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I'm pleased to be here with you today to celebrate two decades of remarkable work by CDFIs throughout the country. But this morning is as much about looking forward as it is about looking back. With all that has been accomplished in community development, far too many people still live with conditions of blight, little employment opportunity, inadequate schools and health care, and much else that is deeply dysfunctional. And, this is vitally important not only to the individuals and families directly affected, but to all of us, no matter what our incomes might be or where we might live. In a rapidly transforming global economy, the social problems that could be ameliorated, the social costs that can be saved, and the productivity gains that could be achieved by bringing the residents of inner cities and distressed rural areas into the economic mainstream are central to our national competitiveness and to the future of America's economy.

The issues of distressed areas are not intractable, despite what some might say. There are approaches to these issues that have worked. We can

change the outlook for even the most distressed parts of the country. And CDFIs are a critical part of that equation.

In a group like this, it might seem obvious that the federal government could play a catalytic role in neighborhood redevelopment by building the capacity of CDFIs to lend and invest. And that was the view shared by President Clinton and many in the Administration. We firmly believed that our economy could not reach its full potential if our country failed to deal with the challenges facing our poorest residents. We sought additional ways to infuse capital into troubled neighborhoods. But, there was not wide bipartisan support for the CDFI Fund. New community development entities requiring federal funding were not an easy sell in 1994 and, unfortunately, are still not today.

In early 1995, I took an eye-opening tour of the South Bronx that showed me the true potential of community development. I expected to see blighted buildings and shuttered businesses. Instead, what I found in the Charlotte Gardens neighborhood was a rebirth—block after block of new housing and safer streets. Kids were playing outside and seniors were tending to their gardens. This was not the image of the South Bronx that had persisted for so long.

Today we have an even clearer view: CDFIs, strengthened by the resources made available by the CDFI Fund, have spent the last 20 years seeding innovation and helping change the outlook for disinvested neighborhoods all over the country.

That history is particularly relevant now, in light of the growing challenge of economic mobility. Very low-income residents find it increasingly difficult to pull themselves up into the middle class and out of low-wage jobs and unemployment. And their surroundings make it all the more difficult to succeed.

None of this is news to the people in this room. But I suspect many people outside this room view these issues as a far-removed, isolated problem. They miss the larger point. When millions of people remain mired in poverty, no matter how hard they work, our whole economy suffers. Consigning millions of people to the economic margins has a serious adverse effect on the economy for all of us.

All of that underlies why CDFIs are so important. Changing the conditions in which families live is critical to them moving up the economic ladder. CDFIs can be nimble and responsive to local needs in ways that top-down federal programs cannot. Federal efforts like the CDFI Fund lay a solid foundation for creative local action. And, in doing so, they manage to

influence everything from the level of tax receipts and availability of jobs to the safety of neighborhood streets and the health of neighborhood children.

All of this requires strong, ongoing investment, and I believe this can be done within a disciplined budget environment. Federal support is required to revitalize places decimated by decades of decline and neglect—to build affordable homes, increase economic activity, improve educational outcome, and much else.

It takes more than public dollars. Private-sector involvement is critical, and CDFIs have long excelled at leveraging private capital to achieve greater scale.

I've had the good fortune to serve as chairman of the Local Initiatives Support Corporation for 15 years. In fact, joining the LISC board was the first decision I made after leaving Treasury. And so I have had a unique vantage point when it comes to both the growth of the CDFI Fund and the CDFI field. It was LISC that took me on that first tour of the South Bronx back in '95. And, today, it is through LISC that I most often experience the policies we debated and the programs we created 20 years ago—now from the perspective of a well-established and highly effective CDFI.

LISC received one of the CDFI Fund's first grants back in 1996, and we have continued to work closely with the Fund's program since. Our

experience in many ways tracks yours—our programs have expanded over the years to meet new challenges in new ways. We’ve built on the approaches that worked and abandoned the approaches that did not. Along the way, we built what is today a proven, comprehensive approach to community development. The CDFI Fund has evolved in much the same way. And it has had a great deal to do with LISC’s success.

More broadly, the growth in the CDFI field and the growth in the CDFI Fund have been synergetic. CDFIs today traverse all 50 states—north and south, urban and rural—and so too does the reach of the CDFI Fund. That was not always the case. Back in 1996, in the CDFI Fund’s first year of full operations, it awarded \$37 million to thirty-one CDFIs. There are now more than 870 certified CDFIs—up from 115 back then. As CDFIs have grown, multiplied and proven to be successful, Congress has taken notice, approving new programs and increasing funding. In 2013, the CDFI Fund awarded close to \$500 million to 191 organizations, including \$325 million in the inaugural round of the CDFI Bond Guarantee Program.

The recession took a disproportionate toll on our poorest communities, lasting longer and cutting deeper than it did elsewhere. But CDFIs helped ameliorate all this by providing critical support.

With the benefits of additional Recovery Act dollars and tax credit authority under the New Markets Tax Credit program, the CDFI Fund was able to support significantly more CDFIs and facilitate enormous investments in hard-hit communities. The CDFI Fund proved to be agile and responsive, more than doubling its award outputs during the height of the economic crisis without any additional lag time in getting these dollars out to awardees.

However, we can't take federal funding for granted. It will take the continued advocacy of CDFIs and their partners all across the country if we are to protect the high-performing programs that currently exist. The average American almost surely doesn't know what CDFIs are or what the CDFI Fund does. And they may not understand how your programs work to infuse capital into new projects, or to attract the private sector to poor communities. That is why we should greatly increase our efforts to get all of our citizens, in their cities and towns, and their Congressional representatives, to see what's been accomplished. There is a very special power in seeing what community development looks like in action.

We need to create broader and greater awareness of that progress every chance we get. Poverty is a wrenching human issue. And, as I've said, it has a serious adverse impact on our economic well-being. The social costs

and the loss of potential productivity make us less successful and less competitive in a global economy. But we know what works to improve that outlook, and CDFIs are a critical part of it.

All of you are doing vital work for the people who need it, and for our nation. And I am honored to be with you today. Thank you.

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