

## **“Who Do They Think You Are?”**

Prepared Text  
Welcoming Comments  
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National Community Capital Association

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It is my pleasure to welcome you to National Community Capital’s 17th Annual Training Conference. I am Mark Pinsky, President & CEO of National Community Capital.

This conference has three purposes: The first is to create a forum where we can learn from the best thinking and experience in our business. The second is to help you link up with other people, like yourself, who are creating and seeking innovative new solutions to enduring and evolving problems.

The third purpose is to enable us all to experience the power and potential of so many people from diverse backgrounds and experiences coming together to increase resources and opportunities for economically disadvantaged people and communities.

What I’m going to talk about today is what it means for us all to be rowing together and in the same direction. Before I get to that, however, I have one important piece of business to take care of. I am going to take a couple of minutes to tell you about National Community Capital and to invite you to get to know us better. I know that perhaps as many as half of you are attending a National Community Capital conference for the first time.

Our Members formed National Community Capital in 1985. Our goal then, as now, was to strengthen and expand our field. In sixteen years, as a network of performance-centered CDFIs, we have pioneered performance-based financing, created an effective peer-to-peer learning network, defined Best Practices, led the effort to create and preserve The CDFI Fund, and partnered to build A CDFI industry comprising more than 550 CDFIs managing more than \$6 billion in assets.

Today National Community Capital is the industry’s leading CDFI network. Our mission is to be a catalyst for lasting social, economic, and political justice by helping institutions and individuals provide capital that increases resources and opportunities for economically disadvantaged people and communities.

We do our work in three ways:



- First, we finance CDFIs. Our focus is on helping you gain access to hard-to-get capital.
- Second, we provide consulting and training services to ensure a steady supply of skilled people and strong organizations. Our consulting helps start-up, small, emerging, and mature CDFIs of all types meet the challenges of growth and change. Our training includes this conference, as well as the new Virtual Learning Center, which provides online and digital training at one-third the cost of on-site training. I am incredibly excited about what the Virtual Learning Center can do for you—I really wish you could see it.
- Third, we are a leading voice for the CDFI industry in policy and advocacy. Our primary focus is increasing resources for CDFIs. We also work on issues such as financial modernization that will shape your market and your work over the long-term.

I could talk about NCCA for a long time—that is the part of my job that I am best at and like the most—but I won't. Instead, I want to invite you to learn more about us by visiting our "NCCA Store" in the registration area. You can see a demonstration of the Virtual Learning Center, learn more about membership, and find out about the resources we offer. An NCCA staff member will be there to answer your questions. I also invite you to join us for our Annual Membership Meeting Friday afternoon at 2:00 p.m. That meeting is open to everyone, members and non-members.

The powerful opening session this morning brought into focus what a difficult year this is and what a challenging time we face. I am grateful to our speakers and everyone who participated for their courage, insight, honesty, and leadership.

Now I want to ask you to go back in time with me to what, in retrospect, was a simpler, more innocent time. We had worries then, but nothing like what we have today.

In February of this year, our main worry was what the Presidential transition and the precarious Congressional balance would mean for our \$118 million-a-year CDFI Fund.

One of my jobs was to go to Washington to scope out exactly that. And so I made plans to talk to Republican and Democratic Members of Congress, as well as Bush Administration officials.

I spend a fair amount of time in Washington, DC, so you might think I have special access to elected officials. The truth is, I have always gone about setting up meetings with policymakers pretty much the way you probably do—writing, calling, and (when necessary) begging. It isn't dignified, but it worked well enough for a lot of years.

This year was different. And SO, we asked our law firm—Drinker, Biddle & Reath—to work with us in Washington, DC.



Drinker does things a little differently than I'm used to—they sent a letter of invitation to powerful and influential Members of Congress offering them the opportunity to meet briefly with "Mark Pinsky, President & CEO of National Community Capital, a leading voice in the CDFI industry, to talk about the important issues facing the rapidly expanding CDFI industry."

A few days before I was scheduled to go Washington, I called Drinker, Biddle to ask whether they had anything set up. My expectations were low.

"Absolutely, we're swamped with requests," they told me. "You need to extend your trip for a second day."

Wait a minute, I thought. This doesn't sound right. "Why?" I asked. "Who are we meeting with?"

They started rattling off a list of who's who. "Senator Specter's Chief of Staff, Senator Domenici's Chief of Staff, Senator Tim Johnson's staff from South Dakota, Senator Gramm's Legislative Director"—Senator GRAMM? I thought.

They weren't finished. "And someone just called from Chairman Oxley's office"—Chairman Oxley was the newly elected Chairman of the House Financial Services Committee. "They were really apologetic for not responding sooner but they're hoping you can give them at least 15 minutes."

I ... was ... STUNNED!

Think about what was happening here: The staff of the new Chairman of the House Financial Services Committee was worried that they couldn't get on MY schedule?"

I like good stories, and this was a story I couldn't wait to tell. So that night I went home and told Jennifer, my wife, what had happened. "Isn't it amazing?" I said, rhetorically.

"Yeah, it is amazing," she said anxiously. "Who do they think you are?"

I want to be clear here: Jennifer wasn't doubting me; she was doubting Washington. Jennifer has enjoyed some of our CDFI industry successes but she also lived through more than her share of our political disappointments.

"No, no," I tried to explain. "You don't understand! They really believe I'm important." But my bubble was burst. My protests were unconvincing.

Within a few days, I had managed to piece together enough of my self-esteem and self-respect to actually make the trip to Washington. I admit I was worried that Jennifer was right and that I was in for one more embarrassing experience.



But I'm resilient. I could pull this off, I was sure of it. And then—just as I was about to walk out the door to catch my train to DC, just as I was about to go prove that CDFIs get respect in the nation's capital—I stopped to say goodbye to Jennifer, who was sleeping. She stirred just enough to whisper, "Good luck, Honey. I hope it's not too disappointing."

For nine months, I've thought about Jennifer's question: Who do they think we are? As long as there have been CDFIs, we've spent a lot of time thinking and talking about who we think we are and what we can do to get "THEM" to see us as we want to be seen.

But there's one question that most of us don't ask enough: "Who do THEY think we are?" If perception is reality—and, like it or not, it IS reality in DC—who are we to them? I'm here to tell you that who THEY think we are probably is at odds with who YOU think we are. That's true whether "THEY" are policy makers in Washington, DC, or your state capital, the media, prospective investors, or the general public.

- You may think that you're working way out on the fringe. THEY think you're a specialized financial institution doing important work that no one else knows how to do.
- You may think that you're scrambling every step of the way. THEY think you're creative, innovative, and nimble.
- You may think that you lack the resources to do what you aim to do. THEY can't believe that you do so much so well with so little.
- You may think that what you're doing is too small to matter. THEY think you are the "cutting edge." They're watching you to figure out where they are going next.
- You may think that you're isolated and that THEY are not interested in what you have to say.
  - THEY think you represent a powerful, emerging industry that has credibility and disproportionate power in Congress because you routinely do what the government and private sector can't or won't do.
  - THEY think you are the hub of a powerful network of investors and borrowers, of businesses and home owners, of supportive elected officials and friendly media. THEY look at you and see hundreds or, perhaps, thousands of investors, borrowers, civic backers, and people you have helped. You see business challenges; They see voters.
  - THEY think you can mobilize an unconventional grassroots movement of Democrats and Republicans, conservatives who believe in the kind of bootstrap capitalism that you practice and liberals who believe in compassion as a fundamental human quality.
  - THEY think that when you speak, you are speaking out of hard-knocks experience, with the ability to envision and implement a future they cannot quite imagine.

My point is this: We have far, far more political power and potential than we realize. Or use.



Let me explain:

We work in all 50 states. We do things that elected officials like—or would like if we did a better job of letting them know we're doing them—such as finance businesses that create jobs at a minimal taxpayer expense. We increase the supply of quality, affordable childcare and cultural facilities. We help to make sure that affordable housing is well planned and well managed. In short, we tackle thorny problems that politicians tend to avoid and provide creative solutions that they know the voters want and, so, like to claim credit for.

We employ people—some 4,500 people nationwide. We pump money into local economies—as an industry, our operating expenses exceed \$400 million each year. We bring together large financial institutions and small community-based organizations. We import good, creative ideas from other CDFIs and other communities. And, of course, we invest in disinvested communities—more than \$1 billion industry-wide in fiscal 2000.

CDFIs work in markets. We have accomplished more in those markets than any of us expected of ourselves. But our influence in those markets is limited because we are a \$6 billion industry in a \$40 trillion financial services world.

In the world of policy, however, our potential influence is greater than our assets. In the world of policy, our experience, our knowledge, and our willingness to do what others are unwilling to try are levers that allow us to over-achieve. In the world of policy, our grassroots networks create more energy than they consume. In the world of policy, our presence in all 50 states levels the playing field. In the world of policy, we have a democratic voice—and we give democratic voice to the people we serve—that simply does not exist in the markets of wealth and poverty.

CDFIs change markets in small but important ways. Through policy, we can change the world in big ways.

We must find a way to do that. We need to ensure that the CDFI industry has the resources that it needs and also find a way to speak beyond our own interests to a broader agenda.

To that end, I want to challenge the CDFI industry today to create new opportunities for CDFIs to play key roles in national and local poverty-alleviation and community development strategies by leveraging our political potential. To put us in position to do that, I am proposing three goals over the coming three years:

1. In 2002 and 2003, we will mobilize our network of support to increase appropriations for the CDFI Fund at least 10% per year. This will help support industry growth.
2. In the 2002 congressional elections, we will recruit at least 75 congressional candidates to publicly back increased support for CDFIs. In 2004, we will recruit at least 150. This will build our base of support.



3. In the 2004 Presidential election campaign, we will recruit the Democratic, Republican, and other party candidates to pledge their support for CDFIs and The CDFI Fund. This will cement our standing.

National Community Capital will help you and offer guidance, but these are goals we will meet only when you organize and utilize your networks.

There is a fourth goal I want to propose today that speaks not so much to the work we do every day but to the reason we do our work at all. It is this:

4. By 2005, the CDFI industry will be working indirectly or directly to change policies that keep poor people poor and rich people rich but are not immediately linked to community development finance.

In the past, I've suggested issues as far afield as campaign finance reform and tax policy, to more than a little skepticism. People have fairly questioned whether we have the expertise and standing to speak credibly on these issues. Perhaps we don't. All I know is that we cannot fulfill the promise of our motto—"Capital for social, economic, and political justice"—until we find common purpose with and open our agenda to those who can and do speak credibly to these issues.

Here in Memphis, where Dr. Martin Luther King was assassinated, we revere the civil rights and voting rights movement that he led. We pause in gratitude for the thousands of people who risked their life for justice. That is what Memphis means for many of us. But there is something else about Dr. King and Memphis that most of us do not know or remember. It is one of the reasons that we are meeting in Memphis this year.

Dr. King did not come to Memphis to fight for civil rights or voting rights—that is, for social or political justice. He came here several times in the last months of his life to join the city's sanitation workers in their strike for a fair wage. He knew—as he had always known—that social and political justice were two legs on the stool of equal justice under the law. He came to Memphis to fight for economic justice, the third leg. He came to Memphis to build a broader movement for justice—one that would rest on social, economic, and political justice.

So it is that our work as CDFIs must lead ultimately to a wider agenda. We have to base our work on all 3 legs of the stool. This may be a broader vision than we can hold in our hands today, but it is the vision that we must move toward. In the end, that is why we come together as an industry and as a movement. That is why we are here today, rowing together in the same direction. And that is why I challenge us all to find a way to reach the broader agenda we all got into this work for in the first place: real and lasting justice through structural and systemic change.



When I went to Washington, DC, nine months ago, in February, what happened might surprise you. I went expecting, at best, benign neglect from Democrats and I hoped for nothing worse than benign neglect from Republicans.

But I knew that CDFIs tend to defy conventional wisdom. They say that Democrats expect resources without results while Republicans expect results without resources. We're different—we expect resources and results—and a lot of people don't know what to do with that. We challenge expectations and pre-conceptions. What first drew me to the CDFI field more than a decade ago was the fact that I saw smart, determined people succeeding at things that government and the private sector had given up on. Where THEY see social liabilities, we see community assets.

With a few exceptions, the Republicans thought that the CDFI approach was exactly their kind of Republican policy, and the Democrats thought the CDFI approach was exactly their kind of Democratic policy. One Republican staff member said to me, "Where have you been? You represent everything we believe in."

The people I met with came to those meetings with the expectation that I would offer them something useful. They wanted to know about private-sector strategies for poverty alleviation and community development. They wanted to know how a small program like the CDFI Fund could leverage a big difference for the people they represent. You should have seen how voraciously they consumed the lists of CDFIs in their districts or states.

They liked what they heard. They didn't like it because of anything I said but because of all that you do. They didn't see me as an answer to their questions but as a conduit to solutions. They didn't dismiss the CDFI Fund because Bill Clinton had championed it; they recognized its potential. They didn't reject my request for full funding, they merely tempered it with advice about what to expect in the new political landscape. They didn't question the value of the New Markets Tax Credit, they only wanted to know how they could help implement it quickly.

Who did they think I was? They think that National Community Capital is a network that could help them or hurt them. They thought National Community Capital—as your voice in Washington—is a force to be reckoned with.

About 10 minutes ago I told you my wife asked me a question. Now let me tell you how I answered it:

I got off the train from DC and went home feeling pretty good. This trip had gone a lot better than I expected.

When I walked in the door, my wife asked, "So how did it go?" I thought I could see a cringe of sympathy in her eyes.

I told her the truth: "They think we're their new best friend."



We have three busy days of learning ahead of us. Tonight, after dinner, we will present the Second Annual CDFI Excellence Awards to three very deserving awardees. We are honored that Tony Brown of the CDFI Fund will be speaking to us as part of that ceremony.

I hope that you will enjoy this conference and take home with you many lessons that will make your work easier and more productive.

Thank you for coming.