CDFIs Making History Interview

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Mark Pinsky, President & CEO of OFN, conducted this interview on July 25, 2014.

Mark: I kind of want to ask you an open question, and you can answer it any way you want. Obviously, you've been busy doing other things for a few years. Really, the open question is, looking back to the beginning, really, of what's now OFN, is there a moment or an event or an idea that really stands out for you, that has always resonated or has great meaning?

Gregory: Yeah. I've been thinking about this. It's interesting. Let me just say very quickly a couple of things that run through my mind as I think I narrowed down on the one thing I want to talk about. I had run through my mind about whether or not I could think of a compelling story of Chuck and his inspiration for all of us, and I don't have a particular moment in time, but his image comes running through continually. I'll come to that in a second.

Lenders, when I think about who the lenders are, I think about the Orders of Women Religious being there from the beginning and the fact that, at ICE, I sat next to Sister Louise and Sister [INAUDIBLE] from the Sisters of Mercy of New Hampshire. I remember going to various meetings at various congregations to talk about their investments and how they gave more than... gave what they didn't have, actually.

Mark: Yeah.

Gregory: But, I didn't have a single story there that came to mind.

What I came back to were ideas. Let me mention three of them. I'm going to come back to the first one.

Mark: Great.

Gregory: Grow, change, or die is the phrase that emerged at one of the very early conferences. I think it was a workshop title.
Mark: It was a workshop.

Gregory: I think Jeremy ran the first one. I can't remember.

Mark: That's right. It was about strategic planning. That's right.

Gregory: It was in, I want to say, as early as '86, '87. One of the very early ones. [CROSSTALK].

Mark: It was Atlanta. It was Atlanta in '91.

Gregory: It is a phrase. It was a clever workshop title, right? But it is a phrase that has not left us over the following 28... Basically, the entire 30 years—let's call it 28—since that came up. It has not left us. It is actually, as I think about both the past and the future, it is an enduring idea that has, I think, come in some ways to be one of the catchphrases. Let me mention the two others, and I'll come back to this.

The other thing that I think, idea that is really unique and captures the unusual spirit of what we try to do is the idea that you can... you know, this question, can you serve two masters, God and man? Can you have quality and justice, the two values? Do capital and justice align? Are they inherently contradictory?

I think one of the great things—but I don't have a story to tell about it—but the idea that you can use capital to achieve justice and that the two are not antithetical, I think, is part of the creative tension that has served the movement well.

The third thing, I would say is that some of us have thought—the more arrogant among us have thought—that maybe somehow we were changing the world and that the great idea in there somehow is that we're influencing the financial services industry, which we are. But I do think, as I think about the future idea and what we've learned over the last few years, is, we are more heavily influenced by those external events. The idea that we're planting seeds...

I do think about the massive change in the financial services industry over the past 30 years and how that will continue to impact us. It won't be Bitcoin. But it'll be something like Bitcoin that will be dramatically different over the next 30 years, or age, or something will happen.
I think when we think about what is going to be dramatically different and what's going to impact us the most, there's a chance it will be our own innovation, but it will be more than likely our needing to adapt and be prepared for the changing world around us.

That brings me back full circle to the first thing. Grow, change, or die is a never-ending struggle. I think it's one of the reasons we've come so far, because I think there were many people in the early days—and at different moments I would have put myself in that category—who were complacent with what we were achieving. We knew what we were doing, and a "small is beautiful" mode and things that actually do have value to me.

But I think we have been mature enough and committed enough to the mission of what we're trying to do that we have been prepared to challenge each other continually to grow, change, or die. How many organizations are willing to change their name... three times? We've had three different names, right?

But I do think we should never rest on our laurels. Grow, change, or die is as applicable today as it was 30 years ago.

Mark: That's a great quotable quote. That's perfect.

Can you go back to 30 years ago? Because you were there—you were in the middle of it. It doesn't have to be a story about Chuck, but Chuck was such a huge force, right? I mean, he just was a force. That was Chuck.

Gregory: Yeah.

Mark: What was going on? Can you even describe what it was like? What was this ideal of "let's get people together?" What was it like when you got together? Did it feel like the beginning of something?

Gregory: Absolutely. A couple of images of that. The word, the phrase, "The Pied Piper" comes to mind, although that's not always a flattering image. Chuck had the ability to convene and inspire people, whether that was young people, me in my early 20s being inspired to come and work in the commune, as it were, for this, whether that was lenders, from Women Religious to the Ford Foundation to the Social Investment Forum and all those well-heeled individuals, the Amy Dominis of the world.
To find a way to merge his Catholic worker origins and pique passion to radical social justice is an ability to engage and talk money with people and to tell them, "Don't just give me your money, but give me your money, and we will pay you back. We will manage it responsibly."

That grew out of the need to help communities get decent affordable housing, in Appalachia, in rural Maine, and urban Washington, D.C. I think what he saw was that you might get $10 as a gift, but you can leverage millions if you thought about capital. That's what makes the world go round. There's a bit of magic in that.

That first Conference, where we first started with New Hampshire Community Loan Fund or what was then the Delaware Valley Community Reinvestment Fund and the Boston Community Loan Fund. What Chuck knew at that time was that he was not trying to create a monolithic organization. That was neither his style nor... You know, ICE [Institute for Community Economics] was never going to be the banker for everybody. He didn't want it to be.

A real commitment to development being local, capital being local, and inspiring the growth of these community loan funds was very important. You said, did we think we were at the beginning of something, being young and ... We did think we were going to change the world, one loan at a time.

Mark: One loan at a time. That's exactly right.

Then, one other thing. There are two other things that I've come across looking at some of our historical documents. Believe me, it's really fun to go and look at, like, the member profiles, the statistical profiles from 1986 and things like that. You know?

Gregory: Yeah.

Mark: There was a big discussion once about that need to be local. It took the form of a debate between community loan funds and community development loan funds, if you remember it that way? Remember that distinction that people drew?

Gregory: Yep.

Mark: Talk a little bit about that tension in those first five years or ten years.
Gregory: I think there were two threads to that tension. I do want to come back; there's something on the being loyal and knowing your [CROSSTALK]... Let me say one thing on that and then come back to your question.

There's something about being local and knowing your borrowers. It was actually an old-fashioned idea, right, the idea that the banker knows their borrowers and lends based on relationships. That was fundamental to Chuck's vision. He lent to people he could know and trust, as it were, even if it was national. You could say one of the things that's interesting is, this work has always come back to fundamentals of that.

Community development loan funds versus community loan funds. I remember and field versus mission, where we had field versus the movement, there was something...

Mark: Movement versus industry, that stuff?

Gregory: Yeah, movement versus, yeah... So there were, I think, if I remember right, there were two things about the phrase "community development," or that tension. The first was a more esoteric point, but one that I think was central to ICE's vision, which was that the loans have to be for alternative forms of ownership, that the community loan fund suggests—as ICE was doing—that we weren't lending for ordinary home ownership or ordinary business.

We were lending for cooperatives and community land trusts and helping residents in manufactured housing cooperatively own the land underneath their homes, or helping D.C. tenants exercise the first right of refusal. It was a lovely law, but without capital you could never do that. ICE's ethos was, it wasn't just classic, normal development. So I think there was a tension in there.

The other image that I remember a lot that was really, in my mind, sparked the "why we're in a different world" was, I want to say—and I may have this right—the Nehemiah Project in Philadelphia.

Mark: Yep.

Gregory: Where ICE's work 'til that point in time was working with groups that were doing housing development in individual units or a dozen, or a cooperative, or a manufactured home park that might include a
hundred but wasn't that. That was transformative but also was moving us much more into mainstream community development.

I think the one was about the forms of ownership of the borrowers. I think that quickly moved to—a—I was happy to see that move to a—more open approach.

[INAUDIBLE], Community Development Corporations, at that point in time and since—while some do brilliant work—had a reputation of old-school, to some extent patronage-driven, but not innovative, change-the-world, put-people-in-charge movement. I think that's probably unfair. But it came out of federal grants, government largess, and managing that money.

There were plenty of exceptions to that. I'm not trying to tar a whole group. But I think there was a resistance—and I think a good one, and I think this cuts across the ownership model, so from Chuck to Jeremy, you think about people who really did have quite different world views—a resistance to being pigeonholed as just another community development kind of organization, that we fit, we live in the CDC world.

Although we were development organizations, we do see ourselves about—we always saw ourselves about—being community development. But from a much more disciplined, much more... I'm not finding the right words there, but...

Mark: No, I get it.

Gregory: Those were the two tensions that I thought came out of that debate.

Mark: Yeah. Yeah, and it goes back a little bit to the tensions you were talking about, about justice and capital or justice and excellence or justice and quality. You know, however two. I mean in some ways, right?

Gregory: Yep. So there are these two things. I was trying to figure out what the right two words are. God and man—can you do both? I think it's interesting. For somebody like Chuck, who spent a lot of time talking about both in his own way, found his way through that. I do think that implicitly, what I've always loved... Are they still the same two values of OFN, of justice and quality?

Mark: Justice and excellence we call it, yeah.
Gregory: Justice and excellence. That doesn't speak to the money issue, but it's in there very much as well.

Mark: Yeah. No, and we talk about that. We still talk about the language that came out of ICE was capital for social, economic, and political justice and we still talk about our core purpose being aligning capital with social, economic, and political justice. That has never left us.

Gregory: I told you I still have an old... I don't know after all of our moves how it managed to survive, or if we got it out of my parents' basement when we came back. There's a sign, an old NACDLF "capital for social, political, and economic justice" little banner hanging down in our laundry room.

Mark: I know. I love it. I love it.

I want to ask you one other question about that, knowing your own borrower issue. This, personally, has great meaning to you, I know, but one of the issues we're dealing with now broadly is sort of the equity in what we do. If you're a predominantly white industry, the people you know tend to be white, right? So, we're wrestling now with all the issues of racial equity and gender equity and, we would have called it differently then, but LGBTQ equity stuff and all those issues.

I'm just curious. Was that part of the conversation? In thinking about class equity, which is more how I tend to think, and maybe you'll tell me I'm wrong, the ICE model revolved around that, were all these things part of it? Were race and gender and LGBTQ, was that part of the discussion, or not back 30 years ago?

Gregory: There was... Just trying to look back... There’s two different strands to that. There was a tension between them. At the borrower level, certainly when I think back, the beneficiaries of the groups that ICE served, I think they were racially diverse and a reflection of poverty of that time and today.

I think about the South Atlanta Land Trust or the co-op borrowers in Washington, D.C. I think we also did a lot of work over in Cincinnati. I also think we did a lot of work on rural poverty. I think about the groups in home up in rural Maine and Appalachia. There was certainly a lot of rural white poverty that was addressed through this.

But there wasn't much diversity in the staff, either at ICE or across the movement or across the staff of some of the organizations we
supported. Without being disloyal, there was resistance to addressing that. Some of us were profoundly uncomfortable and kept raising the issue. It was a great tension in ICE that tore us apart in terms of leadership, like Chuck Collins and others trying to move our base to an urban area, recognizing would it be almost impossible for us to attract diverse and talented staff to Greenfield, Massachusetts.

Mark:  
To the commune, yeah.

Gregory:  
It's a tension in the work, I mean in the work I do now at Save the Children. We have these debates about our summer internship program, which don't pay. They're highly competitive, sought after, but we struggle to get ethnic diversity because, to a very large extent, you have people who... or certainly we struggle to get class diversity because if you don't have money, your parents don't have money, you better be earning some in the summer.

I think for Chuck, the value that he should not be paid a professional wage to do work on behalf of the poor was unmovable. I think it was solidified by the fact that his... what essentially became his surrogate parents from the time he left home and became a draft dodger, or a draft refuser, as it were, Wally and Juanita Nelson who were profound leaders in the civil rights movement, but also who came from a view that, as Wally would say, there's only one race: the human race. Given that, that that came from people who had been African-American leaders in the civil rights movement, and obviously that was not a completely shared view across the civil rights movement, but I think it very much, out of that tradition, that pacifist tradition, gave him grounding and legitimacy in his sense to carry that view forward.

I think it was the inability to reconcile the rapid growth. All of a sudden we were managing, at that time, $12 million of other people's money. It seems like peanuts now, but for us, it was a lot of money at the time. The inability, then, to have a talented, but not a professionally-structured, staff, and then my inability to figure out how to make the business transition, what to let go of, what to keep, and to try to keep a foot in both worlds. We didn't have the financial structure in place to pay the costs correctly.

You have some inherent flaws in the business model at that point. It only worked in one way. You started pulling one thread apart and the sweater unraveled just a bit. At the root of it was those inherent tensions.
Mark: Great. This is incredibly... it's wonderful and useful and important and powerful. I'm just going to say, thank you for this. Thank you for many other things, but thank you for this.

Gregory: Thanks for reaching out. It was a really interesting conversation.

Mark: I think you'll really enjoy when this all gets put together, the many dimensions that it's taking on already. We've only talked to, I don't know, 13, 14, 15 people. We're going to talk to a lot more. It's incredibly rich, and incredibly useful. I talk about it as crowdsourcing history, because none of our memories are quite good enough to remember everything.

Gregory: Great. You can call it the People's History of Opportunity Finance Network.