger. Trust me, but think of what, what is the personal commercial civilian spinoffs of that? And particularly if that gets you beyond carbon emissions. Wow. Wow. That we're not talking 50 years from now. We're talking five years from now. Right? So watch for that. I think there's so much exciting stuff ahead and how we all come together.

[00:33:38] Post pandemic lessons learned opportunities. So we never go through this again. That's really exciting. I couldn't agree more. Well, Frank, it has been so great to have you on the show. We really appreciate, obviously your understanding of the political landscape is just second to none. And we appreciate hearing your perspective and all of the great [00:34:00] insights that you shared.

[00:34:01] If folks would like to learn more, where should they go? Well, they can, uh, we publish stuff and we have, uh, weekly calls on the DWS website. America's website. Uh, my partner in all of this Kevin Sheehan, uh, is, is the, probably the best guy to go to. Cause he, he deals with many of you. Kevin Sheehan, S H E E H A N at DWS or myself.

[00:34:30] I'm at Francis F R A N C I S dot J. Kelly, @db.com. Happy to answer your questions so much going on. If we can be helpful to you guys, sort of navigating the next couple a couple of months, we're more than happy to help. Frank, this has been an absolute pleasure, just a real joy to hear so many things in so many fronts related to current events.

[00:34:56] So thank you, Frank. And as we wrap things up, [00:35:00] want to make our listeners aware of a very timely guide that Devon and I just co-authored along with another colleague, it's called six tips to managing endowment and foundation investments. It's a 20 page guide filled with not only timely, but we hope super useful insights.

[00:35:15] You'll see a link in the show notes and you can download it without any costs. So to all your good stewards, thanks for investing time to help your nonprofits prosper. We'll connect with you soon on the next episode. Thank you for listening to the nonprofit investment stewards podcast. Click the subscribe button below to be notified of new episodes and visit DiMeoSchneider.com.

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