Scott Rechler: Welcome to Recalibrate Reality, The Future of New York. Our guest today is Jon Gray, the president, and COO of Blackstone, one of the world's largest investment firms. In this episode, Jon and I have a wide range in conversation touching on a variety of topics, including why he's still bullish on New York City, the future of the office, investment themes, and trends coming out of COVID. Affordable housing, clean energy, and so much more. And so now lets Recalibrate Reality with Jon Gray. Jon, welcome to Recalibrate Reality.

Jon Gray: Scott, it's great to be here.

Scott Rechler: I appreciate it. So I see you're in your office, I'm in my office. I've been meeting people in your office over time, but it looks like we're the outliers. A lot of the people and the companies are not back in their offices in New York at this time. Even the governor has recently called for employers to bring people back. When did the Blackstone team come back? What's it been like to be with everyone in the office? And why do you think it's so hard to bring people back to the workplace?

Jon Gray: So we start with the premise that we have a really important responsibility to our customers who are mostly public pension plans. Think about firefighters and teachers and emergency service workers, and they're out there. And we know that when we do our jobs investing capital, we're better doing it together. So we started back really in July of 2020, we reopened our office. I came back at that time.

In September of 2020, we started encouraging our investment professionals on a voluntary basis, but we tried to make it easy by testing on-site twice a week. Contact tracing, paying for transportation really wanted to get people back. In June of this year, we said if you're double vaccinated investment professionals come back, we gave a little more flexibility to the non-investment professionals, all designed to get people together because in our business, as I said, working together is really important and also training young people. It's almost impossible. These are apprenticeship jobs.

I think for us, it's one of the reasons we've had such a good run the last year or so because we have been back. I think it's really helped our business and our effectiveness. And I think for companies as they get more critical mass, I think they'll realize it's better. I do think there are still lingering concerns around COVID. In our case, we've been able to mitigate some of that, of course, with the testing. But I think companies will realize to be an enduring institution. It's very hard to have all your employees virtually.

Scott Rechler: I like to say you can play defense while you're working remotely, but you really can't play offense while you're working remotely, which is to your point. And I think it's important in terms of recognizing that we have to exist with COVID. It's not we have COVID-19. We may have COVID-25. We have to find ways to coexist. And your testing point is a good point.

Jon Gray: Yeah. And for us, as I said, it's really been helpful being together, working together. And I recognize with the technology, some folks in our offices, over time, will have more flexibility. There will be elements of hybrid, but overall building a company, building a culture, doing creative things, I think that's very hard to do virtually. I have a couple daughters who are freshly out of college, and they, and their friends, those who work virtually, find it frustrating. So I think over time, as COVID, the threat wanes. I think people will realize coming back together is very helpful.

Scott Rechler: I think the other thing people miss that are resistant to coming back to the office is that the bigger picture is, is that this is part of the neighborhood ecosystem. If they're not coming back to the office, they're not supporting our small businesses. They're not supporting our restaurants. Our public transit system is predicator on certain amount of ridership. They can't work otherwise without that ecosystem being in place. And I wonder, and as you think about this and you invest all over the world, how does that impact central business districts going forward? If we even find that new balance that you refer to, where there is a hybrid work, and maybe it's three or four days in the office. Can it adjust? And have you seen models in other parts of the world?

Jon Gray: I remain a big long term bull on both New York City but also central business districts, their energy, the multicultural nature of these places, often full of immigrants, people from other parts of a country, you come together, you create something special, the food, everything that exists in those places, the entertainment. And so I think the natural tendency has been over several 100 years for cities to come back from challenges. It certainly happened here in New York City.

I think this is posing a threat in the near term, but as I said, as we get through COVID or learn to live with COVID, I think people will rediscover the importance of being together. We've certainly seen in New York City, in the apartment market, many people coming back here. A place like London, where I was a couple weeks ago, seems to be in a pretty good spot today.

The West Coast city in the US have had a slower time coming back, and I think it's hurt them. Hopefully, they will come back as well. I think the big challenges for these cities, though, are particularly in this country taxation, can they be competitive and then quality of life. And so that pendulum sometimes swings back and forth.

We saw in the '60s and '70s. People leave these cities beginning really in the late '80s, early '90s. There was this reversal that's gone on for the last 30 years. I think we'll revert to the trend over time. I think policymakers have a big impact, but I remain bullish on cities. And even if workers don't come in quite as frequently, there's still a lot of dynamism in these places.

Scott Rechler: This is not New York's first crisis, and you saw, and I lived through 9/11, we lived through the great financial crisis. Coming out of that great financial crisis, we're in the heat of great financial crisis. You and Blackstone had credible conviction about the future of New York and put your capital behind that. What gave you such conviction at that time in the heat of that crisis, where people were at that moment, psychologically saying, "We need to flee the city, and it's not going to come back?" And then also looking at it today. What's the difference? You still think we have that same rebound?

Jon Gray: I don't know. I think part of it for me not being from here, I'm from Suburban Chicago. I fell in love with the place. As I said, all the energy, the creativity, the mixing of all these cultures. And when I travel around the world, you always find, talk to people and everybody loves New York City, they want to come here. And so when there are these cyclical downdrafts, something that happens and makes people leave the city, I think we've just had a fundamental view that this was temporary in nature. And therefore, it was an opportunity to deploy capital. That certainly proved to be the case after 9/11, and after '08, '09, there tends to be, as you know Scott, a recency bias. We're all working from home. Therefore, we're not going to come back to these cities. But at the end of the day, people love these places.

So I referenced my daughters before. They went to different colleges, have friends from other colleges. All these young people are coming to New York City. And to me, that says something powerful that people want to come to this place. The challenges as we talked about, of course, our quality of life has to be at a certain level. I think that's really important for people their health and safety is really important. And I would say the tax situation matters as we've seen, particularly given the Zoom technology, that is a new threat now to cities like New York.

And I understand the desire certainly to raise taxes on higher-income individuals. I think people are willing to pay more. That's the thing I worry about, which is finding that right balance. Obviously, higher-income people should pay higher taxes. We want to have a robust social safety net, but for the cities, the coastal cities, how do you find that balance?

So my hope is over time, both on quality of life and taxation, policymakers will find that right balance because the trend, the path of travel is for creative people to want to come towards ambitious people, to come to cities. And I'd say the greatest thing cities have today is if you look at the fastest growing industries around technology and life sciences, some of the innovation in green energy, almost all of that's happening in these cities, and therefore they have the tailwinds to win. So if we get the policies right against those tailwinds, I think these cities come back a lot stronger than most people think.

Scott Rechler: If you think about New York, it's been this great magnet for talent to your point. And that knowledge worker is the big ingredient that drives growth for these

21st-century businesses, which is key. And then it comes down to leadership. And your point on taxes is a fair one, and it's tied to quality of life. I think people don't mind paying taxes as long as you actually have the trade-off of a good quality of life, a good public transit system, clean street, public safety. The worst of all worlds is to have high taxes and not have that quality of life that you can make that connectivity to.

Jon Gray: I agree with you. As I said, I think having progressive taxes makes a lot of sense. Trying to provide for everybody to have a chance to win in these places is really important, but there's a balance. And what you don't want to do is create an environment that incentivize people to depart. And so, finding that balance, it's not easy. I wouldn't say I have the perfect solution for it, but I worry about that. And it's something I think policymaker should focus on.

Scott Rechler: As you think about COVID and where we were, it was this major accelerant about how people live, workplace stay in urban centers, and you as yourself have been someone that's focused on what are the megatrends and how do you invest in some of those areas? And we've already seen some of this happen in New York, obviously, and we've seen it in the past industries like retail, where we began to see as e-commerce began to take hold. People would rather shop online versus go to the malls. And we saw Class B malls. There was this big have and have nots in the mix. Do you think we're going to see something similar in workplaces relative to the fact that now people have the option to work online versus come to the office?

Jon Gray: I think we will, and we have. It's interesting, even before COVID, as you know well, as a major office owner, there was increasingly haves, have not world think of in the old 1950s building on Third Avenue here in Manhattan, versus some of the newer things that related was building at Hudson Yards, and companies were saying, "Look, I need a more modern building. I need more amenities, more open space, light. I need people to feel excited about coming into the office and to be able to collaborate."

And I think what COVID is done, just like it's the one with so many trends, is accelerated this trend. You have to create and amenitize environment that people are excited to go to where they feel more productive. And so sort of the old office environment that was a little dark, lot of heavy offices, people on the inner corridor didn't have any right to light basically, was very sterile in terms of food and beverage offerings that doesn't really work. And so I do think to your point, there will be more haves have not.

And I think it bodes well for those more modern buildings. And then I would also say back to the earlier discussion that the creative companies really are demanding this. The creative and tech companies. So it's going to accelerate this push even more. So what these buildings look and feel like really matters. I don't think office space is nearly the commodity it once was.

Scott Rechler: And I would add to that, but I think locations important, both ease of access, but also the community in which these buildings are because that's the energy, the restaurants, the activity that brings people back and says that they want to be a part of. And just from your own perspective, then your global perspective on investing, are there other sectors, as we think about a post-COVID world that either you think will excel or become less competitive in this post-COVID world?

Jon Gray: Well, I think you have to step back and say there's just a massive migration of so many things that we do online. It's shopping online, it's education online, healthcare online, video games, gambling, watching content, listening to music. And so a lot of businesses that support that effort directly we've invested in businesses like Bumble online dating or ancestry online family history, but then it's things one derivative off think about digital infrastructure. So think about data centers and fiber and cell towers or logistics.

This e-commerce boom has hurt shopping centers, but it's been incredibly beneficial for what we call last-mile logistics. Think about those warehouses that are close into, say Manhattan, that can have goods delivered within an hour to customers. So I think that's a huge trend. I think life sciences is another area coming out of this, which had huge tailwinds, the combination of big data and what's happening in technology and the sequencing of the human genome, which is creating precision medicine, which will look and feel much different than the way we go to the doctor today.

And then the unleashing of the human body. We've seen it with mRNA technology, but immune therapy and gene therapies, and cell therapies all really where we can sort of look at our genome, figure out how we can target a certain disease, and activate a certain part of the body to fight that disease. And so all the businesses is around that in the ecosystem, from the buildings to the actual drugs themselves, become really interesting. I would say green energy has gotten a huge push coming out of this.

So wind and water and solar battery power, the infrastructure around that, all sorts of services that help that transition come about software companies we've invested in around ESG. Those are big megatrends again in acceleration coming out of the pandemic. And then I'd add global travel. We'll continue to be a big area, not a technology area, but I think people will be traveling again.

Aging populations will continue to be a megatrend, the rise of middle class in places like India. And so, there are a bunch of areas that I think will be accelerated coming out of the pandemic. And when we think about investing, so often we say, it's not about the individual house, but it's about the neighborhood. And we're really trying to focus in these really good neighborhoods and then express it in private equity or real estate or private credit infrastructure, whatever it is. And that's the way we think we've been able to drive some access returns for our investors.

Scott Rechler: You're looking to rattle off all those megatrends. It really comes to mind that the paradigm shift that we're facing in the United States is probably the most pronounced since World War II because it hits every part of how everyone lives and works and operates is shifting and changing around, which is creates a lot of great opportunities and also creates challenges that we're going to have to deal with. And some of these challenges have been out there for a while, particularly in New York.

And one I want to hit with you is the housing market, which has been a challenge to find affordably priced housing in New York. You at Blackstone six years ago, I think it was made over $5 billion investments in StuyTown and Peter Cooper Village. 11,000 apartments majority of which are regulated, rent regulated apartments. Many investors that I speak to, including ourselves, have shied away from the regulated multifamily space because of the political environment that's challenging and the regulation changes. What gave you at Blackstone the comfort to make that investment? And then, since you made that investment, I know you've spent a lot of time trying to upgrade that community. How have you found that experiences, and what can we learn from it?

Jon Gray: Well, I would say we probably didn't realize the size of the challenge at the time we started on it when the project was in financial distress coming out of the GFC back in '08, '09. And it took a number of years to work through some of its financial challenges. The lenders made a decision ultimately to sell it. And when we talked to our government relations and communications team about potentially investing, let's just say it wasn't the most popular idea.

And they said, "Look, you don't don't really want to get into it because of the history the politics of this we should steer clear of this." And we said, "Wait, this is an amazing historic piece of real estate. 11,000 units, 80 acres, the largest apartment project, a ton of history, not all of it great, particularly around race when this was first built, but it's a really special piece of real estate. And it deserves to be sort of restored." And what we said our leadership at the time was, "What happens if we could show up with the mayor, the local city council people, and Tenant Associations all on board to do this and us buy it?"

And of course, the communications and government relations people laughed at us and said, "No. No. That's never going to happen, but if you can do that." And ultimately, that's what we pulled off. And it was a really an incredible team effort. The mayor, Mayor de Blasio, and Alicia Glen, who ran housing and economic development form, really decided that us coming in here could be a positive thing. We said we were only coming in if we could preserve the affordability. As you pointed out, a little over half of the units were still under rent control. We said that was a premise for us getting involved.

We worked closely with the Tenants Association, Dan Garodnick, who was the city council member at the time who lived in the project. And it was a huge sort of team effort to pull all the stakeholders in. And ultimately, we were able to do that. We were very proud of doing it. And then, one of the goals was to improve the quality of life. And we've invested over $260 million in the project since we acquired it, which we did in partnership with the case large Canadian institution, great partners of ours. And we upgraded the retail.

We built the largest urban solar project in the country. We've done a bunch around tenant responsiveness. The customer satisfaction scores are up massively, and it's been successful for us and successful for the community. And we think of it really as a model.

Some of the more recent legislation that's passed around housing and rent regulations does create some challenges because of the age of StuyTown. Some of the units have been occupied sometimes 50, 60 years and therefore need extensive renovations. And now, under the new regulations, it's very hard to get much of any return on that. But overall, when we look at the project, we say this is something in Blackstone that we feel this immense sense of pride and the partnership with the city and the tenants has been really special for us.

Scott Rechler: And it's a great example of when people talk about stakeholder capitalism. And like we have the saying at RXR doing good and doing well means doing better. And watching what you guys have done StuyTown in terms of the sense of stewardship, you bring to sure that this great project that were built generations ago can actually be brought into the modern generation and still serve the city the way it has.

And it actually frustrates me a little bit, but when I think about how well you've done there because it's another example that I would imagine that if Amazon actually did move forward in Queens, like they were talking about, they would have that same sense of stewardship and pride and go beyond what their obligations were to ensure that we've had development. And that's where I think the politics get in the way of that. And I'm curious, do you think that even like a StuyTown or an Amazon today, it would ever have a chance now that these models are out there?

Jon Gray: It's a really good question. There's a lot of distrust, as you know of business. And in some of it obviously stems back to the financial crisis, but I think of companies like ours, of having a really powerful ability to be of force for good, that you can do something like StuyTown, that's hard for a government to do, to bring that kind of capital, to bear, to deliver the kind of customer service we have.

And so, I think public-private partnerships are really important if you want to propel a city or state, or country forward. And it is more challenging. But I think with the right leadership, it can be done. And politicians who recognize that private capital can do good things. And in many cases today, when you look at the capital, we're managing the returns. We're seeking for some of our long duration open-ended vehicles is quite modest.

And we have the right kind of structure to own assets for a long period of time, be it some of the core real estate or infrastructure assets. And that enables us to have a timeline that matches with the duration of the assets. So I'm an optimist by nature. So I'm going to believe some of this will come back. We've been through a few years now where people have been skeptical, but I'm hopeful because of the needs, particularly around infrastructure, that people will welcome private capital as long as it's done in the right way.

Scott Rechler: And I think having models like how you're handling StuyTown hopefully builds that confidence, and success leads to more success. We talk about social impact, and you were talking about Blackstone and your mission. And one of the big things right now that everyone's focus is ESG. And I'm curious as you go through this process, there's the E, there's the clean energy side of this equation. There's the S, the social side, which is affordability equity that we're just talking about right now.

How do you balance the environmental piece of the equation and the social part of the equation? Because I don't think people realize that there's trade-offs between the two. If you're going to just focus on one, you're trading off something on the other relative to maybe it's clean energy, which means you have less affordable housing can be built if you don't have gas lines to actually have the affordable housing. So do you think about that holistically?

Jon Gray: It's really a good question. The way we try to think about it is that because of our scale and the way our business works, which is, as I said, raising capital often from pension plans, and then buying control of a lot of assets, real estate, companies, infrastructure, unlike a mutual fund or a bank, we can really be this force for good because we could say we're investing in something to deliver good returns over time, but while we're the steward of that asset, we can focus on decarbonization. We can focus on diversity. And that to me is really important.

And I guess the way I'd say it is, we think it's possible to look out for the planet, look out for workers at companies, look out for communities and still deliver as a steward of capital. We don't see those things as mutually exclusive. And so often, they're complimentary. And so for us, we've made some particularly strong statements that we're going to reduce hydrocarbon emissions by more than 15% at every control asset we try buy. In some cases, you can on newer assets, but aggregately, that's what we're seeking to do.

We said we're want to make sure a third of our portfolio company boards have people from diverse backgrounds. We've created a career pathways program, so people from underserved communities can work at our portfolio companies. Our analyst classes for starting people out of college here at Blackstone are now roughly half women. And this year, almost 20% people from underrepresented groups. We have a long way to go on in all of this.

And then in our investing areas, we're also very focused on green energy, and our business, which used to be much more focused on exploration and production today, is so much more about green energy and particularly a large project here in New York we did run a transmission line down from Quebec to Queens to bring hydropower. So I view ESG as something that we can do and is actually part of core to what we're doing in our main mission, delivering great returns for retirees.

And so I think it's a great thing that companies like ours can do. And it's, again, back to the political world, explaining, doing a better job explaining, because I think sometimes people are skeptical of those of us in the financial world. And I actually think as we set up the program, we have this really strong ESG team. We just announced the head of ESG. We have a new head of DEI that when we buy these businesses, we can make a difference and a really positive difference. And that's something that I think is special about our company. And I think it's a good thing about our industry.

Scott Rechler: And I think to your point, if you're going to be making investments to future-proof the success of those investments, you have to focus on ensuring that they're environmentally sustainable and that the communities in which they operate are economically sustainable and have diversity and broader equity opportunities. You brought up the project that you're doing in New York, and New York has put some pretty ambitious climate change goals out there, including transition to zero emissions electricity by 2040.

And it took you, I think, 12 years to actually be able to move forward with this transmission project to bring clean energy down to New York. And that's one of the challenges that I think we face, which is, we all know where we want to go, which is we want to get to almost all clean energy as quickly as possible, but we need a bridge to get there. How do you address this issue of what's the bridge and the timing and all the regulatory problems? And frankly, NIMBYism problems that comes with actually doing these large projects to bring clean energy to New York.

Jon Gray: It is a hugely important issue. And on the back of COP26, and everyone focusing on green energy, which we are in our firm in a big way, I think recognizing that transition, that bridge to the future, is so important. I talk with a lot of people in the climate world, and most of the energy seems to be focused on killing off the old hydrocarbons, which I understand we are doing much less investing, particularly around exploration and production.

I understand why there's a push to do that, but if we just cut off old hydrocarbons, which today power more than 80% of what we do in the United States energy-wise, and don't bring on new cleaner energy at a fast enough pace what's going to happen is gas to heat your home, a gallon of gas in your car could be six, seven bucks, whatever that is, and the political will will be lost because individuals particularly lower and middle-income people will say, I can't afford this.

And so, to me, the story of our TDI, our transmission line, which is going to power million homes in New York City, it's amazing. It's equivalent to almost half the cars in the city coming off the road is both positive in that it's happening. And the new governor endorsed it, which was terrific on her part. But the fact that it took more than 12 years is unfortunate. And we need to really focus on how can we accelerate the transition?

Because taking down the old supply is okay, but only to the extent we're bringing on new green energy to match that, otherwise we're going to really end up hurting consumers. And that bridge, that transition is so important because, as I said, my fear is if we don't do that, the political dynamic will change. And so that's something really to be focused on. And I think a lot of policymakers are starting to see that, but I think the urgency is pretty great.

Scott Rechler: And I think there's such an extreme view of, we need to get the clean energy that people are missing. The nuance that you've raised, which I think is exactly on point, which is that it is going to be counterproductive if we don't do it in a way that doesn't harm people's livelihoods along the way.

Jon Gray: And I would just use as an example, coal, I think, has doubled the carbon intensity of natural gas. And yet today, they're all sort of thrown in the same bucket. And I think we should make differences. It's going to take us time to get where we want to go, and we've got to do it. And we've got to take along everybody on this journey. And I think getting that transition right is one of the key political challenges, and it's for our planet over the longer term.

So we're going to be investing a lot in this space. We're doing a bunch around green energy, both in our debt businesses and our equity businesses. So it's an exciting area, but it requires more government help to facilitate this stuff getting built, dealing with some of the litigation and some of the NIMBYism as you described, which is, we've got to look at the greater good, a little bit in this context and figure out how we can accelerate new sources of supply coming online.

Scott Rechler: And we talk about impact people's lives, and one of the things during COVID and the post-COVID recovery that I've seen has really been this exacerbation of the gaps of the haves and have not and income inequality. And more immediately now, as I look at one of the concerns that I have is inflation which is you we've seen this significant inflation, acid inflation, whether it stock market or real estate, which has been one thing.

But also we've seen inflation at price inflation with ordinary goods, whether it's gas, food, rent that really disproportionately impacts the people with less financial means that are out there. And so I'm curious from your vantage point, what are you seeing at Blackstone on inflation front? And similarly, just like we had the conversation about energy cost, how does this play out relative to the people that are more susceptible but to being impacted by those higher prices?

Jon Gray: Well, I think this is a real challenge. Inflation is, if you look across our portfolio, very pervasive, and I'm concerned, more persistent than some economists anticipated. Certainly going back earlier this year, it's been something we've been talking about for a while. And the reason why I think it's going to stick with us longer is we grew the money supply in response to a crisis, understandably, and about a third in a two-year period. So there's more money in the system.

And then we have structural shortages and energy, which we've talked about. Housing is another area we've been building about 40% fewer homes over the last decade than we really need. So we built up an accumulative deficit, and then in the labor market, we've got an aging population, we've got less immigration. And we had a bunch of people opt-out for a variety of reasons, many of which are understandable related to COVID.

And so you've got an energy shortage, a housing shortage, and a labor shortage, and a lot of money in the system. And the response to that is driving up prices. And so I think you're going to see CPI numbers much higher than people anticipate even the most recent reading at 6.2% still had housing costs up only three and a half percent. There are very few places I don't know of any in America today housing costs are only going up three and a half percent. So I think this is going to become a political challenge. I think we're going to have to deal with some of those structural shortages. And so, I think inflation will be something everyone's talking about. They already are, but I don't see it dissipating quickly.

Scott Rechler: I want to wrap up with one final question and sort of tie some of this stuff together. We have a new governor, as you pointed out right now in Governor Hochul. We are about to have a new mayor, Mayor Adams, and you've been very involved as public prior partnerships with the Blackstone from a philanthropic standpoint, personally, from a civic standpoint, personally. And I'm curious if they called you up and said, "We want to have lunch." And they say, "Three areas where you, Jon Gray, either in your professional role or personal role, can partner with us to help position New York to recover in a post-COVID world that's more sustainable, more equitable." What would you offer up that you could be helpful on or things that you've seen or done today or seen others do that you could replicate?

Jon Gray: So I'd start by saying I'm excited about Governor Hochul and mayor-elect Adams. I think they have a lot of terrific priorities for both the city and the state. What I'd say is I would echo the earlier comments that on the private side, housing is an area where there's no way governments can build enough housing, have the capital to do that. And there's lots of institutional capital who wants to be involved in housing. And so some ambitious projects around building affordable and not just low income-affordable, but more middle income affordable as well, teachers and police officers and so forth so that we can create a dynamic New York where everyone can afford to live here. I think that's an area where the private sector can be very helpful.

I think technology is another area that if you think about all the great tech companies in this city, what they can do with data science and other tools, online education focus on the education area, focus on services, how do you make the government work more efficiently? So much in our lives were spoiled by our Netflix and Amazon and Apple phones and whatever. And yet, when we go to the DMV or a bunch of government institutions, a lot of that hasn't moved.

And how can we use technology and bring in these great leaders who happen to be living right here on this island or in this broader city to make the kind of changes to improve people's lives in the city, of course, and the state touch so many people? So to me, that would be very exciting. And then one thing that I think coming out of COVID and it really ties to the whole discussion and Scott, this amazing effort you've had with your program. I think both the private sector and the public sector can be a cheerleader for coming back, particularly for this city.

I think it's really important you hit on it. If you care about low-income people, people from underserved communities, they're the ones working at restaurants and hotels and for the MTA, and by not coming back and just being at home working on your computer, something's lost their opportunities, the ecosystem, the dynamism. Obviously, we're getting through COVID. People have some concerns about health and safety, but I think over time here, with the new technologies, with the booster shots, and so forth, we've got to bring people back.

And so I think private sector leaders and public sector leaders can come together and say, "Hey, New York City's back, let's come back to work. Let's go to Broadway, let's go to sporting events, let's get everybody back in this city. Let's make it as special as it can be." And I think that's something that's easy for people to do. And I think it's something that everybody believes in. And so that would be an easy suggestion, I think.

Scott Rechler: And I think that last point there is so much of what's happening right now is psychology. So I think that is, some in leadership can some low hanging fruit that they can have to actually deliver for us on that.

Jon Gray: Yeah. I agree with you. And as we keep saying, this city is so amazing, the dynamism of the place, the energy, all the industries that are here, all the people speaking so many different languages, all of that makes the place special. We just got to bring people back and create that incredible energy.

Scott Rechler: I completely agree. And I appreciate your leadership and your enthusiasm for this city, not just now, but throughout the years in its good times and its bad times. So Jon, thank you very much for taking the time and sharing your insights with us.

Jon Gray: Thank you, Scott.

Scott Rechler: That concludes this week's episode of Recalibrate Reality. COVID-19 exacerbated a number of structural challenges that neither government nor the private sector can solve alone. Whether it's the creation of new affordable housing or the development of large-scale, renewable energy projects, private sector leaders like Blackstone are more than prepared to act. We'll just need the leadership to bring it all together.

Thank you again to Jon Gray and Blackstone, and thank you to the RPA, the 92nd Street Y, and to the team for making this week's episode possible. I'm Scott Rechler from 75 Rockefeller Plaza, New York. And I'll see you in a couple of weeks.