JAMES McCARTIN: My name is Jim McCartin. I’m the Director of the Fordham Center on Religion and Culture. It is my pleasure to welcome all of you.

Usually, we host our events at Fordham’s Lincoln Center Campus, but I suspect you all are of the belief that this is the hardcore [inaudible]. We are delighted to be here tonight with you.

If you know anything about Fordham, you know that this university is rightly renowned as having an exceptionally committed student body when it comes to questions of engaging in the work of social justice. Whether in the classroom or in the surrounding neighborhoods, among students, among alums, Fordham is true to its mission as a Jesuit and Catholic university. It is a place marked by a genuine passion for pursuing a common good, a better world, a new horizon.

So, with this context in mind, remembering where we are, tonight the Center on Religion and Culture focuses our attention on the place of innovation, of new ideas, of emerging outlooks, of novel mechanisms, in the work of advancing justice in the world.

How does innovation happen in the trenches, in the business of building social justice? Where can we see the fruits of innovation today? What are some of the most exciting developments in the work of social transformation as we look to tomorrow? To address these questions we have brought together an exceptional group of practitioners in the world of social justice.

But before I hand things over to them, two things I want to announce to you.

First, there is a card that you will have found on our seat and a pencil with it. Please use it throughout the conversation tonight to write your questions for our guests, and then hold your card up and a student assistant will come and bring it forward.

Secondly, would you all kindly do me the favor of silencing your electronic devices?

We have a distinguished moderator tonight. His name is David Elcott. He is the Taub
Professor of Practice in Public Service and Leadership at the Wagner School of Public Service at New York University. He has spent the last twenty-five years at the intersection of community building, interfaith organizing, and ethnic activism. He has done many things. I’ll let him tell you a little bit more about some of those.

But among his many roles in this life, he is the Interreligious Affairs Director of the American Jewish Committee, as well as Executive Director of the Israel Policy Forum. In these roles he has worked and done a number of things, including building interfaith and interethnic coalitions to address Middle East peace, immigration reform, civil liberties, and workers’ rights, among many other things. His current work is on how religious leaders affect civil discourse and democracy.

In recent years, David has worked to build a training program for leaders of community organizing and advocacy campaigns at New York University. His program there covers a full swathe of issues, from criminal justice, to food justice, to immigration reform, to community reentry transition for parolees. He has done many things. He is involved in many things.

Beyond all this, David is the author of *A Sacred Journey: The Jewish Quest for a Perfect World*. He will speak about that work probably, in part, and much else.

Please welcome David Elcott.

**DAVID ELCOTT:** We are sitting in a city of privilege, in a wonderful university, a university of privilege, in a hall that makes you want to look up — I won’t be offended if you are looking up rather than looking down.

It is easy in our setting to be cynical about change. To hear the language, actually the eloquent introduction that Jim gave to this session and to the other two sessions connected with this on Justice, it is easy to be cynical today, to listen to the hype, to go on the Internet and read all the wonderful things, and say, “Yeah, but...” And the but is: is this really true; can change really happen; is social transformation, justice — is it really possible? It’s easy for us to be cynical.

So this evening is wonderful, because we are going to hear from two people who, behind the words, actually can describe a real world of change, and to give us an entry, a glimpse, into 21st-century organizing — what it is going to look like, where it can go, what sectors can be united, crossed, joined, to be able to effect change.

I am not going to introduce them because I think their stories that bring them up to the work that they are doing are going to be something we want to hear. How did somebody leave making money in one setting which is all about making money and decide you care about people in another country; or, when you live in a lovely home, to care about people who are homeless? So I think the personal narrative is the place to begin.

I am going to introduce Rosanne first and then Will. We are going to go really one to the other to have their story. Then we will have a conversation framing some of the questions about where we want to take this, what can we learn for ourselves, how we can be agents of change. Then we will open it up to you.

It’s wonderful really to introduce two great people who I have read about, only met now, and I am excited to hear their stories as well.

**ROSANNE HAGGERTY:** Thank you, David.
I'm Rosanne Haggerty. I thought I might just describe my work leading an organization called Community Solutions, which is a national organization, a not-for-profit, that works on ending homelessness, but beyond that, helping communities throughout the country, and increasingly around the world, look at the complex problems that affect their most vulnerable members and actually advance new solutions to longstanding problems.

Perhaps the journey is best told through a series of decisions. When I was a college senior — I went to Amherst College in Massachusetts — I was doing my thesis in the American Studies Department on Thomas Merton. While I had intended to maybe take a year off and do an internship of some type and then go to law school, I found myself thinking how distant from the moral challenges of the world I was in a privileged institution like that. So I decided I would look around to do something that was actually more for my benefit, I at least understood, and do something that was much more service-oriented for a year.

At that time — this was 1982 — had I stumbled upon the Jesuit Volunteer Corps, I probably would have gone that way. But what I came across was the community program at Covenant House in Times Square at that point. It had spread to several other cities. They had a program where you could volunteer for a year, work full-time with young people at their shelter, and they would provide room and board and health insurance and $12 a week. At least this was structured. I at that point was like: Oh my gosh, New York City! I couldn’t imagine living there, but at least this was all of a package.

I really did understand that this was — I hoped I could make some contribution — but this was really about my becoming more of a real person.

I found myself in this thrall of idealism being there, and amazing people, about sixty volunteers from all over the country, people of all ages.

But within a relatively short period of time, the real moral conundrum set in, which was: these young people who had come and stay for up to thirty days really had nowhere to go at the end of those thirty days and would be back on the street.

The organization’s reputation was soaring, and resources weren’t a problem, and surrounded by all of this good intention and commitment, and we seemed to be accomplishing very little that was actually changing the reality for these young people, for periods of respite, which were important. I would think: It’s better that we are here and offering something than nothing at all.

But it was clear that there was a much bigger set of problems that were really confronting these young people. It was not maybe the headlines around Covenant House, around prostitution or young people being exploited in the sex trade; it was really about poverty. There was nowhere to send these young people because their families and neighborhoods had fallen apart.

So I would walk back to the dorm that we lived in from work every night and think: What is the answer? I have never felt it is really right to just be full of criticism, that we are all responsible for coming up with answers.

The one thing that I focused on was, despite the fact that these young people needed everything, nothing would stick — education, work, nothing — if they didn’t have a stable place to live.

So I decided I would stay in New York and try to understand where affordable housing came from, a thought that had never occurred to me — you know, housing was just there, like water. Well, in fact, it was really fortunate for me that I was able to get an assistant to
an assistant job at Brooklyn Catholic Charities, which covers Brooklyn and Queens, and at that time was property rich. A lot of church-owned buildings were vacant in neighborhoods that people would kill to live in these days, like Williamsburg. We were like, “How do we deal with all this abandoned real estate?” I had a great education learning how to create affordable housing there.

But fast-forward a few years. A building that I had lived next-door to when I was at Covenant House, in the community there, was a very public disaster, a big, old, single-room-occupancy hotel, the largest in the city. It was in bankruptcy, about to be condemned because of all the code violations. I felt somebody should do something to preserve it and to turn it into housing for the homeless and other low-income people.

So I actually came up with a plan and showed how the financing could work and how it actually was feasible. Lo and behold, I was able to mobilize enough support politically for the plan, and the resources were there, but I couldn’t find an organization, an established housing group, that was actually willing to implement it.

I think this was maybe a first lesson as someone innovating a new social idea, which is it is really hard to get other people to adopt your idea; you’ve got to be the one to do it. So I ended up creating a not-for-profit to actually execute this plan.

We created out of this rundown old building affordable housing for individuals, the elderly and mentally ill, people who were living there are the time, plus individuals who were coming from homelessness, plus low-income workers, a lot of actors and musicians.

To me and the people I was able to gather around, it was just kind of obvious — like what do we all need to build a life? Access to health care and work and positive relationships. We were able to attract businesses to the commercial spaces that would employ the tenants and have social supports in the building, so people who had health and mental health problems and employment needs could actually easily navigate those resources.

The fact that it worked so well seemed — you know, you get people supported with what they need in a decent, well-managed environment — why wouldn’t that work?

Fortunately, it also saved a boatload of money, because what we were able to show is that if you get people out of the downward spiral of hospitalizations and emergency room visits and jails and shelter in New York, which is a very expensive public expenditure, that you could actually provide people with the platform for a good life for a fraction of the cost. So we were able to build more of that housing.

Next decision: I started getting more and more unsettled by the fact that we are building all this housing, yet we are still walking by the same people, many of the same people, who are living on the streets in Midtown that were homeless before. It’s like, “How come this all didn’t work out? We opened the building, people are supposed to apply.”

Well, a couple of experiences really brought it home to me that the big questions were ones that we weren’t yet scratching the surface of, which is: Why is that vulnerable people fall through the cracks of our society, and actually the most vulnerable tend to fall the farthest, and need us to outreach to them and bring them back in?

And so I tried for a while to organize very good people who were doing work with the homeless on the street and not getting a whole lot of traction with the idea that we actually should be bringing people into housing.

So I hired someone who — I guess I was becoming suspicious of the fact that I might have
been trapped by the system myself, thinking As long as I'm running my organization that's building this nice housing, I'm doing my bit.

Well, I decided that we really needed to shake things up. I hired someone to lead the effort of what is it going to take to reduce street homelessness in Times Square by two-thirds in three years? I hired someone who had just left the military. It was just like We need to build a new kind of team. We need to know what the heck's going on here.

She was able to really see things that those of us who had been kind of acculturated in the world of homeless services, sort of accepting the fact that there was homelessness almost as a natural state. She was like, “Huh?” We were able to within three years reduce homelessness by almost 90 percent.

At that point, another decision was: Well, we’re having all these other cities asking us how we are getting this done. Let’s really move to another way of working.

So we ended up leaving that first organization I started to start a new social innovation, a group that I now run, called Community Solutions. We have actually come to see that we are getting so much farther working to really organize the way work is done in human services. That is basically our innovation now, taking tools from the private sector, from manufacturing, design, from public health, and actually helping city after city. We are now working in over 200 cities to help them redesign the way they are doing their work.

In the last three years since we spun off from the first organization — our largest effort is called the 100,000 Homes Campaign — over 90,000 people who had been homeless for many years are now in housing.

Basically, communities had most of the resources they needed, and certainly the good intentions. They didn’t have the right tools, the right framework, the right processes. That’s how our work has sort of evolved.

The next chapter is about how do we prevent this from happening in the first place? So we have started a whole new network of efforts that focus on neighborhoods of extreme poverty, in fact, Census tracts of extreme poverty, and how we change the conditions that are causing these events of great misery and very noble places in our country. We work on the ground in two neighborhoods but are organizing a national network of those efforts.

WILL HAUGHEY: My name is Will Haughey.

My story is a little bit different than Rosanne’s. I was thinking about what I felt would be interesting or worth sharing.

I think where I am today, which is I’m thirty-two years old and I am going to tell you about the story of a toy company that my brother and I started and what we are trying to do and our social aims. But it really does reflect the fullness of my life experiences.

I am going to start pretty much at the beginning, which is that I was born in the country of New Zealand. I grew up there until I was about five years. Then my family moved to America, and eventually we settled in St. Louis, Missouri.

I’m the third of four kids. Dad’s a surgeon. We grew up in a fairly privileged family in terms of resources. I was blessed with great opportunities in terms of both private education growing up as well as attending state university in Indiana.
Just to explain why I think that the history is relevant, I grew up in a Christian family. For me my faith became real at a young age. I remember, although it may sound difficult to believe, as a seven-year-old making a decision that I believed in God and I was interested in understanding what that meant for my life.

Fast-forward a few years. I also realized that somehow, some way, I knew at the age of thirteen I was passionate about business, wanted to be an entrepreneur. I didn’t really know what that meant.

I was born in 1981. When I was graduating high school, the tech boom was under way. Here I am as a high-school student trying to figure out how to trade stocks and get access to the frenzy of everything going on.

I think in some respects I wanted to grow up quickly because I had read stories of entrepreneurs, people who inspired me, and somehow I had the conviction that I cared about my faith and I also really wanted to be an entrepreneur.

So I graduate, go off to university, end up studying finance at Indiana University. I had thought I’ll go and study entrepreneurship at the business school because that’s what I want to be.

One of my first professors, who I deeply respected, said to me, “Look, anybody could be an entrepreneur” — which is very true, and I’m sure we’ll get into that later. He said, “Why don’t you go learn a skill, why don’t you go learn a trade, why don’t you go learn a craft? Why don’t you go challenge yourself in some specific discipline, and then from there you can find ways to branch out if you have the thing that you want to pursue?”

Just to give you some color, the passion and interest in entrepreneurship for me was so real that I would get ideas in my head as a high-school student where I just couldn’t sleep because they were so compelling to me. So here I am trying to sleep and I’m like: But it would amazing if we did this, and what if we did that? People are going to love it!

Of course these were early ideas. So in the end I picked the most challenging degree in the business school, which was finance, and got up the curve, and ended up on Wall Street.

I graduated from Indiana in 2004 and I went to work for the investment banking division at Goldman Sachs. To give you context, that was a dream job. I was a kid from the Midwest and competing with all these Ivy League students who, rightfully, were in a great position to take on Wall Street.

And I didn’t even want to go to Chicago. Most of the people from Indiana who were graduating were going to Chicago for finance. That was not the main stage. I wanted to get up onto the main stage.

So I felt very fortunate and I worked incredibly hard, as most analysts do. For those of you who are familiar with the programs, they are very intense. They are their own boot camp of sorts.

During this time I started reading about Warren Buffet. I was just interested in what he had done. I think there was an aspect of my personality which appreciated the simplicity of his life, which was not that he was relishing in the riches or all that he had amassed, but was living fairly simply in Omaha, Nebraska, as many of you know, driving a Lincoln Town Car, drinking Cokes, and eating steaks. His one indulgence, I guess, is that he flies in private jets, which I guess is reasonable.
But as I was reading about this, I began to be drawn to his practice of investing, which was to buy companies and to hold them for long periods of time and to buy them at a good price. In that process, I ended up transitioning within Goldman Sachs towards a group which was attempting to do that.

Now, it may sound strange that there was a group within Goldman Sachs looking to make long-term investments. But indeed there was, and I was fortunate enough to spend a couple of years in that practice.

In the background of all of this, still a Christian, still trying to figure out how to pursue God, still trying to figure out the application of that to my life, swept up absolutely in the current of Wall Street and all that it exerts upon you. I think I felt exhilarated. I felt in many respects challenged with this idea of how could I be true to my faith in this institution.

As I continued to digest that, my brother, with whom I was very close — he's sixteen months older than I am — had been working for the Boston Consulting Group, which is a very successful management consulting firm. He was based in Los Angeles and traveling throughout Latin America.

One of the things I didn't mention about our upbringing is as part of growing up in the Presbyterian Church, which is what we were a part of, we did mission trips as kids. So I went to Mexico and I went to the Ukraine and I went to Kenya, all before I started my time on Wall Street.

If you combine that with a general interest in international activities, from just the fact that I'm a Kiwi by birth and obviously a transplant to the States, there was within me, and I think also within my brother, this very significant interest in global issues. And specifically, as my brother began to travel throughout Latin America, he became increasingly interested in understanding the plight of the poor.

I’ll never forget. He had taken a trip to Honduras on business. He sent me an email. He said, “Will, there’s this home for street boys in Tegucigalpa, the capital city of Honduras. They’ve got fifteen boys there and they are doing tremendous work. These boys are abandoned by their families, often at the young age of four, five, six, whatever. They’ve got nowhere to go. They are brought in by this home. They are educated, they are fed, they are clothed, they are housed.”

But how do we take this from fifteen boys to 2,000, because that’s the issue? Really, what we realized was in the process of trying to think about this question — it reminds me of the question you were trying to figure out: How do we innovate to deal with the bigger issue? We just realized that their model was predicated on donations, primarily from Americans. So they had for fifteen boys a $400,000 budget for this school that they ran to basically do all the things that I mentioned.

I think the capitalist in us basically said, “There’s a better way.” So we approached the administrator of this program with the idea that we would form a business and the boys would work in the business and the business would generate profit eventually and that would sustain the mission. Ultimately, he was not interested in that approach, for I think fair reasons.

But we realized as we began to look at that that we were really interested in thinking about marketplace solutions that could address poverty.

As we started to think about Honduras more, because our interest in the country was
rising, we took a very what I would call pragmatic business approach, which was: You’ve a country which, by the way, is a two-hour flight from Miami; it is very close to the American border. You go basically Texas, Mexico, Guatemala, Honduras. It’s not far away.

It had 7 million people. Its poverty rates were about 65 percent. As we began to grapple with the stats, the thing that really stuck out to us was there’s just massive unemployment.

We think about employment here today in the States as being difficult, which is I think we’re running somewhere around 9 percent, maybe 8 percent, 10 percent. Obviously, it’s higher than what we prefer in this country. And if you look back at the Great Depression, which we did at the time because we were trying to understand that better, the unemployment rate in America was about 24 percent. So one out of every four people basically was unemployed in the States.

When you look at Honduras, the standing stated rate of unemployment was 30–35 percent. But if you actually thought about unemployment and underemployment, it was close to 50 percent, which explained basically why you had this rampant poverty from our perspective.

As we began to think about this, as I said, we took a fairly pragmatic approach, which was: Okay, this economy is not globally relevant. If I were to ask you all to write down on a piece of paper all the products that come out of Honduras or all the innovations that you’re familiar with, it would be a pretty short list. You probably don’t know that they are the largest T-shirt and sock manufacturer in the world. But we only learned that by studying it.

But what we realized was that it was a poor country rich in natural resources. Basically, what we put our mind to was: What resource does the country have that we could transform and export and in the process basically create jobs?

We were drawn to the material that they have in wood. Honduras is an exporter of a lot of agricultural products, timber being one of those. When we began to look at the wood industry further, what we realized was they had a tremendous supply of hardwoods, beautiful exotic species that had never seen the light of day in terms of export, nor had they been commercially developed.

While we weren’t really interested — they had also had issues, by the way, with illegal logging, so we weren’t interested in contributing to that problem by just making a market. That was not the goal. The goal was to basically find a way to transform the resource into something that the world would appreciate, with the thesis that if the world appreciated it — i.e., if consumers appreciated whatever it was that we were going to manufacture — that, by definition, if we architected the supply chain and the manufacturing approach carefully, we could do good and harness global consumption in the process.

So our view was that we would create a vehicle which, if consumers took to the product, would ultimately be a mechanism and a vehicle for social change through job creation. That is ultimately what we did. I’m sure we will talk more about it.

We started a toy company. We decided, having been inspired by the European toy industry, that wooden toys needed an American update, if you will. They had a great tradition of toy manufacturing. We found all these tremendous German wooden toy companies, but they were in their third generation, no first-generation wooden toy companies that we were aware of.
As we started to think about that, we said, okay, it sounds crazy. I mean wooden blocks have been around forever — in fact, they are probably the first toys ever made, other than a twig and a rock that kids were playing around with. So what could we do to innovate with this old material and differentiate in the marketplace?

Ultimately, after studying kids in their context, we developed what is basically a Tegu block today. That’s a magnetic wooden block. It’s using local hardwood species. In a very actually challenging manufacturing process, we insert the world’s strongest magnets inside. We have ultimately developed a building system which is magnetic and wooden. It’s like a twist on an old classic, if you will. I’m sure we’ll talk more about some of the details there.

As we think about social change, our emphasis is on depth, depth of social change. A lot of what we have encountered, especially in the tropics, is breadth. How do we deal with these afflictions? How do we deal with challenges? How many people are you touching?

I think it has been so tempting for us to think about a big bang right out from the gates. But the reality is we started with twelve workers and a bunch of refurbished furniture equipment in a factory which was far bigger than needed and began trying to figure out how to make these blocks. That was basically four years ago. We’ll talk more about it.

Today, especially in Manhattan, you can find Tegu blocks in almost every specialty toy store. We’re sold on Amazon. We’re now sold in Australia, Singapore, Korea. We have been very fortunate.

I think, from my perspective, the entrepreneur here, in terms of the business side, I see the scaling potential that we dreamed of now becoming much more of a reality than it has ever been before.

So we’re ambitious. We’re not out to build a small business. We’re out to build a very significant and sizable business because of the social innovations.

So if we can get depth of employment right and depth of impact right amongst our small but growing base of workers, and if we set up the mechanisms and systems and processes to do that well at ten times or twenty or fifty times our current volume, then our perspective is that we will bring — I don’t know that we will personally transform the nation of Honduras. I think that’s beyond our reach. But what I would say is I think we can have a transforming effect. I’ll tell you more about why we think that.

That’s my story.

DAVID ELCOTT: The classic definition of community organizing is a process where people who live in proximity to each other come together to form an organization that acts in their shared self-interest. Unlike those who promote more consensual community building, community organizers traditionally assume that social change necessarily involves conflict and social struggle in order to generate collective power for the powerless. That’s the classic definition.

Neither of you seem to per se buy into that. Rosanne, you used words like “optimism,” “driven by data,” “network of partners,” “sustainable, cost-effective solutions,” “impact and lives improved,” and “public cost saved.” Will, you used the language of “living wage,” “forest stewardship,” “supporting reforestation,” “donating a portion of revenue to replanting efforts.”

So classical organizing basically is you’re in opposition to the system. It’s not just about
who’s sitting at the table; it’s the shape of the table, the room that the table is in, the city in which the room is, the world of which we’re a part.

I’m being a little unfair because I said the things I was going to ask. But I’m going to slightly change it.

So where are you bucking the system? Where do you see yourselves as challenging the existing power structures? Where do you see yourselves challenging to change the system itself? And where do you feel that you are using the existing systems, whether it’s the capitalist system, the governmental system, where you’re using it towards change, and how do you deal with that and with compromises?

That’s like a solid question for us to ask when we are trying to understand innovation and trying to understand 21st-century organizing, not 19th- and 20th-century organizing.

ROSANNE HAGGERTY: I think we essentially concluded that there is no such thing as a coherent existing system, that it’s just broken everywhere, and that that’s perhaps the most striking thing that we have organized ourselves in response to. I’ll illustrate what I mean in two stories.

Our big national effort, the 100,000 Homes Campaign, is essentially about creating teams in local communities of all of the people who have a piece of the answer to homelessness. It’s people at the mayor’s office, at the public health offices, at the housing authority, at the VA, in the not-for-profits. This is an issue.

But you could name that social issue, that it doesn’t live in one place, it’s got multiple features, and it can only be solved if all of those people who have a part of the answer actually understand they have to function like a well-oiled system, that in fact it’s the fragmentation that’s the enemy, the lack of a coherent system.

And so by training these groups in each city to function as a team — and the glue that holds that together is data. We train this team to go out and use public health tools to survey and identify by name everyone who’s homeless in the community, to prioritize those in the most fragile health, to use technology tools to optimize their resources, to match eligibility to housing units available, to other resources.

It actually doesn’t have to be this ideological battleground at all. We reframe this as a process problem and actually show people how to work within a coherent system. So that’s how things happen at the city/municipal level, sometimes county, sometimes state in a few cases.

Then, in our neighborhood work, which would more classically be the site of traditional community organizing, in these two neighborhoods of concentrated poverty it has been about organizing the institutions, the city agencies, to again look at the reality in a common way, mobilize residents of the community — not in opposition, but in aspiration: What are the things that most need attention here and what are your ideas and what are you willing to work on together? It actually takes a very different approach that doesn’t assume opposition; it assumes confusion. I think that’s where we’re getting some traction.

WILL HAUGHEY: In our context in Honduras specifically, the construct there is the division or the gap between rich and poor. Specifically, what you have is an elite class of incumbent entrepreneurs who have dominated industry. As a result, you have a family that runs this and a family that runs that. Those T-shirts and those socks that I mentioned, those are driven by two or three textile manufacturers in the country. And
you’ve got the family that essentially manages the banana exports.

The manufacturing environments in Honduras are harsh — that’s probably the best way to describe them — which means that if you take a job at a manufacturing facility, a couple of things we noticed early on.

One was there’s no guarantee of work for twelve months of the year. A lot of these businesses are seasonal. Agriculture is inherently seasonal. So there’s no guarantee of work for twelve months, and there’s no emphasis or concern for that continuity.

Secondly, there is next to no emphasis or focus on personal development of your employees. The traditional factory in Honduras is sizing up its potential employee base, finding people for certain levels of work, and asking them to essentially repeat their daily process, hopefully faster and faster each day.

So as we thought about that, we thought — as I mentioned earlier, we were thinking about depth of impact. So how do we challenge — if that’s the sort of status quo, how do we challenge that?

Our perspective was we want to provide work all year long. I’ll talk more about that at some point, maybe in the conversation with regard to — we have a very seasonal business. Toys primarily are sold during the holiday season. We have to counteract that, and we are taking measures to do that.

We also have to raise enough money that can sustain us to be producing all year long even if we are not selling as consistently all year long.

But probably most important is we are significantly focused on personal development through really teaching and training world-class manufacturing practices to our team. What I mean by that is today we have eighty-seven workers in the factory. What we are trying to do is to bring a culture to the factory which says: “Actually, we are treating you as eighty-seven problem solvers. So each of you is stationed in a certain area and each of you has certain responsibilities. However, you, as you become an expert in your area, actually have the best eyes and view towards how to improve the way that we do things.” If you were to compound that across eighty-seven workers, all of whom have a similar sort of attitude towards that improvement, what you can begin to do is mobilize an army of efficiency.

In the process, yes, you can look at it cynically and say, “That’s just going to accrue to the bottom line.” But the reality is what we are trying to do is create jobs and sustain jobs. Our requirement, because of the way that we think about creating social change, is we have to compete — we have to compete with China, we have to compete with the States, we have to compete with Europe. Competing is, on a global scale from a toy perspective, incredibly difficult.

So the way that we think about it is we brought an interest in sustaining and supporting the annual employment mandate, if you will, and are just going out of our way to make that happen.

Then, secondly, we think about how do we actually bring dignity to the work by saying, “We’re not actually asking you just to be here in the process. We want you to be here and to use the brain that you have because it’s real and its good, and there are some things in there that can help you develop as a person and ultimately will benefit the others around you.”
So our perspective would be — one of our goals is to become the employer of choice in Honduras. We’re a little bit different than Google would be in the States, in terms of the aspiration of working in a place like that. But this is a different approach and a different thought process in manufacturing, which we think is tremendously attractive. We are seeing that with the retention among our workers.

I would just put forth that what we are trying to challenge is the way that people approach the process of employing manufacturing workers. Our hope, I guess, is in the end that we develop leadership which helps an individual flourish from what would otherwise be a base-level job into somebody who could one day run the factory or run another factory because of the skills and opportunities they’ve been given.

DAVID ELCOTT: That’s cool, both of you.

I’m thinking about cross-sector building. We think generally — and you actually responded to my saying, “Well, there’s this group and there’s that group” — but you’re really both thinking cross-sector, which means a lot of collaboration. It means working with different cultures and different groups. Both of you are doing that.

You didn’t mention the side of where do you get your trees from and who are you working with in getting the trees and what are the government agencies with which you are dealing, which is similar to you. And you spoke a lot about actually the individuals who are participating with you.

So let’s talk about cross-sector. Let’s look in the future at your own work, but also what you are seeing when you look out in the field, the normal divisions. Are you not-for-profit, are you for-profit; are you government, are you nongovernment; are you union or are you the boss? So you are trying to cross a lot of these boundaries. I think that’s really great for us to listen about, both what you are doing and what you see when you look out there that you think is really the future for us.

ROSANNE HAGGERTY: I think you are absolutely right, David, that the future is about boundary crossing and interdisciplinary problem solving. I think the world really is kind of dividing into who are the problem solvers and who isn’t stepping up.

For instance, we were just launching a new national effort last week in Washington, called the 25-Cities Initiative, which is about helping twenty-five major cities to get to zero veteran and chronic homelessness by December 2015. We had teams from all of these cities there.

I was thinking at one moment: We are in a new world. Very few of those people would have been at a meeting I would have attended for most of my working life on homeless services. It was the VA medical directors, it was the heads of housing authorities, it was philanthropists, it was people from veterans’ organizations, it was not-for-profits, it was people from mayors’ offices.

We spent most of the presentation training them in facilitation skills, how to use data, how to actually introduce process-improvement techniques to the work they were doing in their municipalities, and very consciously, in ways of positive competition — like “Okay, if Los Angeles is willing to take this on, Houston, step up” — that kind of interplay and forming a learning community like that.

I think that that is a model of the kind of problem solving and ways groups need to organize in the future, that what matters is do we have contributing citizens, do we have communities where children and families can flourish? It really is going to matter less
“Do I work for the government, do I work for a not-for-profit,” but are you in on the solution?

WILL HAUGHEY: So at a base level, just by virtue of the way that we operate, we are a global entity.

So we import magnets from China. These magnets are only made in China. That’s what we use in our toy. We import them from China. We order hundreds of thousands of magnets from China.

David, as you mentioned, our wood sourcing is very deliberate. We are working with wood-cutting cooperatives who are based in fairly remote areas of Honduras with limited infrastructure, trying to ensure that the wood that we are sourcing is done in a responsible way.

We participate with an NGO called Trees for the Future, which facilitates replanting in Honduras in areas that have been wiped out or devastated. In fact, if you were to look at any of our toys, you’ll see on the box that there is a certain number of trees that we will plant in recognition of that toy being sold. I think we have now planted well over 250,000 trees in Honduras. We don’t have the capacity to do that ourselves in terms of time, effort, and energy.

We don’t interface much with the government, except for the fact that — and I think this goes to your last question — Honduras is trying to cultivate and support export-oriented businesses. We accrue the benefit of operating both tax-free in terms of imports and also income tax-free. That’s really important.

It is, again, easy to look at it cynically and say, “Well, great, so you’ve got low-cost laborers and you’ve got no taxes and you’re exploiting this wood.” I think the flip side of it is actually, in terms of foreign investment in Honduras, it’s the most dangerous country in the world right now in terms of the homicide rate, outside of war-torn nations. A lot of the drug trade has moved from Mexico down into Central America.

What does that mean? Foreign direct investment in Honduras is, let’s just say, not attractive pretty much to anybody. We have made a stake, we have made a claim, which is: Okay, we’re going to go in and make those investments. I am appreciative of the government’s stance, which at least helps us have a fighting chance, if you will.

As I think about cross-cultural, one of the most significant cross-cultural divides that we have within the toy business is — I actually work in the U.S. offices. We are based about forty minutes from here in Darien, Connecticut. Darien, Connecticut, has a median income of well over $200,000, average home price I think above a million bucks. You’re talking about an extremely privileged area.

When you go to Honduras — I’ve already mentioned the stats on some of the challenges and struggles there. So I can leave my home in Fairfield County, Connecticut, in the morning, hop on a plane, and be in Honduras in the middle of the day. The extremes that we’re traversing are significant.

The last thing I’ll mention — and those are economic extremes; there are obviously others — is we believe in the potential of the Honduran capacity, their mental and intellectual potential, which means that the things that we are trying to do in the factory I think most people would say, “You’re wasting your money, you’re wasting your time.”

The emphasis and focus on process improvement, which is pretty much religion for us
within the four walls of the factory, is also focused on things like machine automation. So what are we doing? We are working with folks from Stanford University and other places who are excellent when it comes to engineering. We are focused on developing automated equipment, which will be produced in North Carolina and any other number of places.

I think the point is all to say that what we are doing would be absolutely impossible without actually leveraging the expertises of hundreds of entities around the world, not just in our local context. We do that every day with the fact that we've got ten folks up here in the Connecticut office and eighty-seven folks on the factory floor in Honduras and, somehow, it is one team.

I think we wouldn't have a shot at survival had we not drawn upon and borrowed from a lot of these opportunities and entities that are willing to engage with us and help us, as I said, have a fighting chance.

DAVID ELCOTT: So it’s 11 o’clock at night, 12 o’clock, 1:00 in the morning, and you’re thinking about technical things you need to deal with — payrolls and buildings and permits and things like that. But there’s also a piece of you that is saying, “Is this enough, what I’m doing? I’m dealing with housing, but what about criminal justice reform, which is connected to homelessness, or mental illness? Or if I’m going to find ways to automate, what happens to the workers, and what about the workers that can’t work any longer, they’re getting older, and what happens with them?

What’s the other part of you that is between what you’re doing, which is extraordinary, and, as you said before we started, you’re about changing the world. It’s not just about getting an apartment built; it’s changing the world. So how do you deal emotionally with the potential burnout? Its 1:00 in the morning and you’re thinking about the people that you haven’t been able to reach.

I didn’t prepare them for that question either.

ROSANNE HAGGERTY: I think that’s where your faith comes in. We’re all here to do what we can and to keep looking for the places we can make the most impact. I think it’s really important to surround yourself with colleagues, board members, who are strong allies, who share your vision and values and bring different skills and ideas that you can learn from. I think that combination of just trusting that you’re going with the right questions and surrounding yourself with good people.

WILL HAUGHEY: Yes, I would agree with that.

I would also add that I think in those 11 o’clock-at-night or 1:00 a.m. moments, you also kind of come to the end of yourself. You’re tired, you’ve put in a really hard day’s work. You have a mission or a vision that you are fighting for and you fought all day to make it happen, and it’s not exactly happening the way that you may have planned it.

And then, of course, you are reminded in those moments that there is so much other work to be done, I think, as well. I think that I gain sanity around that in just sort of recognizing also that this is the path, this is the opportunity, that my life’s experiences has afforded me to do.

Rosanne, yours is different, but yours is bringing together the culmination of all those experiences and opportunities.

I think that there is a certain benefit in just sort of humbly recognizing that we are still
fighting. We want to change the world, we absolutely want to change the world, we are driven to change the world. At the same time, if we can’t be faithful in the small things and get them right, then I think it is very difficult to aggregate change.

So I think being dependable for the people that you work with, and being reliable and being available, and thinking not just about the mission but also about the people involved and the fact of they are human as well — I think that aspect is comforting when you realize that you have come to the end of yourself and you say, “Okay, but there’s so much more for me to do.”

It has been helpful to me to know that personally and individually I am not going to change the world on my own. I have been given a passion — I have a passion — for particular change in a certain way. I think the greatest thing I can give it is focus. Alongside that, just remaining open to what comes your way. I think, for the first two years, I was so head-down in what I was doing that I really didn't make time for much else. I tried to make some time for my wife, who is here in the audience, tried to keep some semblance of normality.

But I was very convicted at one point that I was closed off to my time. I think I realized in that moment: You know what? I need to let it go a little bit and I need to let that person, when he emails me and I have no idea who they are, or this individual who wants time with me to talk about their project, to actually say, “Excellent, I’m in. I’m going to be focused on you. I’m going to turn off my phone and I’m going to listen to what you have to say.”

DAVID ELCOTT: We have some questions that you’ve asked.

Rosanne, this is a question for you about the American welfare system and governmental intervention: “Is it working? Is there enough there? Are there ways that it could be more supportive with your work and in the larger scheme of the governmental role of welfare?”

ROSANNE HAGGERTY: I think it’s clearly — or perhaps not so clearly — not working. I don't have this magic bullet answer, but I just have some observations. I think this is an area where we just need a total rethink.

When you look at, say, the neighborhood of Brownsville in Brooklyn, where we have one of our neighborhood projects, and the amount of public resources that go into incarceration, child welfare involvement, subsidies to public housing, extra policing, transfer payments for welfare, and you see the kinds of heartbreaking challenges generation after generation that result, it’s causal to some degree.

It’s just like: What are we doing? We are spending so much and getting so little in terms of people whose lives are better and people whose ability to really look forward to the future and contribute to our communities. That is, I think, all the proof point we need that we’ve just got to rethink this from an opportunity standpoint.

What my colleagues and I increasingly see is the welfare system as designed is about punishment and punishment. What if we were to say: “How do we take the barriers out of your path? What’s blocking you from being able to participate in the opportunities and aspirations that so many people in our country are able to share?”

That is, I think, the direction that we really need to move in our thinking about welfare. Just like what is the point of it all? Is it just to keep people from actually dying? Or is it actually to help people live a good life, to get them to a point where they can actually be in
the game?

Welfare as it exists, yes or no? It’s more complicated. I think we have to really start with what are our intentions. If it is to have more people actually able to contribute, then we clearly have to redesign it.

DAVID ELCOTT: Thank you.

Will, for you: “On the nexus of philanthropy and business, do you see philanthropic activities as part of the scope of your business? Would you ever consider employee buy-in options for your business; and, if so, would you ever consider divesting your ownership to the employees or Honduras?” Let’s just say employees. I’m not sure about Honduras.

WILL HAUGHEY: It’s a great government.

We are externally funded by investors who are expecting a return. As one of the founders, I am a meaningful owner of the company. We offer stock options to our employees both here in the States and in Honduras. We have not rolled out stock options to the broader base of workers yet because I don’t think we’re there yet.

We have, however, set up a matching savings program for our workers to help them begin to set aside some of the capital financially.

There are some great business models out there that have done this very well. There’s a business in India called Bab ABO [phonetic], which has done, I think, an excellent job with essentially democratizing the ownership of the organization to the rural poor. That is a real model for us to pursue.

I remember reading, when I was working on Wall Street, a story about a manufacturing facility in America. They had an employee stock ownership program, but nobody knew how to calculate their own ownership value. It struck me that that seems like such a missed opportunity.

So I think where we are is we kicked off our savings program for our employees, which basically gives them access to a community bank, which allows them to get preferential rates of return and allows us to match basically savings they set aside. Call that baby step number one.

I think if we do it the way that we hope to — we have to maintain this balance between return for our investors, and ultimately they have been very patient. We have had a lot of stumbles along the way and a lot more capital was necessary for our project than expected. So we want to honor them and appreciate them and provide a return for them, and at the same time, in the same breath, we want to honor our workers and provide opportunities for them to materially participate in the blessing really of profit.

So we will do that. I think it is just a question of administrating it in a way that is effective for the context of that worker base.

DAVID ELCOTT: Rosanne, for you: You’re speaking about an enormous amount of collaboration. What strategies have you found to be most successful in engaging the neighborhoods, the communities, the people, in the mission of your organization? I don’t know whether that was when you were first building, when you had your own orbit. Now how would you, in terms of your advising, talk about the traditional organizing of the people where the facilities are going to be, the people who are themselves going to be housed there? What’s their role?
ROSANNE HAGGERTY: We have a way of approaching all of our organizing, which begins with: Who are the leaders here — not necessarily just the people who have a leadership title, but who is actually getting stuff done? Who are the folks who know everyone who lives in their building and who the homebound people are? Who are the folks who actually volunteer at the local school? Who are the folks, if we are looking at our national work, who are putting their hands up and curious and know that things can be better, kind of the early adopters in that sense? So we are always looking for those people when we start, and the people that those people know, and to kind of build from there.

We pay attention to the formal leaders and are respectful. But we’re looking at who’s ready to get stuff done together. Then we look to create momentum and proof that things can be different, and then look for that next wave of people, who are maybe hesitating but realize that something may be up.

I think throughout just have an attitude, which is everybody is welcome at the party. We’re not going to wait until there is consensus about what to do, we’re getting started, but everyone is welcome to jump on board.

What we have found in our neighborhood work — and this is true in our work with the homeless too — is that to get the right things done you have to be looking for another group, which is who are the least connected, who are the most vulnerable, the ones who don’t know anybody, who have been homeless for ten years and under the bridge, or people who have multiple challenges and little support.

We find to actually get a situation moving in a new direction when you have people organized that it is actually very powerful to start with the problems of those and the challenges and the barriers of those who are most left out. So that’s how we go about it.

DAVID ELCOTT: One of the questions here is about privilege. We are sitting here. We are privileged, we understand that, in terms of the lives that we live. The question is about the negative aspects of privilege. They ask here, when privileged people enter the world of change, how do they enter it? Who are they when they enter it? You mentioned going to third-world areas, volunteerism. Do privileged people have to change themselves if they are going to really be effective in changing the world? What about us in the ways that we engage the world?

WILL HAUGHEY: I think clearly there is a challenge there, there’s just no question. I feel funny when I leave Honduras and I arrive at LaGuardia and I go to Connecticut, wake up the next morning, have a high-end coffee, and go to a beautiful office — it’s industrial; it’s not like totally beautiful like this.

But I’ll go back to something I mentioned earlier, which is that my faith plays a big part in this. Tegu is a toy company, it’s not a Christian company, but my brother and I are Christians, as I mentioned.

Our purpose statement, which I didn’t state before, was “Out of God’s love for humanity, Tegu exists to bring hope, purpose, and opportunity to the people of the developing world through the creation of enduring commercial profit.” That’s a mouthful.

But the point is to say that my measure that I aspire to is the behavior and activity of Jesus Christ, who, if you know about him, have read about him, laid down his life for the least of these.

I think that that’s a driving motivation for me, which is that when we enter the context
actually listening, as opposed to speaking first, and offering somebody the dignity of learning their name and calling them by their name and thinking about their contributions as valuable as your own, is a process that requires work.

We in the privileged parts of the world have figured some things out — obviously, privileges come from somewhere. So I think at some level humbling yourself to the point of saying, “Yes, we’ve been blessed, yes, we might have some ideas or some answers, but we don’t have them all.”

So I think that it is a daily challenge. But it is ultimately: Do you value yourself more highly than the least of these? I think if we are able to really critically grapple with that question, I believe our ability to engage those less fortunate, those less privileged, dramatically increases. That would be my hope basically, that, whether it’s the model of Jesus Christ or any number of other great motivating factors, I think that there is an aspect of the privileged humbling themselves to the point of saying, “I’ve been given a lot of what I’ve got and I’m just going to listen, to hear what you have to say, and I’m going to treat you as an equal.”

**ROSANNE HAGGERTY:** Probably, to echo Will, always being mindful of one’s world view being shaped by life experiences that are different from those of the people whom you are encountering in any context, not just the residents of Brownsville’s public housing developments, but the guy who’s running the VA medical center in San Diego. I have learned that you can’t actually work with people if you don’t like them and listen to them, wherever they are coming from.

A lot of really important collaboration gets blocked through the assumption of like “Oh, I’m white working in a black neighborhood,” or “I’m housed and you’re homeless.” The only way I have found to overcome it is just be interested in people, genuinely interested in people, and ask their name.

**DAVID ELcott:** Stupidity. You meet stupid people. I don’t mean stupid as unintelligent, but they are self-protecting, they are closed in bureaucracy, they are unwilling to see things differently — that whole list. When I teach, I have a list of forty ways to shut down conversation that people experience. What do you do with that? Like you’ve got this vision, you are collaborative, you are going to — and you are meeting people who just are not there.

**ROSANNE HAGGERTY:** I was at that meeting today. [Laughter]

**DAVID ELcott:** So what do you do? What do you do inside and then how do you expand, or do you just push them to the side, or other options?

**ROSANNE HAGGERTY:** Well, it’s usually good to just be building your community of allies and to have — obviously, what is the thing that I can do to move forward regardless of this block in the road?

There are absolutely true ideologues whom you are just not going to get anywhere with. It’s just like, “Oh, thank you, catch up with you later.”

For instance, I actually had two situations today. I think you’ll agree that this is not about bad people being ferociously obstinate. They’re just kind of working in a different model.

We have five families who have been in shelters for over a year that we are working to get moved into five apartments which are available at this building in The Bronx.
The first agency person said, “Well, it’s actually her at a different agency who has to approve that.”

I called her. She said, “It’s actually her at a different agency who has to approve that.”

When I reached her, she said, “Well, it’s actually the first person who has to approve that.”

Now, I don’t think any of those folks actually were trying to keep five families in shelter another day. But they work in a system where all of them have something to do with it and nobody knows what her real scope of authority is.

Yelling isn’t going to — I said, “All right.” So what do you do? You start cc’ing all three of these folks on the email and just walking — it takes more time than it should. But I think no one is not wanting the right thing to happen. No one wants to take the risk of being somehow the one who got it wrong and gets blamed. So you’ve got to organize to amortize the risk. Like “It’s my name on it. I’m the one who’s pushing this.”

We have a project in Hartford we are trying to get funded. It needs five different agencies to collaborate. If you meet with all five separately, the same thing will happen — “Well, I'll put my money in if he puts his money in or she puts her money in.”

Today was the meeting. I said, “We’re going to have one meeting.”

They’re like: “What? But that's not the game we play.”

“We are going to have one meeting.”

They said, “You could get your head cut off.”

“Rather that than death by a thousand cuts. We are going to get everybody together and just see how it plays out.”

That’s how we usually try to cope with it.

**WILL HAUGHEY:** Just briefly, I would mention I think two things.

One is we have encountered innumerable obstacles in our quest to build the world’s most innovative premium toy company. Plenty of things have stood in our way, and absolutely I would characterize many of them as stupid. I think along the way also what we have realized too is it is very easy to treat people as objects.

I think that, to your point, Rosanne, those individuals were all trying to do what they thought was right according to their mandate. I think, generally speaking, people are operating according to the mandate they believe that they have been given.

So I think there is an aspect where providing the individual or the person or the institution specifically the reality that they are human, that they have thoughts and emotions, feelings, that those thoughts, emotions, and feelings are just as legitimate as your own, is I think a critical part of it.

So I would say it’s double-edged. One is you’ve got to be able to recognize this is an obstacle, it’s going to tie up an enormous amount of my time. It’s time to just drive off the road and come back on the road and just get around it.
And, at the same time, there are absolutely moments where I think engaging what would be otherwise the obstinate or the difficult or the impregnable and saying to them, “Listen, we understand what you’re trying to do. We too are trying to do certain things. We want to respect and honor the things that you are passionate about, and we would appreciate the same in return. Let’s basically level on that basis and then let’s see from there if we can begin to inch towards one another in terms of next steps.”

**DAVID ELCOIT**: It’s wonderful to be in a city as an academic that you can use the “G” word publicly and talk about God. I really appreciate both you and the setting in which we can do this.

There is an ancient Jewish tradition that is remarkable in its connection to contemporary astrophysics. You may have read in the last week about they feel that they have found the waves of the moment after the moment in which universes came into being.

There is a Jewish tradition that says exactly that. But it says what happened, not so strange from the astrophysicists who have given us this description of the beginnings of existence, is that the tradition is that the divine presence was so extraordinary that it literally shattered any vessel that could contain it, and that the shards of God’s presence were scattered across the universe, and that the role of human beings created in God’s image is actually to spend your life picking up the pieces of the divine presence, those broken shards, and when they are ultimately all picked up, the imperfect broken world in which we live will be perfected.

All of us have that task, and periodically we get to meet people whose bag of shards that they are collecting is heavier perhaps than the ones that we are collecting. I feel that that was an opportunity for us both to experience that which you do and to perhaps be inspired, motivated, and more capable of our joining you in finding a few more of those shards of divine presence that, if we just work a little harder and we all are on this together, we actually could help to perfect the world.

Thank you both so much for all that you gave us tonight.

**JAMES McCARTIN**: That was an ending that I could not improve upon, so I won’t try.

Thanks to all of you for coming. Thanks again to our wonderful guests.

Allow me to point out something to all of you. On the back of your program tonight there is an invitation to the Center on Religion and Culture’s next event, Monday, May 5, featuring Cardinal Walter Kasper, who will be talking about his book *Mercy: The Essence of the Gospel and the Key to Christian Life*. Please join us that night.

Thanks once again. Good evening.

[Adjourned: 7:30 p.m.]