

Subcommittee on Public Pensions
8/18/21
Opening Statement

Good afternoon Subcommittee Chairmen Miller and Sanchez and members of the Subcommittee on Public Pensions, Benefits and Risk Management.

Thank you for the opportunity to appear before you today.

With my service as Secretary of Banking and Securities for Pennsylvania, I have the great privilege of serving on the board of directors for the Commonwealth's two largest pension funds, known as PSERS and SERS.

To me, these two funds are sacred promises and trusts to school teachers, police and other employees of the Commonwealth, the very people that I consider to be among the most cherished in our communities.

My hope is that my background has prepared me to be worthy of the responsibility that I have been entrusted with.

I served for over thirty years as a founder, executive and CEO of two large banks whose reach extended to the four corners of our nation. After my departure in 2008 from the banking industry, I had the privilege of founding and serving as CEO of a large energy company, and also as managing partner of a venture capital firm investing in Pennsylvania's entrepreneurs.

I have also dedicated almost 15 years to the systematic analysis of private and public sector debt, both in the United States and globally, and have published a book on the subject of predicting and preventing financial crises, a second book on the 200-year history of global financial crises, and more recently a general business history of the United States.

And I have served on a number of corporate, institutional, and non-profit boards, including the board of the University of Pennsylvania, and have extensive experience in the fiduciary responsibilities and issues that face boards.

On the matter of public pensions, the management of our Commonwealth's pension funds has consequence for all its citizens. Should the performance of these funds fall short, it can then fall to all citizens of the Commonwealth to make up the difference, and thus can divert funds that could otherwise be spent on schools, roads, and our Commonwealth's other key needs.

Because of this, in my public pension board service, I have paid particular attention to issues of transparency and cost, along with the all-important issues of performance, an appropriately

balanced investment asset allocation, an appropriate balance of complexity versus risk, and a concern regarding the overall risk inherent in the national and global investment environment.

Again, let me thank you for the opportunity to appear here today, and for the privilege of serving the Commonwealth.