

THE ECONOMIC CLUB

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Signature Event

Mary T. Barra

Speaker

**Mary T. Barra
Chair and CEO
General Motors**

Moderator

**David M. Rubenstein
Chairman
The Economic Club of Washington, D.C.**

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DAVID M. RUBENSTEIN: We're honored to have Mary Barra here as our special guest. Mary has been the CEO of General Motors for 10 years, the chairman and CEO for eight years, she became chairman two years after she became the CEO. And she's also – she's a native of Michigan. Her father worked at General Motors, I guess, for 40 years.

MARY T. BARRA: Almost, yeah.

MR. RUBENSTEIN: Forty years. And she did her undergraduate work at what was then called the General Motors Institute, now called Kettering University. She then got a scholarship to go to Stanford Business School, where she got her MBA. She's the chair of the Business Roundtable now. And even more importantly, she's a member of the Board of Trustees of Duke University – [cheers, laughter] – where her two children went to college.

So, Mary, thank you very much for coming. So let's talk about electric vehicles. Is that the future of the automobile world? Twenty-five years from now, will there be any internal combustion engines floating around that people are going to buy, or everything's going to be electric?

MS. BARRA: I believe in 25 years it'll all be electric or hydrogen fuel cells. But it will be emissions-free, yeah.

MR. RUBENSTEIN: OK. So right now the largest seller of electric cars, electric vehicles in the United States, is Tesla. How did Tesla get to be such a big manufacturer of these kinds of cars when it started from scratch and General Motors and Ford and Chrysler were around for such a long time? Did Elon Musk know something that others didn't know? Or did he – the big companies just didn't take electric vehicles seriously enough?

MS. BARRA: Well, I think General Motors has always taken electric vehicles very seriously. You know, 20-plus years ago, we had EV1. So in a certain sense, I think we were a little ahead of our time from a technology perspective. But we never stopped working on EVs. We had the Volt extended range electric vehicle. And then Bolt that came out, you know, in 2015. So but I do have to give Tesla a lot of credit, because I think they've really – they stayed committed and kept – you know, they had to work through the years of getting to scale and growing. And I think they've really helped the EV market. I think now there's a lot of OEMs. We have, you know, I think competition to Tesla. So I think it's going to change the dynamics.

MR. RUBENSTEIN: So right now the biggest manufacturer of automobiles in the United States, and sold in the United States, is that General Motors? Are you the biggest?

MS. BARRA: Yes, we sell more vehicles than anyone else here.

MR. RUBENSTEIN: And so in a given year, the total amount of cars bought in the United States, how much is that now?

MS. BARRA: Oh, total amount this year will probably be around 16 million.

MR. RUBENSTEIN: Sixteen million. And you sell how many cars a year?

MS. BARRA: Sixteen to 17 percent. Globally, we sell nearly 6 million. And this is our biggest market. And so, you know, we're on track right now to continue to, you know, be a lead, in 16 to 17 percent.

MR. RUBENSTEIN: So when people buy cars these days – when I used to buy cars – I haven't bought a car –

MS. BARRA: You need to buy a car. [Laughter.]

MR. RUBENSTEIN: Yeah, in about 20 years. But when I used to buy cars, they used to have sedans and things like that. Now, nobody seems to buy them. Everything – you're the biggest seller of SUVs in the United States, and your second biggest is light trucks. So sedans are just not that popular. Why are they not so popular anymore?

MS. BARRA: Well, I think when people buy sedans, you're either buying a performance vehicle or you're buying a luxury vehicle. But generally once people sit in a crossover, or a truck, or an SUV, you just got a higher stance. It gives you better visibility of the road. And people like that. It's better command of the road.

MR. RUBENSTEIN: OK, so what do you drive?

MS. BARRA: Well, one of the best parts of my job is I get to drive a lot of things. [Laughter.] So I'm driving a Hummer. I'm –

MR. RUBENSTEIN: Hummer?

MS. BARRA: Hummer EV, which is a lot of fun. You get respect driving a Hummer EV. [Laughter, applause.] I'm also driving a Blazer. I can't wait. Shortly, I want to get into our – we'll be launching it next year – is an EV Equinox, which is great. By the way, if you didn't catch it, the Blazer's outside in the front. It's a Blazer EV, which was Motor Trends' SUV of the year. So please check it out. But yeah, that's one of the benefits. I get to switch in and out of cars and drive a lot.

MR. RUBENSTEIN: Now, recently there was a movie that had a car, I don't know if you make this car, I have a picture of it here, a model. The Barbie Corvette. [Laughter, applause.] And do you actually make the pink Corvettes, or not so much?

MS. BARRA: We don't actually make a pink Corvette. We still make Corvettes. And, by the way, I had a Barbie Corvette when I was growing up. Yeah, yeah.

MR. RUBENSTEIN: Wow, OK.

MS. BARRA: Not pink. It was yellow.

MR. RUBENSTEIN: Not pink. So today are you worried about foreign competition more than you are about domestic competition in terms of being a leader in the automobile manufacturing world? Do you think that the Chinese are going to be sending more cars over? Or, because of the Inflation Reduction Act, it's unlikely the Chinese can ship that many cars over here?

MS. BARRA: Well, you know, first of all, I take every single competitor seriously, whether it's a startup, whether it's an incumbent. I take them all very seriously. I think if you don't, you do that at your own peril. I think this has always been a competitive industry. I think it's becoming more competitive. But, I mean, it is also a fashion industry. I mean, people, you know, identify with the car they buy. I mean, I get letters every week from people, many of them name their vehicle. And so it's a really exciting business. I think, you know, when you look at broader – you've always got to remain cost competitive, no matter where. But I think what we need to look at, since we're in D.C., we need to make sure there's a level playing field, in all the countries in which people want to sell, and this country.

MR. RUBENSTEIN: So you're in Washington, D.C. in part because of Business Roundtable, which you're the chair of. The Business Roundtable is a group of CEOs that are – I think are lobbying for various things they might want. What is the biggest thing on the agenda of the Business Roundtable these days?

MS. BARRA: Well, I think, you know, the Business Roundtable is working to have economic growth in the U.S., to provide opportunities for the workforce here in America. So, you know, I think I'm really proud of a lot of the things, you know, whether it's the CHIPS Act, whether it was the infrastructure bill, there's a lot of things that are going to be good for the country and good for business as well. But one of the things I think I'm most proud of what BRT is doing is what they're doing – that member companies are doing around workforce development across many different elements to – again, to really encourage the workforce development in the United States. So that's probably what I'm most proud of.

MR. RUBENSTEIN: Well, speaking about workers, you and your co-CEOs of automobile companies agreed to a union agreement that I think for next X number of years, said by some outside commentators to add \$10 billion or so in labor costs. I'm not sure if that's the right number. You can tell me what the right number is. But is that going to fuel inflation? Or is it just something that you expected to pay, it just took a little while for a strike to kind of get you to pay it? [Laughter.]

MS. BARRA: I never wanted a strike. [Laughter.] I always want to work constructively with our union partners to get to the right answer. But, you know, when I – for General Motors, specifically, we have stated that the agreement is going to be between \$500 to \$575 for a vehicle, but we plan on offsetting that. As we looked at the labor environment, and, you know, when you looked at whether it was John Deere, or Caterpillar, or UPS, you know, you saw what – you know, what the trends were with what was happening in labor agreements.

But let's step back and think about, you know, our agreements with the UAW, this current one is 4.75 years, the past was four. Think about what happened over the past four years. COVID, semiconductor shortages. Our manufacturing represented workers, and our

manufacturing team in general, did a phenomenal job. They were back to work when most people were still figuring out what COVID stood for. And, you know, without them we wouldn't have built vehicles – we wouldn't exist. So we wanted to recognize our workforce. Then they went into the ups and downs of semiconductor shortages, supply chain. So our manufacturing team has done a phenomenal job and we wanted to reward them.

MR. RUBENSTEIN: OK. So many foreign automobile manufacturers have built facilities in this country in right-to-work states. And they tend not to be unionized. You have a unionized workforce. How do you compete on a cost basis with cars that are produced at a non-unionized factory? How do you do that?

MS. BARRA: Well, I think we drive efficiency. And I'm really, again, proud of our manufacturing team. For the last two years, we've had the highest quality. We have high customer loyalty. You know, we work to drive efficiency so we offset the cost differential. And we'll continue to do that. And I think if you look, a lot of the non-represented OEMs are now raising their rates to match what we did.

MR. RUBENSTEIN: So, since you've been the CEO the earnings of the company have more than doubled, I believe. So you're earning this year roughly \$10 billion a year, or something like that? Or you're –

MS. BARRA: We haven't put that out there, but we're going to have a – we're going to have a good year.

MR. RUBENSTEIN: OK. [Laughter.] All right, so it's very profitable. And when you inherited it, you kind of came after a period of time when GM had been in bankruptcy. Today your biggest challenge is, what? Is it foreign competition? U.S. government regulation? Workers? Interviewers? [Laughter.] What is your biggest challenge?

MS. BARRA: I mean, I would say I'm super excited about the business. I think next year – we had some manufacturing challenges this year that caused us to not get as many EVs on the road as we want. But I think, you know, next year, when I look at the strength of our portfolio, we've had a very successful year with both our internal combustion engine vehicles and EV vehicles. Consumers want to buy them. I mean, we have wait lists. We've been able to keep our incentives low. So, you know, I feel really good about the product portfolio we have going forward. So for me, what I'm focused on is execution.

MR. RUBENSTEIN: When people want to buy a car today, do they typically do it over the internet or do they actually go into dealers?

MS. BARRA: So, you know, right now at General Motors you can do the whole transaction online and a dealer will, you know, in many cases – most cases, deliver the vehicle to you. Generally, people do most of the research online and then they – but most people still want to go to the dealer, kick the tires, see the vehicle, drive it if they want. But it has changed. You know, 10 years ago people would go to three to four dealers. Now they're going to maybe one because

they go in and they know what they're looking for. And generally from the internet, they know that vehicles is there.

MR. RUBENSTEIN: So in the old days you used to negotiate price. And the salesman said, let me go talk to my manager, see whether I can give you a discount, so forth. [Laughter.] And I don't know what they did in the back room, but. [Laughter.] So today, everybody knows the price of everything. So a dealer, you have a suggested retail price, typically. And the discount that a customer who's reasonably informed should be able to get, is that a 5 percent discount, or 2 percent? Or what kind of discount off the retail price are they supposed to get, or do they typically get? [Laughter.]

MS. BARRA: So, first of all, I think dealers, at least – I'll talk about GM dealers. I think they get a bad rep. Because our dealers are great. They work hard to, you know, get the customer in, educate them about the vehicles, you know, find the right deal. Congratulations to one of our dealers right here. You know, so I think our dealers do a great job of helping the customer navigate, you know, this – it's a big purchase for most people. Getting the right vehicle is – and understanding what options you want. So I think they do a great job. And, you know, a lot now is defined. And, again, the dealer helps the customer navigate through that.

MR. RUBENSTEIN: But everybody feels when you buy a car you should negotiate a little bit. Do people not negotiate so much anymore? They know what the prices are online, or they say give me a standard discount or something?

MS. BARRA: It depends on what's happening across the broader industry, because, again, our dealers do have the right to set the final price. That's, you know, dealer franchise laws across the across the country. But I would say the bulk of our dealers follow the manufacturer's suggested retail price, along with incentives, if there are any, are on the vehicle.

MR. RUBENSTEIN: OK. In the old days, when I used to buy cars –

MS. BARRA: And you need to go back.

MR. RUBENSTEIN: I need to buy another one now. [Laughter.] But you used to – like, you'd go in and you'd say, I want this color, and I want this option, that option. And they say, will manufacture it for you but it'll take you a month or two. Now everything is already made pretty much, is that right, or?

MS. BARRA: Well, I think we're seeing a shift right now because through COVID when, you know, we were shorted for the last couple of years, there's been – we haven't been able to supply as many vehicles as the consumer wants. But I think we've learned to be much more efficient. So instead of a dealer having, you know, hundreds of cars on their showroom, for our EVs, for example, we're going to have regional areas where – and we're also, you know, really using data analytics to understand what does the customer really want, that they can get it quickly. A lot of people still go to the dealership and drive off, but I think we're changing that to be more efficient for the business, for the dealer, and the customer still gets what they want in a matter of days.

MR. RUBENSTEIN: So when people come to buy a car, are they mostly financing these cars? Or are people today just plunking down cash?

MS. BARRA: Most people finance. Most people.

MR. RUBENSTEIN: And you provide financing these days?

MS. BARRA: We do. We have a finance company called GM Financial that does a very nice job of taking care of the customer.

MR. RUBENSTEIN: OK. So the theory behind electric vehicles is that they're more environmentally friendly. And when the automobile industry first started, all cars were electric at the very beginning of the industry. Then when the internal combustion engine came along the electric cars were called women's cars because they were thought to be slow. And so people loved the faster internal combustion engine. But the point I wanted to ask you about is, are electric vehicles really that environmentally friendly? Because you have to get precious metals out of the ground. That takes some, you know, pollution or so forth. Is there a measurement that says: EVs are much better for the environment by X percent than internal combustion engines? Or there's no way to measure how much better they are?

MS. BARRA: I think there's been studies where people attempt to, but I think it's all of the individual. I mean, are we mining sustainably? Are we building the vehicles sustainably? I mean, GM has set carbon-neutral goals for 2040. Already, we operate almost all of our facilities around the globe with zero waste. And so there's so much – renewable energy. We have goals set for all of that. And then, you know, working to make sure the supply chain follows that as well. So it's a journey that we're on. And I think, you know, we will be to a better place from a climate perspective as all these initiatives take place.

MR. RUBENSTEIN: OK, so a number of years ago, when the COVID happened, there was a big concern about the supply chain, and so forth. And it was said that the semiconductor manufacturing, often in Taiwan or elsewhere, was backed up. That problem is now gone away, right? You have the semiconductors you need for cars?

MS. BARRA: Mostly, yes.

MR. RUBENSTEIN: And most of the cars that you produce have enormous amount of semiconductors. I can't remember, was it 1,000, or 500, or something? But all of your cars, electric and non-electrical, all have an enormous amount of semiconductors. Is that standard?

MS. BARRA: That's true. And, you know, I think the semiconductor was eye-opening for a lot of OEMs, because mostly our suppliers were the ones who purchase, and they came as part of, you know, a part or a sub assembly. What General Motors has done is we've adopted three families of semiconductors that we'll then direct. And this will start in vehicles, you know, in the '26 timeframe. So we'll have much more control, much more commonality. That scale should give us price advantages as well.

MR. RUBENSTEIN: OK, so when people go to buy a car today are they – what's the most popular color?

MS. BARRA: White.

MR. RUBENSTEIN: White? Won't that get dirty, doesn't it? But they don't care about that? [Laughter.]

MS. BARRA: People love white cars. And this is true for the U.S., it's true for China as well.

MR. RUBENSTEIN: Really?

MS. BARRA: White is the number one color for vehicles.

MR. RUBENSTEIN: I always thought that you could – when you went and you buy a car for certain price. But the salesman, or saleswoman, would say: We have these options. You could get this, you get this, you get this. Are any more options available, or everything is now with all the options?

MS. BARRA: No, I mean, we still – one of the things we've done, though, is try to not have so many different options and trim levels that the consumer gets confused. So we've standardized. It helps with inventory management. It helps across the board. But, I mean, people still do like – again, this is an important purchase. Think about it. For most people, this is the most important or the second-most important purchase they make. And so they want it to meet their needs. They want to customize it. We like when they customize it. And so, you know, it's something that they personalize.

MR. RUBENSTEIN: Who – when a couple, a man and a woman, let's say, come in to buy a car, who is the decision-maker really? [Laughter.]

MS. BARRA: Generally, it's the woman.

MR. RUBENSTEIN: Woman? And so, if the – if a man comes in and says, I want to buy this car and I'm going to negotiate to buy it, do the salespeople say, well, bring your partner your spouse back, because that's the decision-maker? Or do they negotiate with the man? [Laughter.]

MS. BARRA: I think they try to respect the consumer who's there and negotiate with that individual. [Laughter.]

MR. RUBENSTEIN: OK. OK. So, the average price of a car today, I don't know, but of the average car price that, let's say, that General Motors sells, is it \$50,000, \$60,000, \$40,000? What's the average price?

MS. BARRA: Well, because we sell so many trucks, our average transaction prices are probably, I think, right now, I haven't checked recently, in the high forties. But we also have very affordable vehicles. You know, we have a Chevy Trax that starts under \$20,000.

MR. RUBENSTEIN: OK. And there used to be a thing that I used to buy when I didn't know much about car buying called rustproofing. Have you ever heard of that? That was – [laughter] – they always said at the end, you got to rustproof the bottom of the car. It'll rust. I said, why is it going to rust? I mean, but I always bought it and never rusted. But do they have that anymore? [Laughter.] They don't?

MS. BARRA: Well, generally the way we build the vehicles right now –

MR. RUBENSTEIN: They don't rust?

MS. BARRA: You know, there's under – there's treatments. There may be some things that the dealer sells for certain regions of the company, but it's probably good that you bought it at the time. Again, just please go to buy a dealer – go to a dealership and buy something. [Laughs.]

MR. RUBENSTEIN: OK. So when I was – I was actually driving home last night, in the old car that I have. And the gas light was kind of blinking on and off like it was going to run out of gas. And I didn't have time to go get more gas. But how much extra gas do you have? [Laughter.] Because I don't know, when it gets done where it's, like, blinking, blinking, do you still have 10 miles, 20 miles? I never know.

MS. BARRA: Well, how long has it been blinking is the question?

MR. RUBENSTEIN: It was blinking for about 10 minutes. So I got nervous.

MS. BARRA: Then that's probably problematic.

MR. RUBENSTEIN: OK. All right. OK. I wondered.

MS. BARRA: But it depends on the model. But, you know, generally I would say you have, you know, probably 30-40 miles when it's starting to say – you know, because don't want you to be stranded.

MR. RUBENSTEIN: Right. So I always – my father didn't have a lot of money. And so when we got gasoline for the car it was always the least expensive. It was regular, whatever regular is. And so I've been trained to get regular. Is there an advantage to getting non-regular for cars that you make? Or –

MS. BARRA: What you really – in all seriousness, you really need to look at what the engine is rated for, and you need to follow that. Because that's going to – if you put lower-level of gas and an engine that performs better, it's not going to perform better and it's not good for the engine. So you should – usually when you open the fuel door, there's a little sticker there that tells you what level you should put in.

MR. RUBENSTEIN: Oh, all right. OK. [Laughter.] So what about – do you have an ability to keep people from driving who are drunk? In other words, I think some cars – I don't know if

you have them – where if the person is breathing, like, alcohol, the car won't start. Is that a standard thing anymore?

MS. BARRA: That isn't, but actually this has just been in the news this week. We've been working with regulators on that, what can we do to sense? So we have technology to do that. Obviously, you know, and we've actually piloted with some fleets. So I think that's technology that's coming that I think is going to be good for everyone.

MR. RUBENSTEIN: I think that's probably good if you can get it in, but I think the bigger problem today is, which I'm at fault in, is trying to drive while you're texting at the same time. [Laughter.]

MS. BARRA: That's – yeah, you shouldn't do that.

MR. RUBENSTEIN: How do you – how do you prevent people from texting while they're driving? It's – you know –

MS. BARRA: Well, you know, I think, frankly, when you look at – distracted driving and the number of accidents that distractions – it's really hard to measure, because you're kind of relying on somebody to say, hey, I was on my phone and I got into an accident, which generally people don't want to do. But, you know, one of the things we're trying to do is to allow people to use voice. So instead of looking down at your phone, leveraging the systems in the vehicle that are connected to your phone to be able to call, to have an email or a text read to you. So we are really working to improve the safety to keep people with their eyes on the road.

MR. RUBENSTEIN: So recently you have reorganized, if that's the right word, your autonomous driving division. So how much longer is it before autonomous driving is a reality? Is that really 10 years away, not two or three years away?

MS. BARRA: I don't think it's 10 years away. I think, you know, with some of the challenges we just face I think it was more not being – not working with the regulators to help them understand the technology, and then being transparent as issues happen. But the technology already been evaluated by a third party to say it's already safer than a human driver. I think, well, first of all, on average, people think – 85 percent of people think they're an above-average driver. So the math doesn't work. [Laughter.] But because they think that, you know, they – you know, one of the big a-has for me is you need to be safer than a human driver but, frankly, for people to be comfortable with the technology, they've got to be even more safe. And so that's – we'll work to achieve that, but I think it's not that far away.

MR. RUBENSTEIN: Well, I'm not in that 85 percent because when I'm driving people always honking the horn at me. So I get the message that maybe I'm not such a great driver.

MS. BARRA: Stop texting.

MR. RUBENSTEIN: OK. Yeah, I should stop texting. [Laughter.] So why are people so obsessed with autonomous driving? Because one of the great passages of life is getting your

driver's license and learning how to drive. But why do people seem so obsessed with having autonomous driving? Is there really that much demand for that?

MS. BARRA: Well, I think, first of all, I love to drive. And so I loved to drive. But there's times, I think, when all of us – if we're in stop and go traffic, if we have something we need to do. And the other thing is, right now about 40,000 people in the U.S. alone lose their lives in traffic accidents. And over 90 percent of them are caused by human error. So if you can have a system that is better than a human being driving, it's inherently safer and it gives you back time.

MR. RUBENSTEIN: Right. Right. Do airbags really work? Do they really – I mean, I haven't had an airbag fortunately yet. But do they really work and they save lives?

MS. BARRA: They absolutely do. But I – public safety message – seatbelt is your primary – you should always wear your seatbelt. That's your primary restraint system. An airbag is even called a supplemental restraint. So, yes, they work. But it's important to wear your seatbelt all the time.

MR. RUBENSTEIN: And today in cars you have the – you can't – you get a buzzer in a car if you don't have your seatbelt on. But you can still drive the car with the buzzer on. So is there some way to keep it so that you don't have your seatbelt on the car won't go, or that's unrealistic?

MS. BARRA: We actually, on our vehicles right now, you there's a setting where the car – you can't put – it won't let you shift into gear without having your seatbelt on. Right now it's customer choice. That's other technology. Again, we've done a lot of work with fleets to – and you're just safer. So I think that's – and I think this is something, you know, 20 years ago the industry did, and it wasn't as good as it is now, that frustrated people. But I think that technology works well. And I encourage everyone to turn on your setting.

MR. RUBENSTEIN: Now, when you're driving a car on weekends, you're driving a car. But do you ever test your competitors' cars? And what do you think of them?

MS. BARRA: I do drive our competitive vehicles. I usually do it on in – on our proving ground, as opposed to out on public streets. But yes, I've done that.

MR. RUBENSTEIN: So which ones would you recommend if somebody said that – [laughter] – they didn't like General Motors. But you wouldn't recommend any of them?

MS. BARRA: I would ask them why they don't like General Motors, because I'm pretty sure we have a vehicle for them.

MR. RUBENSTEIN: OK. So your top line most expensive car, is that a Cadillac still, or?

MS. BARRA: Cadillac Escalade, and then some of the Corvettes.

MR. RUBENSTEIN: Is there a big market still for expensive Cadillacs? I don't know.

MS. BARRA: We can't make enough Cadillac Escalades right now. So I think it's a very strong market.

MR. RUBENSTEIN: So in the old days, there were many different brands of General Motors. And you think you've gotten rid of some of them. So which ones are not around anymore? It's, like, Oldsmobile, is that not around?

MS. BARRA: Oldsmobile, Pontiac, Saturn.

MR. RUBENSTEIN: They're gone? OK, and what are the brands now you have?

MS. BARRA: So Cadillac is our luxury brand. Chevrolet is our volume brand. And then we have a Buick and GMC. Buick is primarily crossover premium. And GMC is premium trucks.

MR. RUBENSTEIN: OK. And you manufacture and sell a lot of cars in China, is that right?

MS. BARRA: Yes, we do, with our two joint venture partners.

MR. RUBENSTEIN: Is that your biggest market or second-biggest market?

MS. BARRA: Well we sell more vehicles in the U.S., I would say. And the Chinese market is shifting right now as it moves to electric and there's about 100 domestic EV competitors. But our – we sell more vehicles in this market and second is China.

MR. RUBENSTEIN: And you're out of Europe now? You've sold your Europe?

MS. BARRA: We are just getting back into Europe. We did sell our operations, but we're going back with either luxury cars or electric cars.

MR. RUBENSTEIN: Oh, why did you get out and then come back?

MS. BARRA: Well, we had the Opel brand. And when we looked, we didn't have scale. And so we're going in with, you know, with the future of vehicles – you know, primarily EVs, but also some of the iconic luxury or luxury vehicles that we have, whether it's Cadillacs, Corvettes, et cetera.

MR. RUBENSTEIN: OK. And what about Latin America? Do you sell a lot down there?

MS. BARRA: We sell – in most Latin American markets we're number one or number two.

MR. RUBENSTEIN: And the Middle East?

MS. BARRA: I don't know. We do sell a lot of vehicles in the Middle East. I don't know what position we are marketwise. But it's a very significant market for us.

MR. RUBENSTEIN: OK. So many years ago, General Motors got into many different businesses. They bought EDS. They bought, I think, telecommunications companies and so forth. But you're basically going to stay in the business of manufacturing vehicles. You're not doing other things?

MS. BARRA: Yeah. You know, when we look at our business, it's about vehicles. And its software, because every vehicle really is a software platform now. And then the, you know, what can we do with technology to provide a better customer experience? And then the related businesses of – we have a defense business leveraging the technology, whether it's electrification, communication, or autonomy, or fuel cells.

MR. RUBENSTEIN: OK. So recently, the COP-28 meeting occurred in Dubai. And do you think that anything is really going to come out of COP-28, such that we're really going to reduce the climate – the temperature in this world for the next 100 years or so? Or is it really unrealistic to think that something significant is going to happen?

MS. BARRA: You know, I'm a glass three-quarter full person. So I'm hopeful. I mean, I think there was good discussions. I know, we had our chief sustainability officer there. And there's a lot of discussions going on between companies. And I think there's – I think we will make advancements.

MR. RUBENSTEIN: OK. So let's talk about your background for a moment. You grew up in what city?

MS. BARRA: I grew up in Waterford, Michigan.

MR. RUBENSTEIN: And your father was a lathe operator?

MS. BARRA: He was a die maker.

MR. RUBENSTEIN: Die maker. OK. And your mother? Was she –

MS. BARRA: She was a bookkeeper.

MR. RUBENSTEIN: At General Motors, or not?

MS. BARRA: No, she worked at a small company.

MR. RUBENSTEIN: OK. And so did you say from the time you were a little girl, I want to work at General Motors, or?

MS. BARRA: No, not really. But I always liked math and science and, you know, occasionally, very rarely, my dad would get to bring a new vehicle home. And it was – you know, again, it was exciting.

MR. RUBENSTEIN: So you went to a school called General Motors Institute, which is now Kettering University. What was that? Was that designed for people to give you a free college education if you went there, and then you have to work at General Motors, or not?

MS. BARRA: Well, when I started, you actually had to – you co-oped. So you went to school for three months, co-oped, and you had to find a sponsorship for a co-op within General Motors. Midway through, they opened it up. But you – it was – you could pay your own way, you know, because you were working half the year. And it was a four-and-a-half-year program.

MR. RUBENSTEIN: All right, you must have done well. You got into Stanford Business School. So after Stanford Business School, you say, well, I don't need to go back to General Motors. I can work anywhere. I can go work at being a venture capitalist or private equity even, something good. [Laughter.] So did you ever consider those important professions? Or you said, no, I want to go back to General Motors?

MS. BARRA: Well, first of all, General Motors was generous enough to pay my way through business school. So I went back. And I love the business. I mean, it's an exciting business. You know, again, we get to be an important part of people's lives. I love vehicles. I mean, I find that when a lot of people if they leave the industry they want to come back because it's just exciting. And, you know, now when you look at it, we're going to change the way people move. You know, we're going to make it better for the environment. So I'm passionate about it. So I missed out on private equity.

MR. RUBENSTEIN: So when you – well, it's not too late. [Laughter.] Never too late for private equity. So, let me ask you, when you – when you went back there, did people say, you know, we've never had a woman CEO, but you're going to be the first woman CEO? Or did you even think they we're going to have a female CEO?

MS. BARRA: No, I mean, really it was maybe a year, year and a half before I was named that it was even something I thought was in the consideration set. So I – you know, I just always looked at General Motors and was given great opportunities throughout my career to learn new things, have a broadening experience, work in different areas. So I loved it.

MR. RUBENSTEIN: So do you have a lot of lunches or dinners with other female CEOs of automobile companies?

MS. BARRA: Not a lot. Not really any. [Laughter.]

MR. RUBENSTEIN: Are there any?

MS. BARRA: No, there isn't right now?

MR. RUBENSTEIN: Oh, OK. But anymore –

MS. BARRA: There are – but I would say, there are women in other auto companies in very significant roles. So –

MR. RUBENSTEIN: OK. So you've made DEI a very important part of what you're doing. What have you done to change the, let's say, employee mix at General Motors. Are there more women, minorities in the in the senior parts or the other parts of the of the company now?

MS. BARRA: Well, you know, we very much believe in having a diverse workforce, diverse views. So we do look at our representation. But, you know, really when I look at our diversity, equity, inclusion efforts, it's about making sure everybody feels welcome when they come to work, that they feel included. And that really happens at the local level because, you know, I can say something, but how does your local group? And one of the things I ask everyone to do is, every day, you know, you have a choice. You can make the people that you're working with feel great, or you can make them feel not so great. You can make them feel not included.

And that happens at a very personal one-on-one, department-by-department area. So I encourage everybody – like, that's a choice everyone can make. It doesn't mean you can't have tough conversations or disagree about someone., but how do you make – if you make people feel welcome, it's going to be a more inclusive environment. I think we're going to get more done. I think we're going to succeed.

MR. RUBENSTEIN: So if you're the CEO of General Motors, as you are, I assume you're a really big deal in the Detroit area. So can you go out to lunch or can you go shopping in a department store without people coming up with resumes or other things? Or how do you deal with it? Do you have big sunglasses or hats? [Laughter.] What do you do you to hide from everybody who wants something from you?

MS. BARRA: You know, I would say, you know, only in the local area. But not – you know, not everybody even – a lot of people don't pay attention to business. But the people who do, I find them to be very respectful. So it comes with the territory.

MR. RUBENSTEIN: OK. So when you meet – you're the chair of the Business Roundtable. Do you ever meet these other CEOs and say, how did they become CEOs? [Laughter.] Or you never –

MS. BARRA: No, I'm generally quite impressed with all of them.

MR. RUBENSTEIN: You are? You're impressed? OK. [Laughter.] So have you – as the head of the Business Roundtable, I assume you've had to deal with presidents of the United States? I assume you haven't said that about how they became president. [Laughter.] But so do you have to – have you dealt with President Trump or President Biden very much, or?

MS. BARRA: Yeah, I – you know, when I first got this role I interacted with President Obama, then President Trump, and then now President Biden. I think it's important for a company – you know, we're a highly regulated company. So I think it's important to have a good relationship. And, you know, from a bipartisan perspective, we're going to work with every administration.

MR. RUBENSTEIN: Of those three, who was the smartest? [Laughter.]

MS. BARRA: I don't know, David. You'd probably be better to judge on that than me.
[Laughter.]

MR. RUBENSTEIN: I'm not going to answer that question. [Laughter.] But so do you spend a lot of time meeting with members of Congress as well?

MS. BARRA: I do. I do. I mean, again, it's important for them to understand our issues. We have operations in so many states across this company. And then we have dealers in every state. We have a lot of retirees. And so it's important for many members to know our business.

MR. RUBENSTEIN: All right. If one of the president – whoever's president of the United States in a given time said, Mary, you've done a great job of General Motors, 10 years. Now, you should be a Cabinet secretary. Your response would be?

MS. BARRA: I love what I do now.

MR. RUBENSTEIN: So you don't want to come in?

MS. BARRA: Yeah, again, my passion is General Motors. We're in the middle of the one of the – a generational transformation.

MR. RUBENSTEIN: Suppose somebody said you'd be a great candidate to be a senator or governor for Michigan, any interest in that?

MS. BARRA: Less than zero. [Laughter, applause.]

MR. RUBENSTEIN: OK. Wow, OK. OK. So you're not going to be a candidate? OK.

MS. BARRA: That's not – that's not in my – not in my –

MR. RUBENSTEIN: OK. So what do you do for relaxation? Or when you can't be the CEO of General Motors every hour, you must – do you go on walks? Or do you drive your competitors cars? Are you a golfer or tennis player? What do you do?

MS. BARRA: You know, I try to get exercise in. I love to walk. I'm a horrible golfer. Trying to get a little better. Don't have enough time to really do that. And it's spending time with family. I have two grown children. I love to spend time with them. So that's – and then I do believe in retail therapy. [Laughter.]

MR. RUBENSTEIN: OK, and particularly in the car area, right?

MS. BARRA: I'm wide open. [Laughter.]

MR. RUBENSTEIN: OK. So today, are you convinced that General Motors is now firmly back on a path to being a very strong company for the future? It's had its problems years ago, we

know about bankruptcy and so forth, but now you would say that financially it's in pretty good shape.

MS. BARRA: Absolutely. You know, we have – again, I think we have a very sound strategy to lead in the future across autonomy, electric vehicles. We also have an investment-grade balance sheet. And we have a great team. So I'm very – I'm very excited about what the future holds. And I do believe that General Motors is strong and is going to be in a leadership position for years.

MR. RUBENSTEIN: Now, everybody's talking about artificial intelligence these days, and I assume you must have a lot of artificial intelligence being used in various parts of General Motors. So how is it changing your business? Or how do you think it will change it?

MS. BARRA: It already is. I mean, you know, across design, engineering, manufacturing, how we sell, motorsports. There's artificial intelligence across all of these areas. And, you know, we have teams dedicated, because I think it makes the business more efficient. I think we can, you know, make sure we're reaching the customer where they are. So across the board, I think it's going to drive efficiencies and make us better.

MR. RUBENSTEIN: OK. So let's suppose I – looking 10 years down the road – 10 years from today, how will a car be different than it is today? Either electric or internal combustion, if they're still around 10 years, what will be in a car that would be even more exciting than whatever's in a car today?

MS. BARRA: I think one of the greatest opportunities within 10 years is the vehicle having the opportunity to be – to be a personal autonomous vehicle. So, yes, you love to drive, but if, you know, if you're gone to dinner with a friend and you've had, you know, a couple glasses of wine, the vehicle can drive you home. And, you know, there are no autonomous vehicles on the road today that really meet the standard of what I would call level four. There's, you know, rideshare applications that we – you know, we have and will have running again. But there's no, you know, no personal owned vehicle that is fully autonomous.

I think that's a game changer from a safety perspective. Also, think about people who can't drive today for whatever reason – they had disabilities, you know. So I think that's a huge technology, that's going to open it up for people who don't have the opportunity to drive today. People can drive longer and, you know, get to where they want. Because if you go back 100 years, what made the auto business so special – and you kind of said it – people couldn't wait. It's freedom. Having the freedom to go where you want to go. So giving people who, for whatever reason, can't drive today, that freedom, I think is exciting.

MR. RUBENSTEIN: Have you ever been in autonomous vehicle and sitting there when there's nobody in the driver's seat? And do you have a crash helmet on? Or what do you –

MS. BARRA: No, I have many times – many times.

MR. RUBENSTEIN: You have? And it's – do you feel safe?

MS. BARRA: Yeah. I just wear my seatbelt?

MR. RUBENSTEIN: Not just one seatbelt? That's all you need? I mean, I was thinking – [laughter] – oh, OK.

MS. BARRA: Just a standard seatbelt.

MR. RUBENSTEIN: And do you think General Motors is, even with the other people that are producing autonomous vehicles, they're all probably going to come into the market the next three, four, or five years? Or are you ahead or behind the others, or –

MS. BARRA: I think we're – I think we're in a very strong position with just a few – a few, you know, leading competitors. I think we're very much in the top group.

MR. RUBENSTEIN: Right. So the future of the automobile industry you think is pretty good for American companies. You're not worried about – it used to be people were obsessed with the Japanese, the Germans manufacturing a lot of cars, and maybe the Chinese. But you think there always will be, or at least for the foreseeable future, American-based manufacturers producing cars in America?

MS. BARRA: Well, I absolutely do. And I think it's very important. I think a proof point of that was during the pandemic. I mean, within 30 days we started building ventilators because we know how to make things. And so when – and also, when you think about if there's not strong American companies doing this, the R&D's not there. And so much of the technology we do and what the vehicle is becoming is really a national security issue. And when you look at the CHIPS Act, we realized through everything that happened with COVID, we need to have manufacturing. We need to have diverse supply chains. And so I think having a strong U.S. base where the R&D is done in this country is important for innovations, national security, and jobs.

MR. RUBENSTEIN: So, if somebody is watching and says, I want to be Mary Barra. I'm a young woman and I want her as – she's a role model, what are the things that you would tell a young woman who was interested in going into the automobile industry, or any manufacturing industry, that they should have? What qualities should they have?

MS. BARRA: Well, one is study math and science, because I think too often in middle school young girls shy away from math and science. So don't shy; lean in. And I think that's vitally important. And then what we see – and this is not just in the auto industry, but it's in industry in general – a lot of times women in their – early in their career say no. You know, if they look at a job opportunity and there's 10 requirements and they say, well, I've only got, you know, nine out of 10, I can't apply, generally a man will say, I've got six out of 10, I'm going to go for it. And my message for women is, go for it. You know, because even if you don't get that particular job, you're going to learn, you're going to learn about interviewing, you're going to have more experience.

So I would say – and then my third is, have a point of view. Sometimes I find women will hold back in meetings and they'll – you know, they'll be thinking and – you know, have a point of view. Even if – you know, you're not always going to be right. You're not always going to be what the decision is. But don't be afraid to have a point of view.

MR. RUBENSTEIN: OK. So you have two children. Do either of them want to be in the automobile industry?

MS. BARRA: Unfortunately, no. No. I have a daughter who wants to be in the policy arena focused on education, and my son is a biomedical engineer and works in predictive health. So they have their career paths set. But of course, they're in their twenties, so that could change over time.

MR. RUBENSTEIN: So normally in the country the average CEO of a publicly traded company is in that position for between three and four years, unless they're the person who built the company. So you've been in it for 10 years. So have you any thoughts about how much longer you would like to do this?

MS. BARRA: Well, of course, I serve at the pleasure of the board. But, again, this is –

MR. RUBENSTEIN: But you're the chairman of the board, so – [laughter] –

MS. BARRA: Well, but there's – but there's 12 other members, David. [Laughter.]

MR. RUBENSTEIN: All right. OK.

MS. BARRA: But, no, I – you know, I have a – I have a great board, but I'm just – this is such an exciting time. And this is our – you know, in the next couple years it's our years to really execute this new strategy. So I'm energized.

MR. RUBENSTEIN: So for the foreseeable future, you're going to be the CEO and chairman of the board of General Motors. And you're very happy with that, right?

MS. BARRA: Again, as long as I have the opportunity to do that, and as we're, you know, advancing where we're at, it's great.

MR. RUBENSTEIN: So the final question. If I wanted to go buy a car today, and let's suppose I want a medium-price car, what car would you recommend that I buy? I assume you recommend a General Motors car. But what would be, given my personality and – [laughter] – situation, what would be a – what would be a good car for me?

MS. BARRA: Well, do you want a truck, a crossover? You want speed, you want performance, do you want to haul things? What do you want to do?

MR. RUBENSTEIN: I want everything. [Laughter.]

MS. BARRA: Then I'd get a Hummer.

MR. RUBENSTEIN: A Hummer? [Laughter.] Yeah, I don't know if my children would see me in a Hummer, but I would probably crash it right away. But, Mary, you've been a very good sport. You've done a great job. Thank you for what you've done for the Business Roundtable, and for Duke University, and for the shareholders of General Motors. And thank you for being here today.

MS. BARRA: Thank you very much. [Applause.]

MR. RUBENSTEIN: And I have a gift for you.

MS. BARRA: Thank you. [Applause.]

MR. RUBENSTEIN: One second. I have a – we'll send this – we'll send this to your office. It's a historic map of the District of Columbia, OK? All right. Thank you.



Mary T. Barra
Chair and CEO
General Motors

Mary Barra is Chair and Chief Executive Officer of General Motors. She was elected Chair of the GM Board of Directors on Jan. 4, 2016, and has served as CEO of GM since Jan. 15, 2014.

Under Barra's leadership, GM envisions a world with zero crashes, to save lives; zero emissions, so future generations can inherit a healthier planet; and zero congestion, so customers get back a precious commodity – time.

She is focused on improving the customer experience and strengthening GM's core vehicle and services business, while also working to lead the transformation of personal mobility through advanced technologies like connectivity, electrification, and autonomous driving.

Prior to becoming CEO, Barra served as GM executive vice president, Global Product Development, Purchasing and Supply Chain since August 2013, and as senior vice president, Global Product Development since February 2011. In these roles, Barra and her teams were responsible for the design, engineering and quality of GM vehicle launches worldwide.

Previously, she served as vice president, Global Human Resources; vice president, Global Manufacturing Engineering; plant manager, Detroit-Hamtramck Assembly; and in several other executive engineering and staff positions.

Barra began her career with GM in 1980 as a General Motors Institute (Kettering University) co-op student at the Pontiac Motor Division. She graduated with a Bachelor of Science degree in electrical engineering in 1985, followed by a Master of Business Administration from the Stanford Graduate School of Business in 1990.

Barra is Chair of the Business Roundtable, an association of chief executive officers of America's leading companies. She serves on the Board of Directors of the Walt Disney Company, the Duke University Board of Trustees and the Detroit Economic Club. Additionally, she serves as the Chair and founding member of GM's Inclusion Advisory Board.