

## A Human Institution Serving Human Needs

An Interview with Jill McGruder, Senior Vice President and Chief Marketing Officer, Western & Southern Financial Group and Edward J. Babbitt, Vice President and Senior Counsel, Western & Southern Financial Group and Secretary/Treasurer, Western & Southern Financial Fund

**EDITORS' NOTE** Jill McGruder joined Western & Southern in 1991 and is responsible for Columbus Life Insurance Company, Gerber Life Insurance Company, Integrity Life Insurance Company, Lafayette Life Insurance Company, Touchstone Investments, The Western and Southern Life Insurance Company, and W&S Financial Group Distributors. She is a Fellow, Life Management Institute (FLMI), a Chartered Life Underwriter (CLU), a Chartered Financial Consultant (ChFC), and has earned FINRA Series 6, 26, 7, 24 and 63 registrations. Throughout her career, McGruder has been active on numerous industry committees at the national level, chairing the Life Office Management Association (LOMA) Equity Products and Annuity Committee and Life Insurance Marketing Research Association (LIMRA) Specialty Distribution Committee. She currently serves on the LL Global Inc. (LIMRA/LOMA) board of directors and is a member representative of the Financial Services Roundtable. McGruder obtained a Bachelor of Arts magna cum laude from Capital University and a Juris Doctor from Capital University Law School. Some of her not-for-profit activities include serving as board chair for YWCA of Greater Cincinnati, board vice-chair for the Taft Museum of Art, former board member of the United Way of Greater Cincinnati, and former board chair of the Cincinnati Nature Center.

With more than 30 years of experience in government affairs, Edward Babbitt began his career at Western & Southern in 1988. Prior to Western & Southern, he worked in Washington, D.C., for the Urban Mass Transportation Administration, U.S. Department of Transportation and the U.S. House of Representatives. He is a member of the State Bar of California, District of Columbia Bar, State Bar of Ohio and Cincinnati Bar Association. Babbitt holds a bachelor's degree in business administration from the University of Cincinnati and a Juris Doctor from Southwestern University School of Law in Los Angeles.

**COMPANY BRIEF** With a heritage dating back to 1888, Western & Southern Financial Group ([westernsouthern.com](http://westernsouthern.com)) is a Cincinnati-based Fortune 500 parent company to a group of diversified financial services businesses. Collectively, Western & Southern provides a broad range of life insurance, investments and retirement solutions as well as a variety of financial solutions to institutional clients.



Jill McGruder



Edward J. Babbitt

**Will you discuss the keys to the strength of Western & Southern Financial Group and how you define the company's difference?**

*McGruder:* We are differentiated by our culture. The culture of our company is second to none in the financial services industry or business in general. While our culture has been built over 130 years of operating history, its articulation and the 10 principles that underlie it are relatively recent, and we live and breathe it all day, every day.

This distinguishes us and is the backbone of our phenomenal year-over-year top and bottom line growth, capital position and why we are in the industry leading position we are today.

**How critical is it for Western & Southern Financial Group to be purpose-driven?**

*McGruder:* When we celebrated our 130th anniversary last year, we went back through the archives and found a number of taglines that we had used over time, but the one that really resonates still today is "A Human Institution Serving Human Needs." This is at the heart of all that we do.

We provide financial security and peace of mind to people through retirement and protection products, so our purpose is imbedded in our business. It's not only how we excel as a financial services organization, but also why we direct a lot of our philanthropic efforts and our financial resources toward institutions that support our motto.

Cultural fit is also a part of recruiting, so we also invest in making Cincinnati the ideal place to work, raise a family and enjoy life.

Investment in numerous not-for-profits is how we put our money where our mouth is in terms of making Cincinnati an attractive place to live, work and enjoy life.

**Is that work done through the Western & Southern Financial Fund and will you discuss the focus of the fund?**

*Babbitt:* The Western & Southern Financial Fund is our philanthropic foundation and our guidelines specify that our focus is in the areas of health research and higher education. For example, one area that we have focused on is cancer research. We are strong supporters of cancer research and are playing a leading role to bring National Cancer Institute (NCI) designation to Cincinnati.

But its philanthropy is much broader than that. We also have a corporate element to our giving and participate widely in the community. We have found that our purpose as a human institution serving human needs appeals to many of our younger associates coming into the company, and they are very interested in participating in the various nonprofit organizations that serve the community.

At the foundation, we support those associates as well as initiatives that we feel are critical to the community, and we do this in a variety of areas.

**Does the foundation have metrics in place to track the impact of its investments similar to how you measure Western & Southern's business results?**

*Babbitt:* It requires a different set of metrics. We do follow up and monitor our gifts, especially our larger gifts. We have regular meetings with the nonprofits and our donations committee often wants to understand how we're doing with some of our commitments, especially when it comes time for a renewal or an extension of a multiyear contract. We might ask for an accounting of sorts to understand how many people are being served, the impact of our gift and the proposals going forward.

*McGruder:* It also depends on the nature of the organization. Clearly, United Way is very metric driven, so we're a huge United Way contributor both in corporate gifts and through our employee campaigns we run every year. We are also a major contributor to one of the oldest community fine arts funds in the country, supporting the fine and performing arts in Cincinnati. They also have very specific metrics for participating arts organizations.

We also sponsor a tennis tournament each year – the Western & Southern Open – that supports a number of charities. We measure the benefit of the W&S Open by the economic impact to the community, which is almost \$70 million annually.

We are a metric driven organization, so it's important for us to quantify the results of our sponsorships and gifts.

*Babbitt:* We also make donations to a wide variety of smaller organizations in addition to our position with the larger arts organizations and nonprofits here.

We are disproportionately generous. We're the fourth largest supporter of United Way in the community, which shows that given the size of our workforce, we punch above our weight class since we're only 30th in terms of employment.

Many of our associates like to participate and volunteer on boards for smaller nonprofits, where we also make contributions.

It's not as easy, as Jill points out, to do hard and fast metrics on those.

**How important is internal communication to keep the employees aware of the philanthropic work that is being done and to keep them engaged in this work?**

*Babbitt:* We have internal publications that we produce to share with our associates what we're doing in the community. We publish a community involvement brochure in which we share how much we contribute as an organization and as employees.

*McGruder:* On a more routine basis, we update our company intranet site weekly. Every week, there is an article on the site that raises awareness with our associates about their colleagues who are making a difference and giving back. It's not just about donations or contributions from the company – it's what individuals are doing to support a wide variety of causes and issues. We also recognize associates annually in our awards program with the Humanitarian of the Year Award.

**Cincinnati has experienced a tremendous amount of growth and change. Is this well understood when it comes to attracting talent to Cincinnati?**

*McGruder:* Yes. Young people coming into this city who didn't grow up here are probably shocked by what they see. I don't think we do a good enough job of touting what a great city we are, although there are a lot of efforts underway to do that.

There has been a revitalization of this city. If we look at the riverfront, bars and restaurants, the lifestyle and the new downtown housing here, there is a lot to offer.

We have a wonderful quality of life here – from our world-class parks to our major league sports to our incredible arts scene. Cincinnati has a fully developed fine and performing arts tradition because we're an old river city, so this has been developed and refined over a very long period of time. That is a lot more attractive to millennials than it used to be – they are looking for engaging activities and for ways to give back to that community.

When they see how many different options there are for participating across Cincinnati in whatever passion they have, they can find a way to serve in this city because there is such a diverse offering of everything – arts, sports, social services, economic development and civic involvement.

Cincinnati is a very attractive place for young people to have a meaningful career and a fun life.

**Cincinnati is a city with a strong relationship among business leaders who work together to better the community. How important is this relationship to the success of the city?**

*Babbitt:* We think it's vital for a city like Cincinnati to have an engaged business community, and we do have strong organizations and a long history of businesses getting together and doing what is needed to move the city forward.

None of the progress we have made in Cincinnati recently would have been possible without the vision of the business community – they're basically viewed as the drivers of change and improvement.

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**What can be done to build a better understanding of the insurance industry and the value it delivers?**

*McGruder:* The value we bring often gets lost in the noise. It's the bad news, not the good news, that makes the headlines. We're not in the health insurance business so we don't take the arrows that some of the health insurers do.

We're blessed in our company because we are in the lines of business that offer protection, retirement and investment management where what we do provides such value that we don't take as much criticism as other sectors of the insurance industry do.

We're very active in our trade group, the American Council of Life Insurers, and we constantly have this discussion about messaging, getting the good news out and bringing more public attention to the good and noble work we do – protecting people's financial future. It's hard to get attention with a good news story, but that is the reality.

*Babbitt:* It's not a sexy topic, but we are trying to get the word out on the importance of the role this industry plays in retirement security. It's not flashy and people don't immediately come to it, but the role this industry plays in retirement security is vital to virtually everyone who is working now given the retirement crisis we're facing.

We need to do a better job with that. We have an initiative at the national level where we try to educate legislators and others on the importance of what this industry brings in this area.

*McGruder:* That is a national perspective and an industry perspective, but what we're trying to do on a more granular basis here goes to recruiting the best and the brightest out of the best business schools and undergraduate schools as they come into the employment market by talking about the value of what we do and the rewarding nature of our business.

We are helping people and that is not just a tagline. We are a human institution serving human needs, and that resonates a lot better today with millennials and those coming out of school than it did in the past.

**You both have been with Western & Southern for more than 25 years. What has made the experience so special and does it feel as if you have been able to have a number of careers within the same company?**

*Babbitt:* What has made it special for me is the leadership of the organization. I came here from Washington, D.C., and the leadership afforded me an opportunity to participate in a wide variety of different issues at the company and to see the company grow. To become a key player philanthropically and in the business community in Cincinnati has been rewarding.

The reason I've remained here is because of our chairman and the leadership of the organization. We have been focused and have grown from a mutual company into a very strong and diverse financial services company.

*McGruder:* What has made it fun and exciting is the people. We have put together a unique team and I credit John (Barrett, Western & Southern's Chairman, President and CEO) for developing that group of special, hardworking people. I have worn a lot of different hats over the 27 years I have been here, and that has been fueled by the growth and diversification of businesses we have seen.

Everyone experiences change, but I don't think everyone has the good fortune of experiencing the growth we've had, fueled by great talent and an extraordinarily strong balance sheet. ●