



Assets Learning Conference
Plenary Session
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AN ASSETS AGENDA FOR AN AMERICAN FUTURE: BUILDING OUR FINANCIAL SECURITY ON A SOLID ROCK

LISA MENSAH'S REMARKS AT CFED'S ASSET LEARNING CONFERENCE
SEPTEMBER 19, 2012

Today I will address building our country's financial security foundation and the importance of the assets field. Andrea Levere of CFED alluded to foundations, Richard Cordray, Director of the Consumer Financial Protection Bureau emphasized steadying the ladder, and John Campbell of Wells Fargo talked about partnerships. Our financial security foundation needs to truly be built on a solid rock. That is why I am inspired about assets. I am going to tell you a little bit about my own story and my passion for the assets field. I will say a few remarks about why I deeply believe we need the financial industry and then talk about the timing of our goals and why this is indeed our time to accomplish these goals.

Let me begin by telling you a little bit about my own passion for the field of assets for all Americans. I began my career working in commercial banking for Citibank. I moved to the Ford Foundation in 1989 and one of the first people I met was Bob Friedman, founder of CFED, who was introduced to me as somebody who could truly think differently about economic development. Soon after, I met Michael Sherraden, who had just written *Assets and the Poor*. After the publication of *Assets and the Poor*, the Ford Foundation changed its views on addressing poverty. As a result, we added the frame of assets to our work. I was fortunate enough to be there during an incredibly opportune time. I participated in the first Individual Development Account conference that Andrea mentioned and where several of you stood up. During that time I was about seven months pregnant. I now have this 16 year old so I remember that very well. It is exciting to go from a small group of a few people brought up from Washington University in St. Louis in a couple of mini vans and a few people left over from a microfinance conference, to now a room of thousands.

Your presence here today – all of the people who have ever run an IDA program and who have ever worked on matched savings – it is you who gave us the right to be bold, the right to dream. You were the ones who inspired us, and we owe you a debt of gratitude.

I want to emphasize who you inspired. You did not just inspire Lisa Mensah. You inspired Presidents, and I want to reflect on three of them. First, President Clinton; barely had this movement started and President Clinton was inspired to create the Assets for Independence Act and introduce USA Accounts. Not surprisingly, he exceeded our expectations. You inspired President George W. Bush. The message of compassionate conservatism found a home with our work on ownership. President Bush trumpeted the notion that markets were indeed supposed to work

for us all and we were all supposed to own something and have a stake in this economy. Finally, you inspired President Obama, who in one of his earliest speeches talked about rebuilding the economy on a solid rock and doing so with things like savings.

Obama was the first President to call on expanding our Saver's Credit and creating Individual Retirement Accounts (IRAs) for millions of Americans who had been left out. You have inspired Presidents. Your work, no matter how modest it may seem – one community or one school – has been powerful work.

When I started learning about Individual Development Account (IDA) programs way back in 1995, I continuously met people who had saved and for whom those savings had transformed their lives and their dreams. For me, this field will always be synonymous with one woman who I met in Chicago. She had saved for the first time in her life \$7,000. She had accomplished this saving not only with her IDA account, but also with powerful matches. It was that \$7,000 that allowed her to buy a three story house. She ran a day care center on one floor, housed herself on one floor, and housed her mother on another. It was incredibly transformative to me that beyond the business, she was an owner. She was now an employer and an inspiration. It gave me the sense of something that Director Cordray spoke about – dignity. There was something to having an account with your name on it and with something in it, something that you owned. This field that we work in together is unbelievably inspiring.

My own personal inspiration, my dream of where we want to get to, where I hope we are standing in another ten to fifteen years, is that I hope we are coming back to an America where literally 40 to 50 million people who are currently not owning, not having a bank account, will be in this system with a new account. If you ask very serious financial minds in this country where they think we will really be in 20 years, they will admit that they see an America with broader account holding where people will have money in savings for their future. My own dream is that this starts with every American child.

This is the field that gave us the dream of child accounts. We should never give up on that dream. Child accounts are one of our best ideas. I was proud to hear Andrea call for matching funds for savings. Matching money is so desperately needed in this field. Individuals have taken responsibility; they have sacrificed; they have done the hardest thing other than dieting, which is to save money. We must match their sacrifice. That has been the powerful message. We know that we can make progress when you put together the diligent efforts of savings and you add a match. We can make progress and can get to high account volumes. I would like us to be bold. It is easy. How many of us know someone who owes the bank \$20,000 on their credit accounts? We need to get to an America where we own more than we owe. We need to get to an America where what we save is \$20,000 or \$200,000. We are the field that says this is not an impossible dream. It is possible. We have seen it in the lowest income groups. We have seen it because when you have time and diligence and a match you can reach those values. My own phrase is that 'we've got to help America own more than we owe.' That is what I think we should be going forward with. This is the essence of net worth, and it is the essence of wealth. It is how we are going to close the terrible wealth gap in this country. We are all involved. We are the field that knows that while income is so important and nobody will get up this ladder without a strong job, no one will get the fruits of those jobs without income supports. We also believe that we need the boost to get on that ladder. We are ladder people, so I think this is very powerful.

"We've got to help America own more than we owe."

If we are going to own more than we owe, we need a connection to the financial field. I want to come to the second part of my remarks and make a few comments about my sense of this financial field. The short hand version of how

the assets field came to be is that you needed Michael Sherraden to write *Assets of the Poor* and inspire us all and then keep researching for the next 20 years. You needed Bob Friedman and Andrea Levere to go build a movement, and you needed Lisa Mensah to do something with banks. Nobody quite knew what that was that Lisa would do with banks. I always liked this mission with banks because I was fairly certain that we would not just surprise the financial industry with 50 million accounts. I knew that that banks would have to be part of our field. I thought my goal at first was to prove to John and other bankers in America that there was an account that could work for all Americans. I thought my job was to prove the business case and prove that there were account dynamics – that there was a magic set of numbers that would work. To be sure, there are indeed market dynamics that undergird any financial system. I now believe however, that the secret to a partnership with the financial industry is that we need the government to be the first mover and to make accounts a priority. I think the industry is going to be ready to meet us, but somebody has to go first. The government needs to act first in both moving a match and moving a sound regulatory surround that makes those accounts possible. We are truly making progress on both of those fronts.

My first job was to find about 10 CEOs, who eventually became the advisory board of Aspen IFS. It took me a long time. I had to ask 100 to get 10, but they came and they agreed with us that savings for life, from childhood to retirement, was part of the American future and part of this ladder. They became savings champions, and they were the voices that stood with me in 2007 when we went to Congress and said, “You need to build it from child savings accounts through retirement.” Those champions grew in number. Most of you know that we moved into our headquarters here in Washington, DC in 2009. In doing so, more voices from the financial industry joined the cause. We were doing this at a time that has been painful for this industry. I believe that we need this industry to work with us because we know that we rely on each other. We need the energy of this room – the inspiration and the boldness. We also need a financial industry who understands that for them to succeed, all Americans need to be in this system. I love John’s words about partnership, “that is our future.”

I want to come to my last theme about timing. If we know that we have the right goals – accounts for everybody, accounts that start at the beginning of life, matches for everybody, a way to move personal sacrifice and private accounts forward – and we know we need an industry partnership that makes sense, then what is the timing for this third partner that needs to come to the table? That is our policy partner, our government. I am here speaking about federal action. You are going to hear at lunch from powerful innovators at the municipal and state levels. But talking about federal policy, I might be a rare voice saying that this is actually a good time for us because this is a time about foundations. The house has fallen down, and we are rebuilding the American economy. This is the time to get the foundation right, and it is a time when assets belong in the foundation. Many of you know that the debate in Washington right now is really about the budget that we are going to live with. What are the tax policies that are going to support that? We are no longer talking about surplus like we were during the Clinton years. We are talking about this very tough question of how to meet budget challenges. If we talk about a match we know it is an “add on” to the budget. Matches cost additional tax revenues, but it is something additional that truly belongs in the foundation of this new economy that we are building. That is why I feel that our time is now.

Many will tell this room that we should wait. The struggle now is about jobs; the struggle now is about growth. So, asset people should just wait it out another ten years or so while the economy heals. I feel that is really the wrong message for us. This is a tough war, it is a tough struggle, but there is also a hunger for what we will build out of this war. What do we build? We know we cannot just fix a net. We have to build this ladder. We have always been ladder people and the anchors of that ladder are being set now. That is what a budget is about. That is what tax policy is about. I believe that we should say to this very severe battle of what counts in this country, “Yes we understand the

jobs. We are the people that understand poverty deeply. We also understand how to move people up.” We are ladder people and that is why I think our timing is now.

We are not an optional field. No one needs to apologize for being pro-children’s savings or pro matches. This really is our time, and I think we have seen symbols of why this is our time. Our President put forward in two of his budgets an expanded Savers’ Credit. This is a big victory for this field. If there is a Presidential budget with matching dollars in it, that is a victory for this field, and I hope we take seriously the chance to keep saying, “that is what we want.”

I believe the best part about democracy is that we can put forward our voice and our experience. That is the call that I would like to leave this room with. I would like to ask you to go through this conference and ask every speaker that you hear, “What do we do next? How do we add our voice?”

Many of you know my own personal story. My American story is that I am from two countries; my father is from Ghana, and I lived there as a child. I have many cousins living in West Africa, and I grew up every day knowing that my family didn’t eat as much, didn’t live like I did, didn’t have anything like the assets that we have in America.

“We know we cannot just fix a net. We have to build this ladder.”

My passion was always that I would work in the international sphere. This changed for me when I met the Individual Development Account field and the assets field because I found what really ignited me, and I found that I could do it here in this country. For anybody who is a first generation American in this audience (I know that there are many like me out there), you know that when you are born here, when you are an American, you get to use your voice. That is the point of it all. It is not just what you own. It is not just this beautiful concept of how wealthy we are. It is about the capacity to add and change our voices. That is what’s beautiful here. This is what I get to get up for everyday and do at the Aspen Institute with all of you. I would challenge us as we call this the “State of our Field.” I think that this is the time to use our voice, to help say we have the proven tools, we know what works, we have seen people’s dignity change, people’s opportunity change. We have seen it at the small level and it is time now to help us do this for our country.

So Andrea, I want to thank you for giving me the chance to say good morning to everybody and to say this is our moment. Thank you very much.



Lisa Mensah is the Executive Director of the Aspen Institute Initiative on Financial Security.
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