

Business Better (Episode 9): Conversations with Women Leaders in Finance, with Special Guest Diana Hoadley of Goldman Sachs

Speakers: John Wright, Kim Magrini, and Diana Hoadley

John Wright:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, John Wright. For nearly 15 years, I was Senior Vice President and General Counsel at Triumph Group Incorporated, a global aerospace component supplier. I'm now a member of the Securities and M&A Groups at Ballard Spahr, a national law firm with clients across industries and across the country.

John Wright:

Today's episode is another in our series on women in finance and their leadership roles in financial services and capital markets. Our guest is Diana Hoadley, Vice President and Head of the Higher Education and Nonprofit Group at Goldman Sachs, who will talk about her career path in public finance, the obstacles she confronted, the development of ESG financings, and her thoughts on shaping one's career. Leading the discussion is my Ballard Spahr colleague, Kim Magrini. A Partner-Elect in Ballard Spahr's Philadelphia office, and a member of the firm's finance department. I'll turn it over now to Kim and Diana.

Kim Magrini:

Thank you for joining us, Diana. I thought we could start off by talking a little bit about your current position and responsibilities where you are now.

Diana Hoadley:

Okay, great. Well, thank you for having me here. I currently work at Goldman Sachs and I am the Head of Higher Education Finance Group within the public sector and infrastructure group in the investment bank. And I lead a team of professionals that does bond financings with public and private universities, as well as nonprofit organizations.

Kim Magrini:

Great. And I know we both took a little bit of a roundabout way into finance and to where we are now. I started out in science, got a bachelor's degree in biology and a master's in environmental science before I ended up switching gears, going to law school and ended up in the Public Finance Group at Ballard. Can you talk a little bit about the path you took to get where you are?

Diana Hoadley:

Sure. Well, similar to you, I started out as a science geek, as a pre-med physiological psychology major with a certificate in science and human affairs. And I wanted to be a brain surgeon and that was all well and good until I discovered that I couldn't really stand the sight of blood. I kept passing out. So I thought maybe pursuing my second idea, which was going into finance would make a little bit more sense. But at the time I wanted to start in finance, it was when interest rates were the opposite of where they are today. They were in the low 20%. So getting a job in finance at that time was a little difficult.

Diana Hoadley:

So I started out in the publishing area as a reporter in statistician at Forbes Magazine, and then decided that being a writer was probably not the best avenue for me. I was a little bit more interested in the finance. So I started going to a business school at night and then found my way into investment banking that way.

Great. And through that journey, what obstacles or challenges did you have to overcome or face to where you are now?

Diana Hoadley:

Well, some of the obstacles in the beginning of my career really were about, how do you navigate a career in investment banking? This was before there were the formal analyst training programs and the career paths were not quite as easy to navigate. So there was a requirement that you had to have an MBA to be able to get promoted to the next level in banking. So I figured that continuing on with my MBA degree at night made some sense and it worked out well.

Diana Hoadley:

I was able to get promoted after I finished my MBA. So I started to work on higher education financings, which were things that other people in the group didn't want to do. So I started my own group within the healthcare groups, working with academic medical centers and universities. And that was really how I got my foot in the door and I ended up on the trajectory that I am on now.

Kim Magrini:

Great. And I know your interest in ESG investing or environmental, social and governance investing has grown. Can you describe a little bit about how your prior experience has shaped that growth and that passion and what you see in that industry today?

Diana Hoadley:

Sure. As a young person, I was very interested in the environment and would spend an awful lot of time in the summer and in the winter, up in the Adirondack Mountains with my family and was very passionate about the environment. And then through the work that I've been doing with healthcare and higher education entities, just really wanting to help create opportunities for people through environmental and social type transactions became very important for me. I started out doing green bonds with some of my higher education clients that were building buildings that met the qualifications to meet the green bond principles.

Diana Hoadley:

And more recently I have been working with nonprofit organizations that are very focused on activities in the social area and have been working on the issuance of social bonds with clients. So it was in the beginning environmental, but now it's more along the lines of the social and social justice and change that we can bring about through the financing of the types of projects that are done in the ESG areas.

Kim Magrini:

Yeah. And can you describe a little bit what a social justice or social bond financing looks like and what projects that includes?

Diana Hoadley:

Sure. Well, the types of projects that we have in a social bond are a little different from what you might see in a green bond. You're not looking for certain building specifications for the transaction. It's really more along the lines of setting up the social bond principles that are going to be the guiding forces for the nonprofit institution, in terms of the way they're going to spend the money, what types of programs are they going to support. So some social bonds that you'll see might go to support things like prison education, or the building of community centers in areas where there really aren't too many places for young people to get together and have a learning and living environment.

Diana Hoadley:

So it's a little different from looking at where construction bond proceeds are spent. It's really more along the lines of what kinds of programs are you going to fund and how are you going to report back on how well those programs are meeting the goals that you set up front. So there's normally a framework that's developed and disclosed to investors in your transactions so that the investors know exactly what they're going to be participating in when they buy a social bond.

Kim Magrini:

Yeah, and it seems like the ESG idea has really taken hold recently and grown and expanded. And there's a lot of investment funds and large banks that are really focused on this type of investing. Can you talk a little bit about the market there and what types of investors are doing this investing and what the future of that looks like?

Diana Hoadley:

Sure. I'd say over the last 10 years or so, many of the ESG investments were as a result of demand coming from millennial investors who wanted to be involved in the knowing what types of projects their money was going to help finance. And they were really some of the first proponents of ESG investing. And now we are seeing a broader acceptance of the types of principles that were set up by the United Nations and other banks and entities that got together to put together the principles that define what is an ESG bond.

Diana Hoadley:

So we're seeing a broader acceptance of these types of financings now. And we're seeing overseas in the EU, the government agencies there are really pushing investors and corporations that are issuing bonds to comply with ESG investing as a way to help improve our communities. It's not just looking for low fossil fuel emissions or clean water or clean air, it's also creating a safe environment for people to live, learn, and prosper.

Diana Hoadley:

So I do think it's more of an awareness of the types of changes that we can help fund through an ESG investing framework. And through the COVID-19 pandemic, many of the ESG investments have done quite well, and some of them have even outperformed the traditional investments that might be in the same asset class. So there is not just the double bottom line aspect of ESG investing, there's also the potential for solid returns over time.

Kim Magrini:

Yeah. And so, you've been able to find a path to get to where you're financing and doing work that's part of your passion and your interest in the environment and social justice. Not everybody is able to get there or has the opportunity to do that, or even knows what their passion is. I mean, I would say, growing up, I had really no idea, obviously, I would end up in finance to begin with, but also I didn't know what the opportunities were. And now that I'm here, I've found that it is a passion of mine and I love my work and I love my job and I love what we're able to finance in the public finance arena.

Kim Magrini:

But do you have any advice or thoughts to the folks out there who are still searching for their passion or looking for that in their career and how they can get there and what they can do to help reach it?

Diana Hoadley:

Mm-hmm (affirmative). Well, some of the things I would suggest is taking a look at how your day goes. What are you excited about at the end of the day? What made the day go by fast and what made the day go by slow? And try to focus on increasing the number of things that make the day go by a little faster. I think many of us get very involved in working and getting our jobs complete and getting home to be able to relax a little bit after our jobs. But we don't take the time to actually think about what we did during the day that made us feel a little bit more excited about the day.

Diana Hoadley:

So I think self-assessment and self-reflection and constant communication with your friends and family and growing your network within your profession, because sometimes you can find out what you're really passionate about as you're speaking with others. And I would also suggest thinking about mentoring people that are more junior to you, and even more senior to you. You find out more I think, about yourself when you do the mentoring, sometimes then you give to your mentee. So I think a constant reassessment of how are things going and how might I make my day a little bit more exciting, would probably be what I would focus on.

Kim Magrini:

Yeah, that's interesting about the mentoring aspect. I think a lot of times we're always looking for someone to be our mentor and look for that guidance. But it is important to keep in mind that as a mentor yourself, you can learn something about yourself and learn something about where you are and where you might want to go as well, in addition to providing guidance to someone else. So let's ask one question, Diana, about, what advice would you give to your younger self given all of your background and where you are today? Is there anything in particular that stands out?

Diana Hoadley:

Yeah. What I would say to my younger self is having a focus on doing a good job and making sure your work stands out is very important. You want to make sure that your work stands out to your clients, as well as to your colleagues, and to your bosses. But trying to understand how that work relates to the interconnectivity you have with the people in your office. Be it through your mentoring relationships, your relationships with your superiors, but also helping you to define what your internal goals are in terms of the aspirations you might have for a position within an organization.

Diana Hoadley:

And understanding that it's not just how well you work, what your connections are with your peers, but also what types of senior relationships do you have. And can you find a sponsor who can help you understand and navigate the path to the career goals that you have? And sometimes it's more about understanding the path to get to where you would like to go that's more important than working hard all the time.

Diana Hoadley:

Early on in my career, I had a goal to become one of the first women managing directors in the investment banking area that I was working in. Because I thought it would be a nice accomplishment, but also something that would encourage other people to want to go into banking and women and men. In particular, if they could see different types of people at the top of their organization, that would perhaps make a better environment for everyone.

Kim Magrini:

So what advice would you give your future self, looking forward and where you're going both with ESG and in your career? What thoughts do you have on going forward in advice there?

Diana Hoadley:

Okay. My advice to my future self is, try to be a little bit more flexible. Try not to be as focused on a narrow topic or a narrow problem. I've worked in the same area for over 30 years and every day has been very exciting, but I'm not really sure where the future is going to go. And I think as we are living through a pandemic right now, we've all had a chance to stop and assess what's important to us in our life. So I think I'd like to be a little bit more flexible and open to new ideas and ask questions of people more often about what they see as paths for the future.

Kim Magrini:

Great. Well, thank you so much for joining us today and sharing your thoughts on career path, ESG investing, success and mentorship.

Diana Hoadley:

Well, thank you very much, Kim.

John Wright:

Thanks again to Kim Magrini and Diana Hoadley. Make sure to visit our website, www.ballardspahr.com, where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon. Thank you for listening.