

Gaps and Opportunities

*Excerpts from SMHA President Lorna Bourg's Presentation
At the New York Regional Association of Grantmakers Conference
In New York, July 12, 2006*

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SMHA President Lorna Bourg identified three major gaps and opportunities facing our country when she spoke at the New York Regional Association of Grantmakers Conference in New York, July 12, 2006. (Similar remarks were also presented at the Local Initiatives Support Corporation's annual conference at the Ronald Reagan International Trade Center in Washington, D.C. in early June.)

She observed that the gaps and opportunities only became more evident and urgent when Hurricanes Rita and Katrina ravaged the Gulf Coast in the fall of 2006.

Below are excerpts from an outline of her remarks:

1. Economic Gap and Economic Opportunity

About a month ago, as I was traveling, I was reading the Financial Times, and a few items jumped out at me:

- *Fact 1* - On that day 24,408 people died of poverty.
- *Fact 2* - On that day the London Metals Exchange began trading at 1 AM to capture and compete in the rising Asian markets.

We confront the growing economic gap each day only made more urgent by tsunamis, hurricanes, earthquakes, floods, and war.

Yet, each day trillions of dollars are traded in various currencies, stock, bonds, etc. And billions/millions are made without the slightest thought that a 1/10th of 1 percent set aside on these trades could end global poverty. Yet every person you saw in the Hurricane Rita film pays taxes on every slice of bread and glass of milk. It's a matter of justice to treat trades as we treat purchase of food.

2. Policy Gap and Policy Opportunity

Louisiana Congressman Richard Baker's bill to help Louisiana recover was supposedly backed by the President, but, while "well-meaning," I believe it was ill thought out. It was to create a new federal bureaucracy to benefit only Louisiana with government writing the checks.

Had it been proposed for the entire Gulf Region (all five states), it would have encompassed all states that were damaged—four of which have Republican governors.

Even better yet, my grandmother used to talk about the War Bonds Americans bought to generate the dollars to win the Second World War. It was patriotic to buy them.

America needs a National Disaster Recovery Bond for all natural or man-made disasters. Purchased by Americans and run through the U.S. Treasury, it would generate over time billions to help the recovery—especially to retire mortgages on homes and businesses destroyed. Banks would love it, and the rebuilding would spur the economy. When taking a new mortgage, a small premium could be paid to give a return to the bondholder.

3. Leadership Gap and Leadership Opportunity

We confront even more importantly a leadership gap—a lack of wonder and will to accept a challenge worthy of a nation to end poverty and not just to be content to service it endlessly.

From a rural Louisiana perspective, I believe much of America’s political leadership is inept at best and, at worst, apathetic.

That lack of leadership was and is most blatant at our national policy level, where our failure as a nation to quickly respond to the great natural disasters of our day has sent a clear message to our enemies—that America has not the will and perhaps not the skill to recover from any disaster of a serious magnitude.

But where government has failed, our concerned foundation community in America has not. You’ve made possible the recovery of thousands of families and businesses and given hope where there was none. In rural Louisiana, SMHA has mobilized nearly 900 volunteers and helped nearly 400 families get back into their homes, helped rebuild and open 11 businesses, helped clean 2 churches and helped 80 farmers. Thank you for that.

Challenge

But before I finish I want to make an observation and a leadership challenge to you:

- After Hurricane Katrina, I took a helicopter and landed in a lot of small villages all along the coast. What I noticed was that the corporations were immediately into recovery—cranes lifted boats off buildings and property, the companies cleared roads, trucks were lined up where workers were back, and temporary living quarters were set up. This wasn’t the corporate headquarters of companies. It was the front-line producers and deliverers of the companies like oil and gas and chemical corporations.
- We Community Development Corporations are your front-line offices in our common mission for the common good. Therefore, serious thought, strategic thought, has to be given to creating CDC’s with the capacity to respond in crisis, the capacity to achieve scale, and the sustained capacity to be there for the long haul. Look for leadership, track record, mission alignment, and then fund the reserves and endowment dollars to assure a sustainable presence and performance of your front-line partners. Maybe the foundations could do this as a functional collaborative that Heron Foundation’s Mary Jo Mullen mentioned earlier. After all, you and we, as Ambassador James Joseph mentioned earlier, are in the business of “hope.” Together we are helping a nation find its soul again, and for that, we in Louisiana thank you!