CDFIs Making History Interview

Adrienne Barnes
Loan Officer, Capital Impact Partners

Penelope Douglas, OFN Board Member and President of the Board of Mission HUB LLC, conducted this interview on September 12, 2014.

Penelope: You probably know the questions, but the first one that I wanted to ask you is, what allowed you to discover the CDFI industry? How did you discover this arena?

Adrienne: I can tell you—I’ll be completely honest—I had never heard of a CDFI before I heard of Capital Impact. I had a background in lending, residential lending, and I loved it and I knew that I wanted to continue that. But with the downturn in 2008, I went back to school to get my Master’s, and then when I graduated I had some time to think about it, and I sat down with our career advisor at the time, and she was really phenomenal in helping me decide this. But what we went through was everything that I had done, everything that I liked about what I had done, and what I didn’t like about what I did as well. Then we started looking forward, and we determined together that my goals were to find a job in lending, but very much not residential lending, and not at a bank. That it wanted to be something that had a strong mission focus and very...I’ve had a nonprofit background, and I’m also really into community development, in particularly my communities that I’ve lived in. So, that was something that was really key for me, and something that's very specific, too.

Penelope: Yeah.

Adrienne: When you graduate with an MBA there are tons of jobs that you can apply for, but very few that have that sort of very specific strain to them. So, then I was a little nervous, right? Because I had identified this and I thought, "Well, now how do I actually do it?" One of our recent alums, Emily [Linick], who is at Capital Impact now, and was at the time as well, I immediately thought of her and thought, let me just talk to her and see what she thinks about her job. I still didn't know it was a CDFI at that point. I still had no idea about that. I just wanted to talk to her to find out what she did and to see if that was what I was looking for. So, in that first discussion with her she told me about the CDFI industry as a whole. This was literally probably a two hour conversation that we had that I was not expecting. (laughs)
Penelope: (laughs)

Adrienne: She told me about the industry, she told me about the organization, she told me about her job, and then it turned into sort of a sales pitch for an open position. And again, I was not...

Penelope: Good for her.

Adrienne: It was great for her I was not prepared for it at all. I just thought I was asking her the questions, basically. Some of that first informational interview turned into the sales pitch for not only the position, but also for the organization as a whole, and for the CDFI industry. So then I had to do my research. Right? Because I still didn't know much about it. I learned about what a CDFI was. So I applied, obviously, and then with each interview after that I learned more, and I literally just fell in love more and more each time.

Adrienne: So then obviously I joined Capital Impact and things have been great. But to be honest, I didn't know the full scope of what CDFIs were and what they could do until I joined the Citi Leadership Program and met people from CDFIs across the country and across the spectrum.

So, that was really amazing and that really opened my eyes. And I would say even though I can pinpoint sort of that first moment of when I first heard of the CDFI industry...

Penelope: Yeah.

Adrienne: I would say I didn't really fully discover it until I had this experience this year.

Penelope: That's just an interesting story, and I think perhaps that mirrors many, including some of us who are, so to speak, a generation ahead of you, in the sense that sometimes we come to the CDFI world because...in my case it was out of a desire to be very entrepreneurial, and then I then sort of realized I think I'm building a CDFI (laughs) in those years when I was. But, it wasn't I am going to do this work...

Adrienne: Right. (laughs)

Penelope: It's called CDFI work, you know what I mean.

Adrienne: Right. (laughs)
Penelope: But instead it was to use your career today and the strength that I had, and in my case an entrepreneurial vision, and then realize that it was in fact all about this vision that had been created by the CDFI industry that I was sort of...

Adrienne: Right.

Penelope: ... joining something. So I totally understand what you said. And Capital Impact must be so happy to have you. It's a very longstanding organization and when you look...

Adrienne: Thank you.

Penelope: ... at its history...Capital Impact started with the vision of a CDFI, either it became certified...

Adrienne: Exactly. Right.

Penelope: ...over several years.

Adrienne: Right. It really evolved over time into what it is now.

Penelope: Right. That's great.

Adrienne: Oh good.

Penelope: How long have you been with Capital Impact, then? How long have you been in this arena?

Adrienne: Almost three years.

Penelope: Okay.

Adrienne: I started in January 2012.

Penelope: Okay. And so, during these three years, what area of the CDFI work broadly, or specifically related to what you're particularly focused on, what's had the greatest impact on you? What's been either your biggest growth opportunity or a big learning experience or the place where you realize you just have so much to do?

Adrienne: Uh-huh. (affirmative)

Penelope: To kind of to do the work...Give me something about that.
Adrienne: Well, I'd say it's two-fold. The bulk of our lending work is in Charter Schools and Community Health Centers. I have many stories for each of these. What I'd say has the greatest impact on me and what really tugs at my heart is the Charter School work that we do. I think a lot of people can look at it at the very high level of we're giving these large loans to these large organizations and that's great. But when I get to actually do the site visits and go to the schools and see the kids that we're helping... And sometimes we get hugs from the kids. (laughs) Special smiles and interactions. I think that right there is just the most important piece of my work and piece of really all of our work. And I think everyone has their own story about that, especially at Capital Impact because we're so broad in what we do.

Penelope: Yeah.

Adrienne: For me it's the Charter Schools, especially as a mom, going back to your first question. Education is so important and I think we're really not doing a great job at educating our kids in general in America. So, being able to be part of this movement and really forging these relationships with the schools and learning about what a Charter School is really. I didn't know much about it. I had heard about them, but really knowing them inside and out now has just made such a difference, I think, and my career has been able to expand in the Charter School sector and do different things with Charter Schools that some colleagues haven't done, and are really because that's where my interest is. And then, moving more to the personal side, my son who just started high school is now in a Charter School.

Penelope: Hmm. (affirmative)

Adrienne: I know he wouldn't have been had I not been doing this work.

Penelope: Right. It's very important to listen to you talk about...I think many people think they understand what a Charter School is and some of the challenges and opportunities that Charter Schools represent for our entire public school system. But I know I would love to trade places with you and spend three or four or five years really deeply immersed in Charter Schools and in financing them.

Adrienne: Mm Hmm. (affirmative)

Penelope: To really be some of the granular level of what's really happening and also where some of the challenges still lie.
Adrienne: Right. We are seeing things really from the inside out when we're working with these schools. The good and the bad. But, for me that key piece is actually visiting the school and seeing that outside picture if you will...

Penelope: Yeah.

Adrienne: ...of the kids learning...

Penelope: Yeah.

Adrienne: ...and knowing that the alternative is nowhere near as good...

Adrienne: Overall, that's the biggest piece that has really hit me in terms of working at Capital Impact. And then, if I can just mention quickly, our work with Community Health Centers, too. I hate hospitals. I don't like anything that has to do with sick people, and (laughs) I remember having to go on my first site visit to a health center and being honestly scared to go.

Penelope: Yeah.

Adrienne: I went in, and it was really sort of a similar experience to the Charter School. Everyone was so warm and friendly and welcoming. And I know that part of that is because we're coming in as the lender. Right? And so they want to impress us. But, I also feel that that's how those scared patients go in as well. And a lot of them, particularly in California and in Southern California, are immigrants—and very recent immigrants—and the undocumented. This is something I'm recently learning about as well. They have such a hard journey to get here, and they are so scared. They don't want to step in that door, to go into the health center. And when they do, they're greeted with this warmth and this sort of hand-holding that I don't even get at Kaiser. Right? (laughs)

Penelope: Right.

Adrienne: It's such an amazing feeling to deal with an experience that I know that we're having an impact on that experience for the people that really need it the most.

Penelope: What I hear you talking about is your love of being in a very primary...you love that sort of primary, almost tactile part of your work.
Adrienne: Yeah.

Penelope: The going and seeing and being. You don't sound like someone that would ever be so happy if you were doing a lot of great financial work.

Adrienne: (laughs) No. Right. I do love the financial piece. That's basically where I came from. I can sit with a spreadsheet all day. Definitely my favorite piece is the site visit and being able to sort of touch and feel, right?

Penelope: I could talk to you about this for hours, but I should probably ask you the other big question, which is, and feel free to think about this for a minute, there's no rush. The other question is, what big idea or frankly, I would also say it's okay if it's what big challenge, but certainly what big idea do you think is going to shape this sector looking out over a generation. So, in the next 30 years, what's the big idea, big vision, or the big challenge that we need to turn into an opportunity?

Adrienne: Right. I have a couple, and to be honest, it's hard for me to think 30 years out.

Penelope: Glad to hear that. (laughs)

Adrienne: Right. (laughs) I mean, I'm 35. So, there's only so far I can go with this.

Penelope: (laughs)

Adrienne: But when I was thinking about this, I was thinking of what's missing now? In my opinion. And where are our opportunities in the future, whether 10, 20 or 30 years from now? What I see is still this huge divide, obviously, in incomes across the country, and also in race and the services that are provided there. And so, I was really trying to think about this and what would really help and I really like how OFN did the Youth Opportunity Pledge.

Penelope: Yeah.

Adrienne: And was sort of keeping in that My Brother's Keeper initiative and I think that that's a really good start, and I think that we need to maybe bring that into more of a tactical plan, and really encompass lots of different areas. So, some of it is about minority youth, some of it is about older minorities, some of it is about specific low-income places.
So I like the idea of place-based work. I think that's really important and I think it's hard to tackle a problem nationwide. And I think that's really helpful to start what I think would be considered small, but really it's not small if you're starting and you're doing it.

Penelope: Right.

Adrienne: For instance, there's been a little bit of a start in New Orleans. I think that there's a lot more that needs to be done there. We actually had a strategic call just yesterday, and I brought this up there, at Capital Impact.

Penelope: MmHmm. (affirmative)

Adrienne: For instance, there's a ton of stuff that's going into Detroit right now.

Penelope: Right.

Adrienne: I think if we can replicate that in these other areas that really need it, I think that would be nice. I would love to see sort of that place-based work...

Penelope: Yes.

Adrienne: ...in the areas that really need it. And I'd love to see that place-based work in areas that really need it, I think that we as not just Capital Impact, not just OFN, but just everyone, I think we're sort of still scared to call out and tackle the race issue, and...

Penelope: Right.

Adrienne: ...to say that minorities need help, and I think that if we can verbally admit that, which I think is what Obama was doing with the My Brother's Keeper, and OFN is doing with the Youth Opportunity Pledge, I think if we can continue to say it and address it, and then move forward beyond that and really work with it, I think that will really, really help and take off. And then, I really don't have specifics on what that looks like. Especially not 30 years from now.

Penelope: Okay. This is a vision. It doesn't have to be planned.

Adrienne: Right. (laughs) But I think acknowledging it is the first step, which we are starting to do.
Penelope: Yeah.

Adrienne: I think we ought to do a better job of it, but I think we're starting to acknowledge it and then to really focus and pool resources. For instance, in California we have the California Endowment that has coined sort of what they call “their places.”

Penelope: Right.

Adrienne: I think 14 communities.

Penelope: I know it well, yeah.

Adrienne: Okay, great. So, something like that, obviously more nationwide where we're pooling resources into these specific pockets to really try to get them to equal footing. Right? And really get them to where they're getting the most basic services and all of their basic needs met, and then once we get there, then moving up from there. But really, just even getting the basics; the healthcare, the education, jobs.

Penelope: Right. I really like the way you're framing it. I'm a big, big, big fan in all the work I do of the really important combination of place-based innovation and then the communities that practice, that support that, and then above that there need to be systems that support the replication of that work and not duplication, obviously, and all the...

Adrienne: Right.

Penelope: ...things that are so difficult to do when you know you need a lot of local innovation and place-based work. And there are some real interesting movements. Just as a quick aside, if it sounds like it's of interest to you, google around and look at some of the arts organizations, and some of the work that's going on in what they call place-making. If you haven't. Maybe you already have.

Adrienne: Okay.

Penelope: You might enjoy exploring that realm a little bit. It's kind of from the art and culture side trying to support what you're describing and actually art and culture is often the one way in which people can express these difficult issues that can't be expressed.

Adrienne: Right.
Penelope: Endowments very much figured out that they need to be not just supporting place-based innovation at the community investment level or at the entrepreneurship but also from an arts and culture standpoint. It's pretty interesting. And sounds like it's right down your alley, because you're so much a person who wants to be in a place.

Adrienne: Right.

Penelope: That sense of you love seeing it, doing it, not just from a distance.

Adrienne: Great. That's a great recommendation. Thank you. And I bet that that's a great way to connect these communities as well.

Penelope: Right. In a way that's much more comfortable for lots of people who are just way too scared.

Adrienne: Right.

Penelope: Or angry, or whatever other emotions all of us feel when we have trouble feeling like there's an honest way to express the real issue.

Penelope: I really appreciate the time and thank you for telling me all these parts of your stories.

Adrienne: Thank you so much for your time and have a great weekend...
