

The Thomas Willis Lambeth Distinguished Lecture

Extreme Inequality – Is It Really a Problem?

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*Extreme
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Let me start with a statement that showing up and just “being there” is very important. “Being there” when someone needs you is not a master plan for life, but instead a recognition that your greatest contribution, your greatest influence in the world, will happen when you least expect it, in the course of an ordinary day. People in need will call on you unexpectedly, and if you are there to answer that call, you may accomplish something that you never expected to be able to do.

I didn’t know Tom Lambeth when he worked with Terry Sanford and Rich Preyer. I was much more fortunate: I got to meet him after he became the director of the Z. Smith Reynolds Foundation. I like to say he had already taught and learned from these great masters, so we didn’t have to duplicate that process: we could just go straight to him and learn. Tom has heard me tell about my first contacts with the Foundation so many times that I hear he now tells the story himself.

Some of you will be old enough to remember the November 1979 shootings that took place in Greensboro, my hometown. Five activists were killed by Klan and Nazi gunmen. At the time I was in my last year of graduate school and law school, and I needed to find out what the heck was going on back in North

Carolina. I had already decided to come back to North Carolina to work on issues of poverty and race.

So I jumped in my car and drove from Connecticut to North Carolina. Let me paint an image for you: My car was a 1965 Buick LeSabre, which was about 30 feet long. The back window had been knocked out, so I had covered it with cardboard; it looked like a pirate's patch. The drive shaft was held up with a coat hanger. Because I couldn't always turn the car off, I had two sets of keys so that I could leave it running and still get back into the car after I locked it.

Friends from law school drove with me to North Carolina, and we met with Greensboro leaders. We marched in downtown Greensboro in solidarity with the slain activists, saying that never again would we permit racial violence to take place without standing up and raising a voice.

A few months later, my wife Bonnie and I would move to North Carolina and start Self-Help. While still in graduate school I wrote the first grant proposal to the Z. Smith Reynolds Foundation and the Mary Reynolds Babcock Foundation in Winston-Salem. The proposal actually had the following subtitle: "How to Reconcile Socialism and Capitalism." A title like that takes some hubris. I've become a lot more humble over the years, but I didn't start out that way.

A few weeks later I visited the Foundation to present our plan to help set up cooperative, worker-owned businesses all over the state. Tom and the other Foundation staff members asked, "Who is on your board of directors?" I named five friends who had attended Davidson College with me. They were not impressed. Tom next asked "What experience do you have?" And I said, "Well, I don't have any experience. Like anyone who is doing their first job, I will have experience. But I don't have it yet." And on and on. I thought Tom and his colleagues were the most cynical human beings on earth; they didn't understand that you have to start somewhere. The grant was not approved.

A year later, I thought I had the grant-seeking process figured out. By that

time we were working in four or five communities across North Carolina to start worker-owned businesses. Four of us were working at Self-Help with virtually no budget, no salary, no anything. I went back to the Foundation—this time wearing my one and only suit—and I asked for a modest \$15,000 to pay for one staff person to work in communities.

I thought I had a great interview. I was feeling good when I left the Foundation office, until I started looking for my car keys. I patted both pockets, but couldn't find my keys. I went over to my little blue Volkswagen bug and looked in the window. And, sure enough, there were my keys hanging in the ignition with the doors locked. So I had to decide: Do I break out the window, escape with my pride, but then pay someone \$75 to fix the window when I get back home in Durham? Or do I go back into the Foundation and confess, "By the way, I just asked you to give me a big grant, but I am basically incompetent."

The choice was easy. I went back inside the Foundation and found Joe Kilpatrick, the ZSR Foundation Assistant Director, who had been in part of the interview with me. I said, "Joe, not only do I want you to help me, I want you to give me the keys to your car." Against all reason and probably against his better judgment, he let me borrow his car so I could meet my wife halfway from Durham, get an extra key to my car, and return to the office with Joe's car. Everything worked out fine.

Believe it or not, even after that, the Foundation awarded us the grant. So about a month later, I had a chance to ask Joe why we were successful on this second request. "Was it that our writing was so good? Were you impressed with the projects we were working on?" And he looked at me and paused for a few seconds before saying, "No, it wasn't any of that. The truth is that the board was afraid you might starve to death if we didn't give you this grant." In essence, it was a "pity grant."

Inequality and Trusteeship

I would like to make two overview points on inequality. First, one can be passionately opposed to extreme inequality without being in favor of perfect equality. In my mind, perfect equality in wealth isn't a coherent concept unless you are talking about equal opportunity. And the concept of equal opportunity has its own problems, because it can be used as a palliative to accept deplorable conditions. Two people who receive identical salaries will accumulate different amounts of wealth over time, depending on how much each one saves and how much each one spends. So with any particular snapshot of wealth you can't necessarily say that the result is unjust or is fair.

The great abolitionist Frederick Douglass understood this very well. In one of the greatest speeches of all time, delivered in 1880 while celebrating emancipation in the British West Indies, Douglas railed against slavery and the intentional subjugation of former black slaves, mostly through credit, as credit was being used to keep black people in perpetual debt. In that speech, Douglass spoke the following powerful lines:

“Pardon me, therefore, for urging upon you, my people, the importance of saving your earnings; of denying yourselves in the present, that you may have something in the future, of consuming less for yourselves that your children may have a start in your life when you are gone.”

Here is the most powerful part. Douglass says,

“With money and property come the means of knowledge and power. A poverty-stricken class will be an ignorant and despised class, and no amount of sentiment can make it otherwise. This part of our destiny is in our own hands.”

When we talk about inequality, both conservative thought and liberal thought have a contribution to make. It is simply true that personal choices make a difference

for a family's financial position. But extreme inequality is almost always a matter of public policy. Choices made by individuals and families are not nearly so important.

My second overview point on inequality—and this one will sound abstract—centers on the concept of trusteeship. My belief is that trusteeship enables us to reconcile an unequal world.

Twenty-five years ago, on the tenth anniversary of Self-Help's existence, I gave a speech at our annual meeting that started with the following questions: "If I were to die tonight, who would take care of my children? Who would take care of my elderly parents? If I were to give you all of my resources, would you be my trustee?" These were not academic questions for me. My son was five years old, and my daughter was three.

Because Self-Help is a financial institution, we have a fundamental understanding of what trusteeship means. We have depositors and granters who give us resources not for my or Self-Help's gain, but so that we can use those resources to help children and families prosper in the world. These funds are given to us in trust. At that meeting 25 years ago, I was asked to look forward 10 years. Here was my prediction then:

"Distribution of wealth will be the single greatest economic challenge of the next decades. If we don't address the increasing maldistribution of wealth, there will be frustration and violence in the streets, and a dangerous future will become inevitable."

If you think those lines were prescient, listen to this. I said, "A society that puffs up and worships a Donald Trump hot-air balloon will eventually witness an explosion." So he was on the scene 25 years ago, and he was a windbag even then.

When less than one percent of the population owns 90 percent of this country's financial wealth, there is something wrong. When African-American families have one-tenth the wealth of white households, there is something seriously wrong. When 60 percent of black households have zero or negative cash

wealth, there is something tragically wrong.

How does inequality relate to trusteeship? My belief is that our time, our talents, our possessions—no matter how large or small—are merely short-lived gifts. We are only here on this earth for a short time. I'm not really disturbed that our gifts are distributed unevenly, at least, not to a certain degree. If each person had to give up one brain cell to create an Einstein who could make discoveries to benefit the whole world, I would vote in favor of that inequality. Einstein would be deploying his genius as a trustee for humankind.

But a trustee has an obligation to use resources for the greater good. Inequality stems in large part from a widespread cultural distortion that allows a trustee of resources—a bank, a corporation, a government, a university, a foundation, a nonprofit, an individual—to use or squander those resources at will for their own benefit.

Trusteeship is also the concept that links environmental and economic justice movements. Environmentalists recognize that key individuals in our generation are the trustees for the generations that follow, for the very future of our earth. The resources of clean air and water require stewardship beyond all others. Those entrusted with great personal resources—whether beauty, money, creativity, or power over the air and water—are trustees for those gifts.

When I was a practicing lawyer, I had a friend and client who inherited ten million dollars. With my Baptist upbringing, my first impulse was to say, “You should give it all away.” But that wasn't the only moral option or even necessarily the best option. My conclusion to my friend and client was, “If you take that money and use it as a trustee for the benefit of humankind, then you can basically live a moral life—even if you have resources far greater than someone next door.”

My view is that every child has a basic human right to food, clothing, shelter, and an opportunity to strive for his or her dreams. Every person, rich or poor, is a trustee for ensuring that those rights are guaranteed. To sum it up: the larger our personal resources, the larger is our trusteeship opportunity.

Overview of Self-Help

My goal is to provide a very brief overview of Self-Help, then offer a look at U.S. income and wealth inequality, and how that plays into the today's economic disparity. I'll end with some lessons learned.

Self-Help has four different pieces that tie together.

- Self-Help Credit Union grew literally from a \$77 bake sale to slightly more than \$670 million. Our mission is to make loans and do work that expands economic opportunities, especially for people and communities that have been underserved by conventional lenders.

- The Self-Help Ventures Fund is an affiliate that has a billion dollars of funds that we lend for all kinds of purposes. It's a nonprofit 501(c)(3) that manages Self-Help's higher-risk business loans, real estate development and programs related to buying and selling home loans.

- We set up Self-Help Federal Credit Union in 2008, primarily to build relationships on the West Coast and in Chicago. Much of that work focuses on helping black and Latino communities that were destroyed by the financial services industry in recent years.

- In 1998, we started the Center for Responsible Lending and formally incorporated it in 2002.

CRL grew out of our personal experience with low-income homeowners—some of whom were our borrowers. We witnessed low-income borrowers being cheated out of the equity in their homes by means of outrageous refinance loans by unscrupulous subprime finance companies. At the time, I vowed that we would either stop this predatory lending, or we would have to stop Self-Help's homeownership and community development lending.

To make a long story short, we put together a coalition in 1998 that helped North Carolina legislators pass, almost unanimously, the first anti-predatory-

lending mortgage legislation in the nation. The bill was modest, but it cut out a number of the bad lending practices that were destroying families, communities, and homeownership.

Let me give you some examples of Self-Help's work. Self-Help's first project was helping a group of black textile workers who had been laid off from their jobs. They wanted to start a bakery, but neither they nor we could find a bank in eastern North Carolina that would lend to them. To raise funds, we raffled a chocolate cake from this startup bakery, which provided the first \$77 for Self-Help Credit Union.

Today Self-Help has about \$1.8 billion in assets, and we have made almost \$7 billion in loans. Basically, we made a big bet at the very beginning: we bet that poor people would be a better credit risk than rich people. In our first ten years, we made more than \$100 million of loans to single African-American mothers who used them to purchase their first homes.

My banker friends told me, "Martin, you can't make loans to people we don't make loans to. You're going to lose your shirt. You're crazy." They had banking knowledge that I did not have. But I had something that my banker friends did not have: I knew the families we wanted to serve. I grew up in a black neighborhood and played basketball with my friends every day. I ate dinner at the tables of single African-American mothers in the neighborhood where I lived. One thing I knew for sure: if these women had the opportunity to buy a house with a fair loan, they would do anything to pay back that loan.

Another major Self-Help project was the American Tobacco Campus in downtown Durham. Self-Help financed this project with the first new-markets tax credit loan in the United States, a loan for \$41 million. Before American Tobacco, the largest loan we had ever made was \$5 million—which seemed especially big for a group that started with \$77.

Self-Help has helped finance other major downtown buildings. One example is the eight-story Generations Community Credit Union, which helped bring

together black credit unions from across the state. Another is the original Latino Community Credit Union headquarters: we purchased the building and helped them get started. Yet another is Self-Help's own Durham headquarters building.

Currently, we're working on a development in Greensboro called Revolution Mill, renovating old abandoned textile mills near the downtown. Also in Greensboro, we are working to put a new grocery store in a black community that has no distribution point for getting fresh, local food.

In the last two years, we have approved over \$150 million of loans for solar energy projects: solar panel farms all across North Carolina create enough clean energy to power more than 100,000 homes in our state, with no negative environmental effects.

Data on Income and Wealth Inequality

Let me show you some data on income and wealth inequality in the United States.

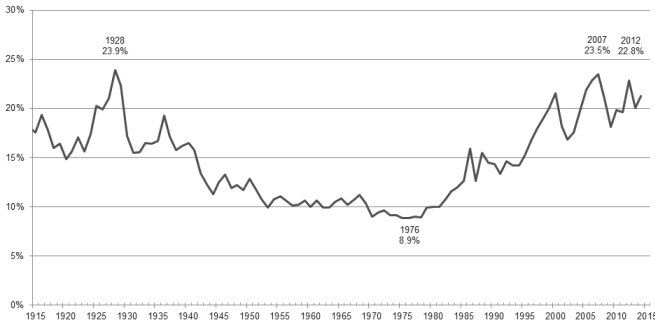
The top ten percent of households in the U.S. have incomes of \$114,000 and above. The top one percent has income of \$394,000 and above. The top 0.1 percent has income of \$1.5 million and above. And the top 0.01 percent—which is 16,000 families—has income of \$10,250,000 and above.

These figures are even more striking when you look at comparable data over time. In 1928 the top one percent owned almost 24 percent of all income in the United States. This percentage decreased after the reforms of the New Deal and the Great Depression, to a bottom of 8.9 percent in 1976. But then something changed, and by 2007 the income share held by the top one percent was back to 23.5 percent. Do you see any similarities between 1928 and 2007? I'm not saying it's causal, but the income inequality peaks of 1928 and 2007 at least suggest that putting huge amounts of income into the hands of a few permits financial speculation that is unhealthy and unstable for the nation's economy.

Income Inequality in the United States



Top 1% income share-including capital gains



Source: Piketty, Thomas and Saez, Emmanuel (2007). Income and Wage Inequality in the US 1913-2002; updated with IRS Income Tax Data & US National Accounts

Creating ownership and economic opportunity for all

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If we were to extend these data to 2012, after the “Great Recession” of 2007 to 2010, we would see that in 2008 and 2009, the top one percent lost some income in the stock market; but that by 2012 the amount of national income claimed by the top one percent was nearly back to the peaks of 1928 and 2007.

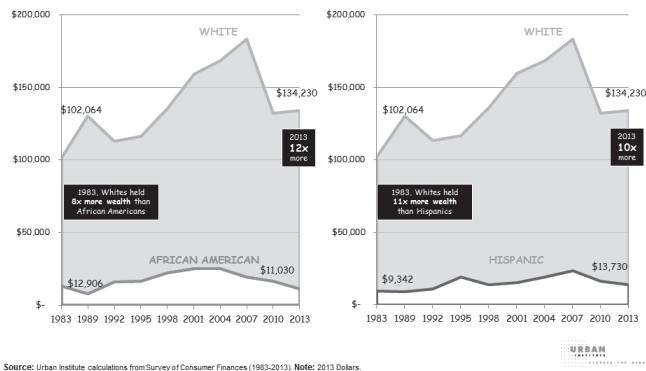
The trend toward greater inequality becomes even more extreme in looking at the share owned by the top 0.1 percent of households. The top 0.1 percent in 1928 owned 11.5 percent of the nation’s income. But in 2007—and now 2012—their percentage has increased to 12.3 and 11.7, respectively. As Thomas Piketty, the French economist, recently observed, the United States is now the most unequal earned income society in the history of the world. Some believe in American exceptionalism, but being first in income inequality is not a distinction we should want.

Now let’s shift from income to wealth. “Wealth” in this case includes all financial forms of wealth except home equity, such as cash, pensions, stocks,

bonds, and others. The top one percent owns 43 percent of all financial wealth in the United States; the bottom 80 percent owns a paltry seven percent. The title of this speech is a bit of a teaser: “Extreme Inequality: Is it Really a Problem?” In my opinion, the answer is “Hell, yes. It is a problem.”

The racial wealth gap has tormented me my entire life. Let’s consider the past 30 years. If we look at either median African-American or median Latino family wealth over that period in constant inflation-adjusted 2013 dollars, we see that inflation-adjusted median wealth for African-American families actually declined, decreasing from \$12,906 to \$11,030, and median Hispanic family wealth increased only from \$9,400 to \$13,000. On the other hand, median white family wealth has increased over the same period from \$102,000 to \$134,000. Today white wealth is 12 times greater than black wealth and 10 times greater than that of Hispanic families.

Median Family Wealth by Race/Ethnicity, 1983-2013 



To me, these figures represent the most socially unacceptable fact in American society, an indictment of a wealthy country. At the end of slavery most black

families couldn't own property. In fact, they were property. So when I look at these figures and consider the last 150 years, it seems that, in economic terms, we have come 1/12 of the way from slavery to the present. Are we satisfied with this level of parity for economic freedom? It's the same story for Hispanic families, who have done a little better in recent years, but again white families have 10 times more in median family wealth. These differences mean that whether to start to start a business, to get a home loan, to go to college—white families have a large head start for running an economic race.

A case study is Ferguson, Missouri, where Michael Brown was shot and killed on August 9, 2014. Ferguson has 21,000 residents, of whom in 1990, 74 percent of whom were white; today 67 percent are African-American. So this is a community that changed dramatically over a 25-year period.

How do we actually get desegregation by race and economics in communities where people live? How does it happen? One clue comes from different perspectives on integrating schools. I've talked to progressive white families who want an integrated school for their children. When I ask them, "What is the ideal level of integration?" they say "80 percent white and 20 percent black." But when I pose the same question to black families, the response I get is "50 percent white and 50 percent black."

Think about what this means. As soon as a school or a neighborhood starts to advance above 20 percent—toward the goal that families of color have—white families begin to get nervous. Then white families begin to withdraw, the demographic balance becomes unstable, and we end up with new segregation like what we see in Ferguson.

Among Ferguson's 21,000 residents, 16,000 have outstanding arrest warrants for non-violent traffic and parking tickets! This is an astounding statistic. Even if the arrest warrants were not racially disproportionate (which they are), Ferguson authorities issued 33,000 arrest warrants in one year, with associated court fees

and fines—more warrants, many more, than the town’s total population of 21,000.

African-Americans in Ferguson have been harassed by a government operating with low wealth and a small tax base. With all these citations, the government was extracting funds from poor people. My prediction 25 years ago was unfortunately right. If we treat people unjustly, eventually we will have what we have seen in Tunisia, Egypt and other countries. If we do not commit ourselves to reduced inequality, we will see violent unrest here. Inequality does not have to go to zero, but civil democracy cannot survive with the level of economic inequality that we currently have in our country.

One more note on Ferguson: Just a week ago, the rating agency Moody’s dropped the City of Ferguson’s bond rating by five notches. The city’s bonds went from investment grade to junk bond status. The moral of this story is that an unjust economy that takes advantage of people who are barely making it will ultimately destroy the economic fabric for everyone in that community.

What makes a difference in closing wealth disparities? One accomplished scholar on this subject is Professor Tom Shapiro of Brandeis University. His research has found that 28 percent of the wealth gap variability between black and white families is tied to how many years each family has owned a home. The second largest factor is household income. It is not surprising that family income influences family savings and wealth, but it is surprising to some that homeownership is 50% more significant in explaining racial wealth differences. A college education accounts for only six percent of the difference. That’s distressing to me. Unemployment explains five percent of the difference.

Hence, we know that homeownership is important for the wealth-building of all families, regardless of race or ethnicity.

Let’s look then at the change in homeownership rates by race and ethnicity of households. Before the housing crisis of 2008, the rate of homeownership for African-American and Latino households had increased to 50 percent, compared to

almost 75 percent homeownership for white families. But by the end of the crisis, the black rate had dropped to almost 42 percent. We lost nearly 20 percent of all existing black homeowners through this crisis. In the seven years following the 2008 financial collapse, over \$500 billion of family wealth was lost from African-American families alone. This period witnessed the greatest transfer of wealth away from black and Latino families in history.

One of the primary obstacles to buying a home is saving enough for a down payment. What cash resources do renters have for a down payment? The median family cash available for a minority renting family to use as a down payment on a home is \$200. For white renting families, the number is not a whole lot more; it's \$1000. This means that if we are going to help people become homeowners, we have to understand that renters are starting with very limited available cash. Even if you consider total wealth and not just cash wealth, the resources available to typical renters are still very small.

For bankers, this represents a market opportunity. When I speak with bankers, my message is that they should focus on homeownership opportunities for families of color not just because it is the right thing to do. Instead, I focus on the demographics of current households; white, Asian, Hispanic, and black, and then examine the projected growth for all households during the next decade, from 2015 to 2025. Seventy-five percent of all new households in the United States over the next decade will be families of color. If we want to be relevant in the marketplace, we have to become more inclusive in our business practices. For some reason, when I appeal to their bottom line, bankers listen a little bit better than if I'm just preaching.

Self-Help focuses on making loans that help low- and moderate-income families build wealth. As a big part of that effort, we set up a program to buy home loans from banks that were made to minority families. We provided financing for more than 50,000 loans, which not only provided home loans for those families,

but also created a robust database to measure trends and results of homeownership for families of modest means. The UNC Center for Community Capital received a grant to study this program over a 15-year period. African-Americans were 21 percent of those who received loans; Hispanic, 13 percent; and female-headed households, 42 percent.

The results from the UNC study are dramatic. For example, for home loan applicants in 2005, the UNC researchers measured the net wealth of both the approved loan applicants and a control group of families that remained renters. Both groups in 2005 had zero net wealth (assets minus debts). The research looked at how each group fared in the years between 2005 and 2012, with 2012 being the trough of housing price declines following the financial crisis of 2008. During those years, the families that had become homeowners built \$38,000 of net family wealth. The families that continued to rent had only \$266 of family wealth.

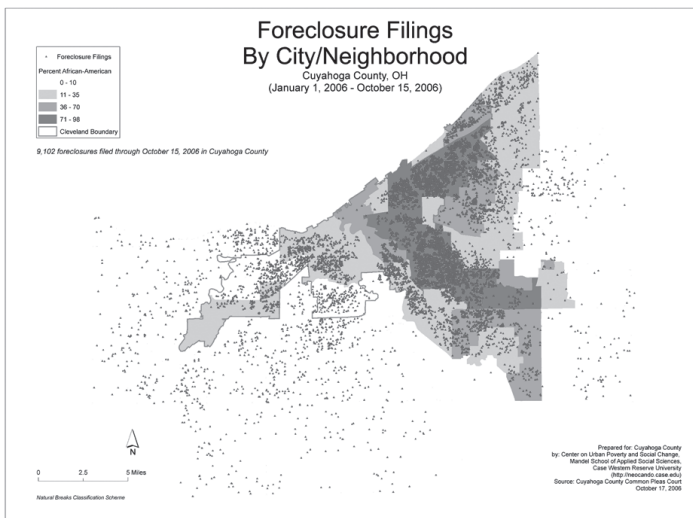
Expanding sustainable homeownership is an example of where policy makes a difference. From 1980 through 2000, most lending sectors were deregulated. Hence, much of the predatory lending activity from the early 2000s was perfectly legal. Self-Help and CRL began working all across the country, trying to pass sensible laws. The national Mortgage Bankers Association said to me, “You caught us by surprise in North Carolina, but we will never let you pass another bill, anywhere.” Our response was, “It’s not because we are powerful, but because you are wrong. In every media market in America, there are thousands of people losing their homes with compelling stories of lending abuse. And we’re going to put the borrowers in front of a camera and a microphone in every city.” That’s what we did. And 30 states passed home mortgage reforms attempting to stop the worst of the subprime mortgage lending abuses.

We were up against a very powerful group of subprime mortgage lenders. These loans typically came with a fixed payment for two years and then the payment jumped by 40 percent at the beginning of the third year. No family of

modest means could survive that product, what we called “exploding ARM loans.” These subprime loans were foreclosure machines. During the subprime boom, 52 percent of all mortgages made to African Americans in the United States and 40% of all mortgages made to Latinos were subprime exploding ARMs.

My black friends would say to me, “Martin, thank God a bunch of white people got these loans, too, or we would have never gotten any notice.” In absolute terms, the largest number of families that were hurt by these subprime mortgages were white, even though only 19% of home loans to white families were the defective subprime product.

We all know the results of these loans: massive foreclosures. This chart shows foreclosure filings in Cuyahoga County, Ohio in 2006, before the subprime crisis really hit the rest of the country. The subprime lenders got a head start in Cleveland. Every one of those dots represents a foreclosure over a ten-month period that year. The shaded areas designate census tracts where at least 70 percent of residents are minorities. The lighter the area, the whiter the census tract. It’s easy to see that the foreclosures are highly concentrated in the communities of color.



This chart is for just one city, but the foreclosure crisis was like Hurricane Katrina hitting thousands of neighborhoods of color all across the country. The problem is that the destruction was invisible. Especially in the early years, these foreclosures weren't broadcast on the news every night, but they were destroying neighborhoods and ruining lives. And yet some pundits wonder, "Why are people in these communities so angry?"

Lessons Learned

There are at least two major things I've learned in over 35 years of doing this work.

The first one—and this is my core belief—is that it is our duty and our privilege to fight for freedom and economic justice.

Growing up Baptist, I learned that kindness and reason, while important, are not enough. It's true that we should love our enemies, as I was taught—but sometimes you have to stop them first. Then you can love them.

I consider myself to be a very lucky person. Yes, I have had death threats from the KKK and from drug dealers in neighborhoods that we were working to rebuild. I've had large companies and leading legislators promise that they would destroy me personally. But I have also had incredible friends and an amazing family. And I have had the privilege of working with literally thousands of families who were struggling against odds to survive and make a better life for their children.

Perhaps the biggest threat I've faced came from the payday lending industry, the lenders who push loans with 450 percent annual interest rates. One of their board members came to me and said, "Martin, I have bad news for you. We have decided, as a trade association, that you and the Center for Responsible Lending are our biggest enemies in the world." He went on to say, "We have put up \$10 million not to defeat your organization, but to destroy you personally." My first

response was, “I’m only worth about ten dollars; what are you going to do with the rest of the money?”

As the payday lenders delivered that threat, I had a bad feeling, but not for the reason you might think. The feeling wasn’t about the threat, but rather because my mother had taught me that pride is perhaps the worst of the truly deadly sins. And I had to confess, their threat made me feel a little bit proud.

Another bit of wisdom from my mother: she used to say, “It’s easy to be liked by everyone. All that is necessary is for a person to see nothing, say nothing, do nothing, and be nothing. And all the world will love you.” To me, that seems like a big price to pay.

Effecting real change is a battle. There are very powerful interests that want to keep the status quo exactly the way it is. Anything worth fighting for will take more than a decade or two to accomplish. If you are making real change, the opponents are going to come after you. And you should love that.

Frederick Douglass said, “It’s easier to build strong children than to repair broken men.” Isn’t that a great quote?

This is the challenge of our time. Whether in the villages of Iraq or Libya or in the inner cities of LA, Chicago, or Baltimore, if we turn our backs on young men ages 14 to 30 and leave them to languish in poverty and unemployment—if we leave them without purpose, without the economic means to provide for a spouse and to begin a family—the negative consequences will be inevitable. And it will not be pretty for them or for those nearby. Those abandoned will find affiliation, even if it’s in a gang or an armed group. Violence and destruction take root when we fail to offer young men and women hope and purpose. Self-Help’s standing belief is that it is better to build strong families and communities from the beginning.

My final point and lesson learned may sound a little odd to you. I personally believe that suffering and self-sacrifice can heal the corrosion of extreme

inequality. No one seeks out suffering or self-sacrifice. But suffering has a way of finding us, whether we seek it or not. Every family goes through heartache.

I have talked to mothers in communities where I worked—some of these were predatory, violent and unsafe neighborhoods—and the mothers told me, “We pray for our sons every night. Our prayer is that they will simply live long enough to go to prison.” I looked at them, and said, “That can’t be your prayer for your sons.” I was shocked. But the mothers said, “Time is a cure for a prison term. There is no cure for a bullet.”

One of my best friends several years ago got a call from authorities in his hometown, an hour away. “We want you to come back to your home.” The authorities wouldn’t tell him why he needed to come. When he got to his home he found that his 23-year-old son had been murdered, presumably for \$60 that had been left on a mantel in his apartment. There was nothing that I could do or that anyone could do for my friend. But just being there for someone in their time of pain and suffering creates the bonds that make us human. These are the bonds that build a civilization.

We also build bonds through self-sacrifice. Self-sacrifice is different than suffering that finds us. Self-sacrifice is a form of suffering that we undertake voluntarily, based on love.

I remember working with laid-off textile workers on the coast of North Carolina: I showed you the picture of the bakery, when we raised our first \$77. Back then I traveled every weekend in the middle of winter to help these workers do bylaws for their co-op. This was a really cold winter, and when I would show up, my friends would crank up the single kerosene heater in the middle of the house. This was the first time they had ever had a white person stay overnight. It was so hot I thought I was going to die. And I kept thinking to myself, “Even though I grew up in a black community, there must be something really strange about black people and heat.” After two or three weekends of my coming to the coast to visit, I finally asked, “Do you think we could turn the heat down just a

little bit?” And of course you already know their answer, right? They looked at me and said, “Oh, thank God. We thought there was something really strange about white people and heat!”

Two weeks later, another member of the bakery co-op reminded me that my host family was very poor and dealing with unemployment during a cold winter. She told me, “Martin, what you don’t realize is that during each week before you came to stay, they didn’t use any heat at all. They wore heavy jackets inside the house. They were saving the heat for the time when you would be visiting them.”

What would I not do for that family? Think about the person who sacrificed the most for you. For many, it was your mother, or it could be a grandmother, a father, an aunt. You would do anything to help the people who sacrificed for you. You have bonds that are virtually unbreakable.

So my message to those of us who want to fight for justice is to consider self-sacrifice. What are the ways that we are willing to sacrifice to build relationships that cannot be broken?

Let me close with some words from Saint Augustine. He once said, “We should preach the gospel wherever we go, and use words only when necessary.” Here is a man with moral authority, who knew that “being there” meant much more than just talking about a problem.

So if it takes sacrifice—to lift the poor, to feed the hungry, to clothe the naked, to comfort the afflicted—then my message to you tonight is ... let’s get on with it ... right now.

Biography



Martin Eakes is co-founder and CEO of Self-Help and the Center for Responsible Lending, which provide consumer financial services, technical support and advocacy for those left out of the economic mainstream. A native of North Carolina, he is a nationally recognized expert on development finance. He has been a champion of economic empowerment for women, low-income, rural and minority communities, and has worked throughout his career to ensure that all Americans have equal access to the American

Dream. He was selected in 2011 as one of 12 recipients of the Ford Foundation's Visionaries Award for his contributions to creating financial opportunities for the poor. He also has been honored as a MacArthur Fellow by the John D. and Catherine T. MacArthur Foundation, and in 2009 by the Opportunity Finance Network which presented him with the Ned Gramlich Lifetime Achievement Award for Responsible Lending. Mr. Eakes holds a law degree from Yale University, a master's degree from the Woodrow Wilson School of Public Affairs at Princeton University, and a bachelor's degree from Davidson College.

Thomas Willis Lambeth



The Lambeth Distinguished Lecture honors Thomas Willis Lambeth, who led the Z. Smith Reynolds Foundation as its executive director for more than two decades until his retirement in 2000. Born in Clayton, North Carolina, Lambeth graduated from the University of North Carolina in 1957 with a bachelor's degree in history, and served as Administrative Assistant to Governor Terry Sanford and to U.S. Representative Richardson Preyer before being named to lead the Foundation in 1978.

Described by one journalist as “the state’s do-gooder-in-chief,” Lambeth throughout his career has exemplified the qualities of personal integrity, a passionate devotion to education, democracy, and civic engagement, and wholehearted pursuit of the ideals of the public good and of progressive and innovative ways of achieving it.

During his tenure, the Reynolds Foundation awarded grants totaling more than \$260 million to address many of North Carolina’s most pressing public policy issues, particularly social justice and equity, governance and civic engagement, community-building and economic development, education, and protection of the state’s natural environment. Tom Lambeth also has made a strong personal impact on many key public policy issues in North Carolina and nationally, including leadership of the Public School Forum of North Carolina, Leadership North Carolina, the North Carolina Rural Center, and a task force of the national Institute of Medicine on the problems of people who lack medical insurance. He also has been a national leader in improving the management and effectiveness of family philanthropic foundations themselves.

*The Thomas
Willis Lambeth
Distinguished
Lecture in
Public Policy*

The Lambeth Distinguished Lecture was established in 2006 at the University of North Carolina at Chapel Hill by the generous gift of an anonymous donor. Presented annually, its purpose is to bring the UNC campus distinguished speakers who are practitioners or scholars of public policy, particularly those whose work touches on the fields of education, ethics, democratic institutions, and civic engagement. The Lambeth Lectureship Committee, composed of faculty, students and distinguished individuals engaged in public policy, provide overall leadership in collaboration with the Department of Public Policy.

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