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<<Unidentified Analyst>>

Today, I'd like to introduce our next speaker who is Tom Wilson, the Chairman and Chief Executive Officer of the Allstate Corporation. He has served as the CEO since 2007 and was appointed Chairman in 2008. He's been at Allstate since 1995 and has held a number of positions. His big focus has been on leading a transformation – a multi-year transformation at Allstate, with the goal of positioning Allstate as the only insurer with differentiated brands targeted at each segment of the market.

More importantly and highly in line with what we're doing here at this strategic investor initiative, Tom has been focused on not just Allstate but business in general, doing the right thing. He has written articles on this topic in the Washington Post, the New York Times, YES!, on the Bloomberg platform as well, and many others. Tom is also the Vice Chair of the U.S. Chamber of Commerce and he's a board member of States Free Corporation, Financial Services Roundtable and other groups as well.

So I think we're set up. And without further ado, ladies and gentlemen, I'd like to present you the Chairman and CEO of Allstate, Tom Wilson. Tom?

<<Tom Wilson, Chairman and Chief Executive Officer>>

Thank you, Tim. Well, good morning. It's – try to get this a little bit out of the way. So it's nice to be with a group of like-minded investors here this morning. At Allstate, we believe we can create a good return for our shareholders, that we can build a business that serves our customers well, and we can help make the world a better place. So it's a responsibility we take seriously. It goes throughout our entire company from me down to our frontline adjusters and claim professionals, our agency owners. So what I'd like to do is share our story with you and then have a dialogue with you about Allstate.

So this slide says that – that's not another slide, that's a – skip those, strange picture. So this slide says, I'm going to be making forward-looking statements today and references to measurements that are not directly out of our GAAP financial statements. If you want to get more specific and relevant information, you can go to our website at allstateinvestors.com and provide additional clarity for you. So if you – I'm going to start to tell our story, talk a little bit about the role of business, and then come back to our story. That's the structure I have.

So we create value by leveraging our capabilities, our assets and our people. We serve more than 16 million households in America through over 36,000 Allstate-licensed sales professionals. We're located basically in every local community in the country, and we have a diversified portfolio of businesses, with over 75 million policies in force. We're also a large investor in America, with an investment portfolio of over $80 billion.

Now Allstate, we're on a path to become a purpose-driven company powered by purpose-driven people. It's the language we use inside the company. And to do that, we have a written articulation of our purpose of protecting people from life's uncertainties and preparing them for the future. So what we then done is build a set of strategic middleware to connect from that purpose, down to our day-to-day decisions, where we create value for customers, shareholders, employees, agencies and communities.

Our strategic middleware is a specific articulation of what we will do and what we will not do in achieving our purpose. In this case, it includes a strategic vision, corporate goals, values, priorities, leadership and operating principles. It's kind of like the middleware in your computer. So your computer uses a set of zeros and ones in the processor. And you can think of those zeros and ones as the day-to-day interactions we have that create value for our various constituencies. Think of the strategic purpose at the top there is our – is the intent of your commands to your computer. Those commands go through your fingers to a keyboard through a series of programs that turn them into zeros and ones, which create a result.

Everything between the keyboard and the process we think of as middleware, and we think you need strategic middleware to actually drive your business forward. So we've developed a specific set of instructions under each of these categories that serve as our middleware. So we can live into our strategic purpose every day through 76,000 people and 75 million policyholders. That includes things like our values, which are on ethics and integrity. So this is all available on our website as well, if you'd like to spend more time understanding how we turn purpose into reality.

Allstate has a broad-based business model. It's based on core strengths of – of being one of the nation's largest insurers. Our 75 million policies are about equally split between high premium policies such as auto and home insurance, which is shown in the blue on the upper left in that pie chart, and lower cost service contracts that cover things like cell phones, computers and appliances. These premiums when you combine them with our investment income on the $80 billion portfolio generated $37 billion of revenue over the last 12 months, as you can see from the upper right. Over the last 12 months to June, our operating income was $2.4 billion, which generated a return on equity of over 13%.

Now we deliver our property – we segment our property-liability customer base, so we can provide unique products and services at competitive prices. Now this is another piece of strategic middleware. So the lower left, customers that want local advice and assistance in selecting their personal insurance, and believe there's a difference between insurance companies so that they're brand sensitive. This is a segment that's served by over 10,400 Allstate agencies that are present, as I said, in nearly every community in America. We compete aggressively with State Farm, Farmers, and Nationwide in this segment.

The lower right, our customers who prefer to handle their own insurance needs, but still want a branded product and are served by our direct company, Esurance. We compete aggressively with GEICO, Progressive Direct, and USAA for these customers. We're the only company that has a specific offering for all four segments of the market. Now just as Allstate is broadening our value proposition between auto and home insurance, so must businesses adapt to prosper in the 22nd century. Now businesses play a vital role in society. We create prosperity. We do that by harnessing ideas in people, putting it together with resources, capital and processes. We take iron racks, and we make steel skyscrapers. We combine intelligence and molecules to create life-saving drugs.

We create jobs that enable people to be personally fulfilled and realize their hopes and dreams. Despite this, businesses are losing the trust of Americans, which is critical to our ability to continue to making the world better. Richard Edelman's firm does some – the best research on trust, and their research says that 58% of Americans have no or not much confidence in business leaders to act in the best interest of the public. And if this trust deficit continues to grow, we run the risk of losing our license to operate the corporations. We have rights. We have the right selling property, to enter into contracts and to speak out on issues. These rights are entrusted to us by society, which if we fail to meet their objectives, will restrict their rights.

Now we have to reverse this trend of declining trust, so we maintain those rights. To reverse this trend, we need to be clear about the role of business in society and build the strategic middleware to ensure our actions fulfill this purpose. Now businesses play four roles in society. First, we earn a return on capital that's provided to us by institutional investors, pension funds, individual shareholders and clearly leaders, business leaders. We have to generate return on capital. That kind of comes with the territory. You have to go through that door first. But that does not mean it's the only thing you do. Unlike Milton Friedman, who believed that business had one and only one goal, which was to generate profits for shareholders, I believe that society expects more business.

Society expects us to create dignity through work. Private enterprise provides meaningful work, where people can realize their full potential and purpose in life through their labor, their ideas and their leadership. This is becoming even more important as the education requirements for jobs continues to accelerate as we have the digital economy, we have artificial intelligence. And unfortunately, our education system is not geared to deliver those kind of skills, which leaves too many workers in low-impact roles. And businesses must accept the responsibility for creating dignity through work for all Americans, not just jobs but dignity through work.

Now I'm sure that there's a discussion of shareholder returns at every public company board meeting every time it happens. And there's also an emerging class of activist investors, who are getting wealthy by sounding that siren if people aren't paying attention. As business community, we need to ask why the responsibility for creating dignity through work is not given the same level of attention. Who's standing up for the worker who's becoming replaced by digital information and algorithms. Not activist investors, that's for sure. The government's not equipped to create jobs. Businesses have the capabilities, the resources and the experience to create meaningful work and then be economically rewarded for doing so. So if not business, then who?

The third obligation that business has societies to ensure that free markets work. Businesses thrive on free markets. When they break down, we need to step in and make them work. Sometimes, we accept these market failures as inevitable. It's a cost of progress and not really our responsibility. That’s a mistake. To the extent we do not fix a problem, society will fix it by restricting the very free markets that enable us to make society better. It’s considered trade with other countries. Economist tells that free trade is good for the economy – good for all economies, really. Individual consumers vote for free trade every time they go to store and buy something not made in America.

Yet, when they go to the vote polling box or the voting box, and they vote, and they elect politicians who are not in favor of free trade. Now I believe that in part, this is because some countries play by unfair rules, but I don’t think that’s the biggest driver of discontent. The biggest driver is that the benefits of free trade are spread broadly across society, but the costs are highly concentrated. So let’s consider the relocation of a sweatshirt factory up in the northeast here to a developing country. Sweatshirts at Walmart and Target are cheaper. Maybe they’re $0.50, $1 cheaper, which of course benefits millions of Americans. The savings though are small relative to their sweatshirt cost and really invisible at the checkout counter.

The costs, however, are highly concentrated and they’re for everybody to see. Shutting down the factory decimates the town, some people never again find meaningful work. On the 6 o’clock news, we hear about lost jobs, not about lower sweatshirt prices. People wonder if they’re next. The next thing you know, we’re restricting trade. So in this case, the free market works in total, but it doesn’t work at the local level. As business leaders, we often assume that if we take care of our own individual interests, then the free market will take care of the rest.

That was certainly Adam Smith’s point, which is – it’s the butcher, the baker, and you take care of your own interest first. And we do need to do that. When we find cheaper and better ways to do things, we have to do that. Competition demands that we embrace change. Our customers deserve to have the benefits, so we have to make hard choices. That said, we also have a responsibility to make sure the markets work. What should we do about that local town where the factory was shut down? We can’t just assume that the free market will fix it.

So we need to develop strategic middleware that enables us to ensure the free markets work at both the national and local levels. Today 87% of Americans believe that businesses should do more than just make money. Businesses also need to be a force for good by using our capabilities to improve communities. Now the pile of problems in America is continuing to grow, isn’t getting any smaller despite the best efforts of the government and a number of non-profits, who are trying to make it – this situation better.

So in our words, in my world, we would say demand exceeds supply. So this is about more than expertise than money. It's about fully integrating, doing good into your entire business model. I'll give you some examples how we try to fully integrate it into our business model.

So at Allstate, we manage our business to fulfill our role in society with multiple initiatives across various time horizons. First, in the near term, we focus on driving short-term results. We have to get that upper left-hand corner, deliver shareholder returns. These are guided by our five annual operating priorities, which are part of our middleware.

Now the first three priorities, better serve our customers, earn an attractive return on our capital and grow our customer base are all intertwined. And you have to make trade-offs between those. Our biggest challenge over the last several years has been doing this in the face of an increase in the number of auto accidents in the United States. So we took aggressive action on improving our margins in auto insurance, beginning in 2015, and profitability is now back to historical levels. But in addition to delivering current results, we focus on strengthening our existing business models.

So the value delivered by Allstate agencies to those local advice brand-sensitive customers in the lower left corner of our foursquare is being enhanced with our trusted adviser initiative, with an initial focus on relationship initiation. We're expanding Esurance's product offering to include underwritten homeowners insurance and enhancing its customer experience by leveraging technology for the self-served customer.

We're creating an integrated digital enterprise, which uses technology, data, analytics and importantly, process redesign to improve effectiveness and efficiency. And our virtual auto estimating technology is a good example as we have something called QuickFoto Claim. When your car would be in an accident before, either we would drive to you or you would drive to a body shop and we would drive to the body shop or you would come – you would drive your car to one of our drive-throughs and we would estimate the cost to fixing your car.

Today, customers take pictures of that. They beam us those pictures. We don't have a whole bunch of windshield time of our customers and our adjusters certainly driving around, so we can get our expertise to where we need it to be. So through that technology, we now settle claims in hours, not in days. So – and we do it at a lower cost. So we have to embrace that kind of technology, which means we have to find ways to employ people doing other things. We're early into telematics in 2012 with Drivewise, which gives customers a more accurate price and improves their driving experiences. Today, we have about 1 million customers using telematics. We also have a number of longer-term value-creation initiatives, such as working to create a strategic platform in the connected car space.

So we're building a strategic platform to capture value from the coming changes in connected cars. So to align our activity, we created more middleware. In this case, it's a definition of a strategic platform, which is shown on this slide and it's also discussed in our 2015 annual report if you want to read more about it. We believe a strategic platform is comprised of proprietary businesses, which are intertwined with third parties and third-party businesses. It shows capabilities, assets, information and platform interfaces between those proprietary businesses and the third parties. There are rules for how parties use those capabilities and assets, and then there's a – the net is there's a creation of shared intelligence, which makes all the participants in the platform more effective and efficient.

So Facebook and Apple would fit into this definition of a strategic platform. It is in this construct that led us to create a strategy to use our telematics expertise to build a connected car platform. So Allstate has had – we've had to build a tremendous amount of capability to support 1 million Drivewise customers. We chose not to restrict the use of those capabilities to Allstate's auto insurance business.

So last year, we created Arity, which provides hardware, software and analytics to create value from connected cars. So for insurers or people who compete with us, this is a ready-made telematics platform, where they can improve the pricing and the customer experience for their customers and they can provide basic connected services. Arity does serve Allstate and Esurance, and it's pursuing opportunities with other insurance carriers as well.

We believe that the network effect that can create value for all the system members, enabling each insurance company to compete on its own, but to be better at delivering their services to their customers. To the extent we at Allstate can learn more about how and when people drive, we'll do a better job for our customers. Arity is also building a consumer suite of offerings that will improve their driving experiences, and we think the connected car technology can create value for governments and businesses impacted by personal transportation. And we think we can then leverage our capabilities to make money for our shareholders by other people participating in our platform. We're doing this because the technological advances that enable telematics are driving much bigger change in the economy.

I think this is a single biggest change going on – single biggest change in America and a single biggest economic opportunity. So there's a lot of discussion about autonomous cars today. Everywhere you look, you read about autonomous cars and its impact on auto insurance. Autonomous cars are really just the tip of the iceberg since there's a large economic opportunity from the restructuring in the personal transportation industry. Iceberg has got a little bit up top and you see that, but most of it's down below the water. Below the water of autonomous cars is a personal transportation system, which is expensive and highly inefficient. In the U.S. alone, total hardware cost $1 trillion, $2 trillion a year to run it, $1 trillion of indirect cost.

Even at peak hours, capacity utilization is about one-third. If this were a manufacturing plant of a company you invested in, they'd redesign it, shut it down and rebuild it with much higher capacity utilization, because it would provide much better products at a much lower cost. And there'd be huge economic gains for doing so. Improving the efficiency of the system by 20% would raise U.S. household income by 5% or $3,000 per household per year, $250 per month and almost every household there's a car. So this not just going – this doesn't go to the wealthy investors, this goes to everybody if we fix the system. And that is a purpose worth pursuing. So at Allstate, we're investing aggressively to deliver this economic benefit for our customers, do things like our connected car initiatives.

Now it's going to necessitate shifts in car ownership, fleet size, number of parking lots, liability laws and safety regulations. So we're trying to bring people together, talk about how do we talk about the whole system. We'll be doing that in November. We're bringing all sorts of people to talk about how do we change the system, not just talk about autonomous cars.

Transformation is pretty gradual. Nothing is going to happen tomorrow. Given the disperse economic ownership of the system components, there isn't any one person you can go to and say, we're going to shut this thing down. And then what will happen new business models will be created and our connected car initiatives are designed to give our customers better pricing and more value today, protect our current business, but also to help them realize more prosperity by changing the personal transformation issue.

Our approach to current results strengthening our business and inventing the future has created value for our shareholders. We're close to or surpass all the relevant benchmarks, as you can see from this slide. So we think this is an end. We think you do this and we think you can do the other things at the same time. In fact, we think they're inextricably intertwined.

Part of our successes is also a robust set of governance processes which – based on dialogue, transparency and responsiveness. We don't do everything every shareholder asks us, but we make sure we're out talking to our shareholders frequently. We have a sophisticated and diverse board. We continuously engage with our shareholders on corporate governance in addition to portfolio management, and we have results that match our aspirations.

We also believe strongly that the role of business to make – is to make our community stronger. And we do this through fully integrated programs, whether that's youth empowerment. We've helped millions of kids do volunteer work, we've helped victims of domestic violence. We have thousands of our agencies in every local community where we support them with agency heads and the community work. We have thousands of our employees engaged in this work. It really becomes part of who we are, not just what we do. It's not just a check that's what we give. So Allstate is a good investment because we're focused on current results and the intermediate and long term.

So we now have time for your questions.

Q&A

<Q>: Thank you very much, Tom. So before we open it up to the floor for questions, we've gotten a few questions in through the app. The first one is given that it's climate week, we have several questions and I'm going to merge together. One of them is what is the time frame that the company use in assessing climate as it relates to strategy? And therefore, given that time frame, what are the – what are your feelings about plans to develop climate-related products, especially given the change in climate over the long term?

<A – Tom Wilson>: Okay. Well, it's really a two part question. So I'll deal with the first one. First, the weather is worse. And we have more stuff to insure. You can decide whether that's – you can debate whether that would have been the same in 1800. It doesn't really matter to me. What I do know is the weather is worse. You see hurricanes, of course, get everybody's attention. But that's really just a small part of weather. There's – there are twice as many tornadoes last year as a 10 year average, straight-line winds, hail storms, you see softball-sized hail. All that stuff destroys, all the stuff we worked so hard to build and create. So our time frame is that we use models, right, and we look over 10 years, 25 years, 5 years. I personally tend to skew towards the more recent. And so we act accordingly.

So in 2008, the weather got worse. We had a fair amount of catastrophes. We had – just had two good years. 2006 and 2007 were relatively benign from overall weather. But 2004 and 2005 had a lot of hurricanes. You might remember that we had four hurricanes across Florida in 2004 and Katrina in 2005. And despite the fact that we had three bad years out of five and a couple of them were 1-in-100-year events and I said, well, like I don't know, like I'm not a 100 and I don't want too many 1-in-100-year events in my life.

So we decided to dramatically change our homeowners business. So we are now 25% smaller in our homeowners business. We've raised prices by about 40%. We've put different remediation and we've worked aggressively to try to get people to remediate their homes and do that and try to protect that, which they spent so long to build. So we looked very recently and it's different today.

So right now, today I think between Irma and Harvey, we probably have maybe 3,500 people mustered that weren't doing work on those things about three weeks ago. It's real. I've been to both Houston and I was down to Naples and Marco Island on Sunday. And I would say in both cases, we got lucky. You see a lot of stuff on TV, but the difference between the wind speeds at the top and the bottom were a lot different than they normally are. Good thing in Florida, building codes really worked. And so a lot of damage was avoided. But we're not out of the woods. We – 10% of the land is on the coast, 40% of the people live there, 40% of the people got a lot of money.

And they built that stuff before we're worried about the stuff. So we need a different plan. The federal government spends about $42 billion a year on this. That's over $300 per household per year. And we have collective amnesia. I thought when Sandy hit up here in New York, unlike home or media, everybody's focused on New York. It was amazing to me how quickly that got forgotten.

In terms of climate products, we obviously have climate-related products. So obviously protecting our home, things from weather is a climate-related product. That's a growth industry for us at this point. As it relates to commercial companies and trying to incent them to build and safer climate stuff, we don't sell to commercial companies. We sell only to individuals. So…

<Q>: Thank you. And then last question from the app before we turn to the floor. In the very beginning of your talk, you talked about how you reject the Milton Friedman model of business and your entire talk was about the role of business can play in improving society. Specifically for Allstate, over the long term, what are your targets for returning capital to shareholders and then the flip side of that, reinvestment in the 22nd Century Corporation that you want Allstate to be?

<<Tom Wilson, Chairman and Chief Executive Officer>>

So in terms of capital management, it really falls into our overall enterprise risk and return management. So we start with what’s the risk for whole company. Obviously, having a good solid balance sheet is really important. Making money is part of your risk management. As is the – in our case, the leverage in our balance sheet, well, that’s how many homes we insure, our reinsurance portfolio, the interest rate risk in our portfolio, the equity risk in our portfolio. So we look at all of it in total.

What we try to do is we're going to take most of our risk in the insurance business. And we're going to try to take a modest amount of risk in the investment portfolio and we're going to take really no risk on the capital side, because we know as a financial services company, run out of money is a bad idea. And so when we look at our capital management, that's the first thing, make sure we're financially strong. When we look at how we do that, obviously, making money is important. We allocate capital with great precision to each of our businesses.

And then what we do is, say, well, let's keep our current businesses strong. I echo what Mark Greer said, which is when we're making decisions, we make it on the economics. We just let the accounting flow in part because we can have a hailstorm that cost us $100 million, so it doesn't really matter how much we do if we try to manage the numbers. There are financial companies that do try to manage numbers differently than we do.

As it relates to then investing in acquisitions, we'll do it if we think it builds on our capability. So we bought SquareTrade last year to get us into the cell phone business, insurance business. We've paid $1.4 billion for it. It was a high price relative to the size of the company, but we think it's got a fabulous business model, great growth prospects, and then we buy stock back. Last three years, we bought back $6 billion of stock. It's – if you look at cash on cash return, include dividends and share repurchase that you own the whole company, how much cash comes back to us. It's been between 8%, 9% in the last three years.

<<Unidentified Analyst>>

Thank you very much. So now we'll open the floor to questions. We have three different mic runners around. So just raise your hand if you have a question. And we'll pick – yes. In the corner over there, please.

Q&A

<Q>: Yes, good morning. Thank you for your thoughts here. And a sustainable world – word, you've used a ton. It's great. I think we're making up for 100 years of not saying the word, sustainable. Never was a thought process. But when does something become unsustainable like the British Virgin Islands, the U.S. Virgin Islands, is there a point when you got to say, we can't go back to where it was 20 years ago, 10 years ago? It's unsustainable. We've got to build a new level of sustainability.

<A – Tom Wilson>: I think it's about leadership and making hard decisions. So I think, certainly, building expensive stuff and rebuilding expensive stuff that just got knocked down and using government money to do it is not a good idea in my mind. Like, I don't think people in Montana feel like paying for people who have houses in Florida that get knocked down or a lot in the Mississippi, they flooded out. So we need a better system to allocate the cost of doing that.

I think if we had a better system to do that, we could – it would create long-term change. We're not going to fix it immediately, get everybody to move out of Puerto Rico or anything like that. In some ways, it wouldn't be fair. Sometimes, you can just rebuild their houses in a way that is sustainable. As it relates to a business model, I think it's about having the intestinal fortitude to invest with a long-term and know you might be wrong and be willing to fail and potentially lose your position if, in fact, you do that.

And take the risk because we've looked at companies that have failed to see the churn. So like we're looking at auto insurance and say, we think we're pretty good for the next 10 years. We don't think this autonomous car tends to come. We don't really need to invest in creating a connected car platform. We'd be saving a lot of money. Our earnings will look higher. There would be some shareholders that would be happy with slightly higher ROE.

It's about having the intestinal fortitude and having the leadership to just make the call. And I think that applies to all the different areas you're talking about, whether that's building a plant that doesn't pollute and make a little less money or it's about making long-term strategic decisions.

<Q>: Thank you, Tom. We have a few minutes left before the break. We have some more questions from the floor for Tom Wilson. Yes, in the front row right here please.

<Q>: I guess as an asset manager – you're a very large asset manager. How do you think about incorporating financial and nonfinancial factors into your investment strategy when you're trying to manage over a very long period of time? And I just wonder how you think about that?

<A – Tom Wilson>: Well, we have an $80 billion portfolio, I think, to just help you size it and it depends which chunk of the portfolio you're talking about, right? So I would say the – all of that is important to us in a variety of ways. So if you look at our performance-based portfolio, which is about $6 billion and we expect to grow to about $10 billion. Governance, of course, is right up there, right? Like we make investments directly in companies. We have some investments to fund. But, boy, if you don't have good governance and you got $100 million in a company, you just don't do it. The same thing is true with environmental.

I would say in social in that aspect, probably not so much. We decide we want good companies. We want companies that do good things. Two companies, heads up, one being a better company, we would probably say it's more sustainable if it has an integrated model like we do. But that doesn't mean we wouldn't invest in it, if it didn't embed the same values, same process as we did. If you get to – if you go up a step from there, indexed equities are a little harder, right? You're just buying the market.

Our investment grade portfolio, those items all end up being less important to the outcome of the investment. And – but we do make overall calls about certain categories we're not interested in. And including some government bonds and muni bonds where we just said, we don't care what the yield is on State X. We're just not going to own it no matter what, because we don't think they have good governance. I'd like to say, if you don't like the income statement, the balance sheet, governance or management, why would you give anybody any money, no matter what the rate is. And so we don't chase yield to get that kind of return. Is that helpful?

<Q>: When you – when you say a question, if you could please state your name and affiliation beforehand, that would be great. Daniel, all the way in the end please, ma'am, yes, go ahead. There's a microphone coming your way. Thank you.

<Q – Judith F. Samuelson>: Hi. Judy Samuelson with the Aspen Institute. I'm struck by the question around buybacks. And I've attended a presentation the other day about McKinsey Research that said that 99%, now they were looking at – I think the most recent data they had was 2015, so I don't know if it shifted last year, but 99% of earnings for S&P 500 companies was spent on dividends and buybacks. And I'm trying to connect this back to this question of dignity with work. And kind of – it's not a question about Allstate, but you have a leadership position. And I'm kind of curious what's the state of conversation among your brethren about kind of the trade-offs between the return to shareholders, which everybody is under pressure to realize and what's kind of agency of companies to make this decision between what do we – given to shareholders versus reinvesting and training and wage increases and structure questions and all of that? I know it's not an easy question.

<A – Tom Wilson>: That's a really good question. I'll give you just some of my opinions. I think the interest and desire for share repurchases, to me, feels like it's waning from investors. And some of that maybe we're now through the crisis and people feel like businesses are more stable. Some of it, I think, is an awakening to what are the consequences of that which we've done. And I believe that the reason you want – that industry in total should do less share repurchase is not because the money goes out of the economy, because it doesn't. It just goes into another portion of the economy. We buy stock back, somebody can do something else with it. But what it does is it takes money away from people who have skills and capabilities and resources who could invest it. And then it goes to people where it's not actually directly invested in economy.

If it goes to shareholders, they buy shares in another company so it drives the price of all stock up, the whole industry. If it goes to a venture capitalist, it goes to a company that's starting up, maybe a good, clever business model that's not as high bound by history as some of us running businesses are, but also don't have skills, capabilities. They don't have 16 million households they're doing business with, so I think it's an inefficient way to allocate capital. What I would say is though, the other part to that and this is not in defense of my peers, as CEOs is we operate in a system. And we have to think of it as a system and our investors are part of that system.

And so if you go out to invest, this is a CECP Conference, but if – I did Barclays last week, and if you talk – if you go to Barclays and say, should we buy back shares or should we do acquisitions and grow the business? Inevitably, people would say, buy back shares. So we operate in that system, like we're hired to do what our shareholders want. Some of our shareholders want us to invest in the business. Some people want – we have to change the dialogue amongst investors, to be quite honest as well, and say – get investors to start asking not why aren't you buying back more stock, but why aren't you growing your employment more, why aren't you providing more jobs for people? Because if you ask, we will do and I think it requires a change in the dialogue that – between all of us, so I do think we need to invest more in America.

It's a great country. It's got great economic stability. It's got great political stability. I mean, mostly great political stability, but better than most around the world. And so it is a place we should be investing harder and our existing businesses really have the skills and capabilities to do it. And I think there's sort of a bias amongst some portfolio managers, say, give it back to me. I'm smarter than you. I'll figure out what to do with it.

<Q>: Thank you. We can have super short questions. We could probably get two more in. Right in the middle over here, please, Daniel. Thank you.

<Q – Daniel Nielsen>: Hi, Dan Nielsen with Great Lakes Advisors. On human capital development, one of the major ESG data vendors ranks Allstate in the bottom quartile on human capital development. I'm wondering if you could talk a little bit about some of the initiatives underway to invest in your employees.

<A – Tom Wilson>: Yes. Sure. I don't know what their ranking scale is. I'm obviously disappointed and think we're better than that. Let me tell you what we do. First, it starts with purpose. And I said we want to be a purpose-driven company, powered by purpose-driven people. We help our employees and our agency owners figure out what their own personal purpose is in life not related to us. I've had leaders leave us because they found their purpose was something else. We have what's called Energy for Life. And it begins with we give to give. We don't expect anything back from our employees for doing this. We want them to know what their purpose in life is. We think they're smart enough to connect that back to us and do a good job for us. We've taken over 22,000 people through that program chart – stuff's off the chart. So I don't know how they view development. I would say, when you look at – there's a survey, which has 28 different measures on it in terms of employee satisfaction.

We're in the top quartile on 27 to 28. So I don't know what – we're not meeting that they think is important. But what I do know is our employees like us. We have great support from them. We spend time working on their purpose in life. We engage them in things. So tomorrow, we have WE Day here in New York. There'll be many Allstate people there, because we think that if we can help them be part of us making a difference in the world, then they come back more engaged, more enthused. And they learn something by being out with other people. So we think our volunteers in work actually gives us better employees. So I'm not sure how they measure it. Be happy to look at it if you all send it to us. But we feel pretty good about what we get.

<<Unidentified Analyst>>

So that was the last question. Thank you, Tom, very much. Ladies and gentlemen, let's have applause for Tom Wilson, CEO of Allstate. Thank you.