



2008, Volume 11, Issue 3

Creating Wealth in Low Income Communities

Audio interview with Forescee Hogan-Rowles, President and CEO of the Community Financial Resource Center

Danielle L. Scott

About the GBR: Since 1998, the Graziadio Business Report has provided practical information on dealing with business situations and problems. GBR authors translate the latest academic research and analysis into practical applications for business. From accounting and finance to ethics and work/life balance, the Graziadio Business Report extends current business debates in new directions that you can use to advance your business and professional career. Read us online at gbr.pepperdine.edu.

About the GBR Blog: The GBR blog expands on ideas published in the *Graziadio Business Report* and provides timely updates and critical analysis of what is happening in the fast-paced world of business today. Read us online and watch video interviews with GBR authors on at gbr.pepperdine.edu/blog.

Start

Danielle L. Scott: This is Danielle Lucy Scott, Associate Editor of the Graziadio Business Report. Today, we are speaking with Forescee Hogan-Rowles, President and CEO of the Community Financial Resource Center, the first public private partnership, non-profit economic development corporation. Ms. Hogan-Rowles is the former Founder and Executive Director of West View Economic Development Strategies, a Los Angeles based training organizational development and consulting organization. Ms. Hogan-Rowles serves on a number of boards including the Graziadio Board of Visitors, the Department of Water and Power Board of Commissioners and the Federal Home Loan Bank Board of Advisors. In July 2007, she was named by California Governor Arnold Schwarzenegger as a member of the California Commission for economic development. So thank you for being with us today Forescee. Can you start off by telling us a bit about the Community Financial Resource Center, the CFRC. The Center is dedicated to helping low income individuals becoming homeowners. What kinds and services and economic tools do you provide, exactly?



Graziadio Business Report

A Journal of Relevant Information and Analysis

Forescee Hogan-Rowles: Well, thank you for having me. I really appreciate the invitation. And thank you so you. Community Financial Resource Center, we help people start and expand businesses. We are about wealth creation in low income communities throughout Los Angeles County. And so in order to achieve wealth creation there a number of ways to do that, one of the greatest, obviously is home ownership to become a homeowner. So we help people with first time home buying workshops and seminars. We help people understand what mortgages look like and we actually connect them to banks, so that they can get a mortgage for their first home. So that's really important. It's one major aspect of our work. Our core business is small business development lending into low income communities through business development. So we make small business loans, we offer several different types of loans, one patterned after the Gremaire [ph] bank model called Capital Partners. It's a micro enterprise program. The loans start at \$500. And people say, what can you do with \$500? Well, you literally can do a marketing campaign. You can purchase a computer nowadays. You can decide to buy a piece of equipment for your existing business. There a number of things you can do with that. You can get your licensing accomplished in a lot of cases. For some people they may want to get into a multilevel sales business like Avon or Herbal Life and they can buy that initial start up kits. So there's a number of things. And we also have what we call a seed loan program. And you can get from \$5,000 to \$25,000 and you have to have been in business for one year. And then you can also get into the expansion loan program which is up to \$250,000. So those are some of the economic tools that we use to help people get going on their businesses as well as we have what we call bus tech, business innovation technology center where you can come in and learn how to automate your business, create a Web site and also figure out how to do e-commerce at CFRC. So those are some of the tools we offer.

Danielle L. Scott: So walk us through the average client who comes into the CFRC for help. What do they leave with that they didn't come in with?

Forescee Hogan-Rowles: Well, most people learn about CFRC through word of mouth and information like this, interviews, or people who have been to our site and got something that they needed. So you come to the door and most people have been sent because their friend's cousin's friend told them to come over because they could get a loan. And so they come, first of all, expecting that we're probably not going to give them a loan, but maybe in some obscure way we might deliver that. And I think they walk away with wow, they actually gave us a loan. And you come in and maybe you don't have a business plan. Maybe you don't have the skill set that you need to really make your business go like you'd want it to. You can actually come to CFRC and develop those skills. So not only will you walk away with a loan at the end of that process, and it doesn't take long. It's a six to eight week process and we don't run a credit check on the first level of business lending. In the micro loan program it's based on integrity, your commitment to the program, you coming up with your business plan, which we help you with. You keep coming up with the way you're going to pay us back. And we help you build your credit if you haven't had good credit. So we help you build. So you're walking away with not only now sort of your own briefcase set of tools through our workshops which include how to price, how to market, how to manage, how to



Graziadio Business Report

A Journal of Relevant Information and Analysis

work with other businesses, how to collaborate, how to maybe purchase in mass with other business owners. But you also walk out with you're going to build your credit back up. You're going to figure out how to network a little better. So you're going to walk away with some skills that you may not have learned on your own, you may have learned them on your own but it took you 12 years instead of six weeks at CFRC.

Danielle L. Scott: That's very interesting. I know that CFRC has been around for over 10 years and you have some impressive facts and figures attached to that. So I was wondering if you could tell me some of the CFRC's accomplishments?

Forescee Hogan-Rowles: Well, actually, this year we're celebrating our 15th year. So we're very excited about that. We kicked off our 15th year celebration March. We were opened in March of '93 for service delivery. And in that time, we've actually delivered services to over 100,000 people. We put about 6.6 million on the streets in low income communities with the average loan size of \$70,000 in our major portfolio and our average loan size of \$1,000 in the micro loan portfolio. So we're really honestly reaching the target audience that we had planned to reach. In addition we've helped 1,410 people purchase their first home since 1999. We actually kicked off our home ownership program in 2000 and since then 1,410 new homeowners in low income communities, no foreclosures. So that's my big statistic. In this environment, where we're hearing 200 or 300 homes going into foreclosure a month in California and our story is we're not a part of that statistic. So on the one hand it's really great. On the other hand a lot of the contribution that would normally come to a non-profit like ours are sort of being siphoned off for foreclosure support. So we're having to battle that little incident. But in all honesty, we help people get into homes. We create wealth and that's the best way to do it and we help people create jobs through small business homeownership.

Danielle L. Scott: Well, actually, that was one of the questions I wanted to ask you was about the housing slowdown in Southern California and how that has effected first of all the advice that you give to your customers, and your business model in general? Do you have individuals coming in for help, for example, who have had trouble and been effected by these sub prime loans.

Forescee Hogan-Rowles: Well, I have really been pleased, if you will, with our performance at CFRC. But willing to help because that's what we do, we help people that are challenged and certainly in these economic times it's been extremely difficult for a variety of homeowners who did get stuck with sub prime loans that rest and the interest reset and so forth. One, I feel like a feather in our cap is that about three years ago-- and I had to get the statistic and as you know I sit on the Federal Home Loan Bank Board of Advisors and so we had a meeting in April. And I wanted to share what our situation was and that's how we found out we didn't have any foreclosures in our portfolio. And that our borrowers and customers had actually faired very well in that way. And my staff, we dug back a little bit and said why didn't we have

that hit so hard in our portfolio. And what we did is we dug back about three years ago when a number of our customers were coming in and asking for the sub prime loans or is there a way you can get us 110 percent financing and all of those. We steered people away from them. We actually beefed up the foreclosure section in our homeownership counseling course and really spent triple the amount of time on why you don't want a sub prime loan and what they do. And I think that help to mitigate that risk that we would have in our portfolio. At the same time, we are joining a coalition of non-profit organizations that are assisting very specifically in foreclosure prevention and managing foreclosure crisis. So although we didn't necessarily have it, we do see the need to do that. We have the expertise on staff. Our staff is now being cross trained so that we can become a full part of the coalition to help people at this point in time. I think one of the most important things is that if there are people that know folks that are suffering a foreclosure is to get help right away and call-- if you can't call the bank or you don't feel like you're getting anywhere, feel free to call our office and we can certainly provide that help. I feel like I'm going to take a plug here and say 323-233-1900 and if we can't help you, we can get you to the right person.

Danielle L. Scott: Well, I'm sure there are a lot of people who are very happy that you made that plug. Moving on to more about the CFRC, it is said to be the first public/private partnership non-profit economic development corporation. What private sector groups do you work with and what exactly do these partnerships involve?

Forescee Hogan-Rowles: Well, we were founded by the banking community in partnership with the city of Los Angeles. And at the time Mayor Tom Bradley was the leader. And there was a study that came out of the Urban Land Institute about unmet credit needs in South Los Angeles and the existing low income communities throughout Los Angeles county, but very specifically how bad it was in South Central because at the time over 80 percent of the banking branches that had existed in South L.A. were gone from 1979 to 1989 they closed. So they were all of these people that were going what happened to my bank? It used to be on the corner, it's gone now. So that was how CFRC came about. It was the first coming together of the banks, the community and the city of Los Angeles to come up with a way to meet these unmet credit needs. And so that's why we were designed to be a source for delivering loans both in the small business sector and in the housing sector. We were designed to provide technical assistance to people. So if they wanted to figure out how to move their lives forward, then we would be able to deliver that service. So that's how we were started and it has maintained. We work with the banks largely. We work with corporations because we help banks meet their Community Reinvestment Act Requirements. So they have a little bit of a nudge as to why they help us. People often ask me if there wasn't a CRA do you think they'd be involve? And for the most part, I'd say probably not. The CRA, the Community Reinvestment Act really does press on the banking community to make investments into low income communities. And because banks are committed to their shareholders, just like any other corporation would be, you don't get the biggest return in terms of dollars, but you do get your return not only socially, but you also get your money back. You may not get the 15 or 17 percent return but you're certainly getting a positive return. So that's who we largely work with. We're looking now to expand that



Graziadio Business Report

A Journal of Relevant Information and Analysis

reach because good sound business practices make a difference whether you're a bank or an insurance company or a financial services company or a food company. Because if people don't have jobs then they can't buy the food and they can't pay for their home and they can't send their kids to school. So what we're looking at now is how we broaden our message so that more people connect and want to invest with us to help then serve the low income populations in Los Angeles which would, in turn, create a better economy overall.

Danielle L. Scott: So I imagine that's a challenge. With the banks you have the Community Reinvestment Act. With the corporations, not so much.

Forescee Hogan-Rowles: Not at all.

Danielle L. Scott: So what are the challenges that you face in getting them to listen to you and getting them to help invest in the communities?

Forescee Hogan-Rowles: Well, it's sort of a disconnect that I find. One recent sort of turn of events, recent as I like 15 years ago, I guess, the insurance world was up against some legislation that might have caused a community reinvestment act type legislation for insurance companies here in the state of California. And so we were all for it. I say we, the community development leaders were all for it because we were like, "All right. We can get the insurance companies to commit." Well, there was a compromise and it was that the Office of the Insurance Commissioner came up with a program that was a compromise called COIN, California Organized Insurance Network, and it's a way that an insurance company or any corporation in California can actually invest in a Community Development Financial Institution which is a designation that our organization has earned CFRC is a CFRI. I don't want to give too many acronyms because people are going what? Community Financial Resource Center is a certified Community Development Financial Institution, certified by the Department of the Treasury in Washington. So there's also a way to become a California CDFI and if you're a California CDFI than any incorporation can invest any amount over \$50,000 into your organization for a five-year period, zero percent interest to the non-profit, so it really helps the non-profit. And 20 percent tax credit to the corporation. So it's fabulous. Well, the banks get that. So if you look at who's accessed these tax credits over the past 15 years it's largely been banks even though it was designed as a compromise for the insurance industry they largely haven't tapped into it. So for me it's like this huge disconnect. So when we're trying to get people in the insurance industry and the entertainment business to connect with our message, it seems there's sort of a disconnect. "Why do I care about if low income people in East L.A. or Pacoima or South L.A. have jobs?" Well, you care because when people have jobs crime goes down. When people have jobs they can boost the economy too because now they can buy goods and services. It takes the pressure off of the entire economic system because now you don't have so many people accessing food stamps, and Section 8 and all of these different sort of patch work of services for



Graziadio Business Report

A Journal of Relevant Information and Analysis

people that can't make ends meet because now they're able to do that. So it actually spurs the entire community of business and residential neighborhoods. So I think as an organization we really have to broaden our message so that people start to connect there. But that's been the real challenge in trying to get organizations or corporations outside of the banking world who was sort of forced to get it to actually see how this connects to what they do.

Danielle L. Scott: You're obviously extremely passionate about serving in the community. And you've dedicated your professional life to the service of the underserved currently as CEO and President of CFRC, previously as Executive Director for the West View Economic Development Corporation and the Coalition for Women's Economic Development. But why are you so motivated to help others?

Forescee Hogan-Rowles: Well, I sort of think about it's probably just ingrained in me. I believe we're blessed to be a blessing. And my family, I have a long history of people helping people. And so I see it's like a vision or my passion. My vision is to see everybody thriving and able to by things and not homeless people on the corner and not people that are struggling but instead a holistic society that actually allows people to thrive and go to school and get an education and not get shot walking down the street, and not have somebody rob your store because they didn't have any money or didn't have food. So when I'm looking at why am I doing this? It really is because I just really want to see a better world. I want to see the neighborhoods that I live in and drive through and have to connect with on a daily basis are healthy and safe and people aren't unnecessarily being chastised because they don't have the economic wherewithal to make their lives move forward. So I just really believe we're blessed to be a blessing. And I certainly have been blessed through my life and that's because other people blessed us and I just think we should pass it on.

Danielle L. Scott: In some ways your inspiration comes from a personal place. I've heard you say that you want to help revive your old neighborhood in South Central. I mean you've seen over the years the decline of the neighborhood and other such neighborhoods. And so talk to me a little bit about how the area has changed since you were there and what exactly are you trying to accomplish?

Forescee Hogan-Rowles: Well, sure. I grew up in South L.A. on 118th Street and Broadway and I tell you I was a child, I was very, very young when the first riots hit. And people will call it the rebellion or unrest or whatever. Anyway, we were playing outside and all of a sudden the fire went up and my mom made us come in the house and she was trying to explain to us why we couldn't go outside because people were randomly shooting. And it was a lot of robbing stores and people getting good and all of these kinds of things. She said to us, "If people were all being treated fairly this probably wouldn't be happening." And she said, "You know, that's why you've got to get an education so you can go help." So I think that started early on. And after that our neighborhood went kaputso [ph]. I mean it just really spiraled down. A lot of the riot damage that happened in 1965 I could drive you through my

neighborhood and it's still never been repaired. It's never been rebuilt. And that's true of a lot of a inner cities around the country. In fact, most of them that had riots and such that were in the '60s and then later through the '80s and '90s, that has remained true. So when I was a child I could walk to school. We walked to school. We didn't have these wrought iron bars on the windows. Everybody's lawn was manicured. You didn't have pitbulls running up and down the streets so you were afraid to walk. And now that's not true. We didn't have drive by shootings. People didn't have access to guns like they have now. And certainly there were jobs in the community. And I mean everybody that had a site that was zoned for business, there was a business in it. So people had jobs. I mean the people that lived next door to us they walked down the street to work. So all of that changed, I think, after the first unrest that happened, economic rebellion, riot in '65. And I think all of us were holding out hope for that to change. And here we are over 40 years later, of course, in 1992 we had another economic rebellion if you will. And not only did the riot damage from the first time in '65 was it not unrepaired but now most of the rest of it is not. I mean some has happened but not really. And so I'm still trying to figure out how it is that we can come 40 years and not have the economic improvements happen in these communities that needs to happen right now. In South L.A. the jobless rate is seven times higher in South L.A. than it is in the rest of the city. Why? Because about 350 businesses that were burned in 1992 have not been replaced. So when you don't have the businesses going back in now you've got the population expanding but they don't have anywhere to go for jobs in that community. So what do they do? Either they're unemployed or they have to go way outside the community to get a job. Well, our public transportation in L.A. is not so great, so one problem leads to another. So I think as I look at this thing I really want to see South L.A. and East L.A. and Pacoima and Wilmington, Harbor City I want to see all of these communities become the economic sustainable healthy environments that they really deserve to be. And I think if all of us work at it then we can. So that's my commitment. We're the City of Angels, we need to start acting like it.

Danielle L. Scott: Well, you said that one of the ways that you help small businesses is through your Biztech program and that helps them create Web sites, develop e-commerce sites. And I was just wondering you begin working with the CFRC in 1995 which is just about when the Internet was starting to pick up speed, and how do you leverage technology to help CFRC in achieving it's goals? For example, your online presence, has it expanded awareness of what you do? Do you use it to reach out to donors and potential customers?

Forescee Hogan-Rowles: We do. Actually, when I came to CFRC it's so funny because I was actually in graduate school here at Pepperdine when I first went. And one of the reasons I took the job and left my consulting work was because I needed to be in one place more than five or six days and in my consulting work I was literally traveling all over the country. And, of course, at that time we didn't have the Internet access that we do now. We certainly didn't have cell phones for the masses to have. I didn't have one. And I remember being in an airport and having a conference call with my group on a pay phone in the airport in Chicago, just so you know how things have come along. And so when I went to CFRC I believe we had three computers and they were those 460s or whatever they were with the floppy



Graziadio Business Report

A Journal of Relevant Information and Analysis

disk and all of that and no Internet access at all. And about two years into it I recognized that the information highway was just streaking right by our low income community. And I went on a sort of a campaign and that's where we came up with the Business Innovation Technology Center. We said we've got to use this. We've got to get people plugged in and we became an official access community access site to do online banking. We have since now we have computers where people can learn the Microsoft Office Suite. We have a Web site, of course, www.cfrc.net. And you can go there and learn all about jobs that we have. We used to do hard print on our newsletter and now we sent it out via e-mail and we send it to over 4,000 people.

Danielle L. Scott: A lot more cost effective.

Forescee Hogan-Rowles: Oh my gosh, a lot more cost effective. We can do it frequently. Now, we do it every month. And if we have a quick alert where we want to get some information to our customer base we can do it within a 24 hour period. And you can go online and get any kind of form that you need from us. We haven't used it so much for our donors but we're looking at that now. And we actually have started a plan around developing an individual and corporate donor campaign using the Internet. So I think one of the presidential candidates has taught us all a lot about getting donations around the world with a minimal effort and what the Internet usage really can be.

Danielle L. Scott: A million \$5 donations can go a long way.

Forescee Hogan-Rowles: A long way, a long way.

Danielle L. Scott: Speaking of the upcoming presidential election, how do you think it might impact opportunities for small businesses, particularly in the L.A. area.

Forescee Hogan-Rowles: People think that whoever is in the White House doesn't matter, but you know it really does. I've been through several administrations and as it relates to the work that we do, the community development financial institutions programming was actually designed and implemented during 1994. And it was a democratic administration. And so there was money put behind it. And the good news is we figured out how to work on both sides of the aisle. So we've managed to maintain the integrity of the program because that program rests at the U.S. Department of the Treasury. But through the republican administration we've really had to fight to keep it funded. You know I mean it's been a real battle. So what does that mean to Los Angeles? So if we don't have the funding at the federal level to come into the program at the local level then our service are going to diminish and then we're not going not be able to serve as many people as it relates to those contracts. So that's how it really plays out. And it really does make a difference. The community development block grant money, as those dollars



Graziadio Business Report

A Journal of Relevant Information and Analysis

have been cut, cut, cut, that's one of the reasons why the city of Los Angeles pulled back on its non-profit community development contracts. Last year, they didn't even have an option for us to go and apply for a contract. So we don't have a community based contract through the city of L.A. right now. So they really do impact you at the grass roots level.

Danielle L. Scott: But since you've done so much public sector work I mean we've just mentioned a few of the boards on which you participate, the Graziadio Board of Visitors for one, the Department of Water and Power, the Federal Home Loan Bank Board of Advisors and on and on and on, so how did you get involved with such a large range of groups and what does your role consist of?

Forescee Hogan-Rowles: Well, I often wonder myself. I read that question and I kept going well, how did I get here? And honestly I think people are often looking for other people to either help them work on their vision and/or expand their vision or help bring new energy to a vision. And I think the networking over my lifetime really. I mean I don't network and meet people because I'm looking for something, I don't meet a stranger...

Danielle L. Scott: They're looking for you now.

Forescee Hogan-Rowles: I hope in a good way. Right. But I think what's happened is people realize I will speak up. If I see something going awry or wrong I will speak up or if I think it's wrong I will speak up. And I think that people are looking for those of us who are willing to do that, take a stand for the greater good, if you will. And I don't mean to sound lofty about this but willing to say something that will make a difference and then back it up. If you say you're going to take a stand for this issue, then you've got to be willing to stand. You're not going to fold because so-and-so walked by. I always remember my mother who said, "You don't scare. You are my daughter. These people put on their pants one leg at a time, and so do you, so never think less of yourself." Well, I'm in rooms now where I'm with people who are pretty powerful and I'm sitting there, going, "Well, he only puts on his pants one leg at a time he's no..." and my mom used to say this, "He's no better than to me than me." So I'm thinking, "He's no better than me to me I'm going to say it." So I think a lot of it does come from my willingness to say what needs to be said, to stand up for what needs to be stood up for and willingness to back it up. And I think as I've met more and more people they recommend me to so and so. I mean none of these positions did I go and seek, not one. Each one of them was a phone call to me saying so-and-so recommended you and we wanted to know if you're willing to do this. So I mean I believe that's God blessing me...

Danielle L. Scott: And your mother.



Graziadio Business Report

A Journal of Relevant Information and Analysis

Forescee Hogan-Rowles: And my mother, right, watching out me and my dad watching out for me and my dad laying a path. And I think this is very interesting because my father was 43 years a Department of Water and Power employee and now I serve on the commission where my father was employed and was able to pay for all of us to go to school and go into a middle income family and be productive because my father did have a great job. And my mom, she was a stay at home mom until my brother got to be in sixth grade and then she went into real estate because she wanted to help people own homes. And so I think they paved the way for me to do a lot of this.

Danielle L. Scott: In a very direct way.

Forescee Hogan-Rowles: Oh yes. When I look at that, I go wow. I found some pictures when I was cleaning out a box of my father's and I found some pictures of all of us in front of the commission crest in 1989 or '90 when my father was awarded his 40-year pin. And so now I am literally a commissioner in that same room and I make decisions for the world's largest public sector utility under that same crest so certainly they paved the way. And then I help people get home and buy homes and such. So it is very true. I'm doing what probably was ingrained in me.

Danielle L. Scott: And getting back to your mother, I heard an interesting story when you had to choose between getting your MBA and getting a new car, and your mother had some choice words for you on what to do. Can you tell us that story?

Forescee Hogan-Rowles: Well, I was feeling pretty good about myself at the time and it's funny you mentioned that. My mother was very big on education. And I was very big on new cars. And I had done, I thought, enough education because that point I had two degrees. I had an Associate of Arts Degree in Design, and I had finished my Bachelors at Loyola and I got a new job. And I got a nice increase in my new position and I thought, I finally have enough money for this BMW I want. So I guess I knew that it was a bad idea to just go buy this car. So I went to my mom's house, because at the time I was married, I went to my mother's house to get her advice. I said, "Mom, I'm debating. I really want to go for an MBA but an MBA is going to cost me about \$60,000," of course at that time I was working for a non-profit and I didn't get tuition reimbursement. In fact, I think I was the only one in my graduating class that did not have tuition reimbursement. I think I was the only non-profit person. So she looks at me and she says, "Have you lost your mind, have I not taught you better than that? If you drive that car off the lot it's not going to be worth a cent, but your education is going to be with you forever, what are you going to do?" And I said, "Go to school for the MBA, that's what I'm going to do." She said, "Okay." So I never looked back. I still haven't had that BMW yet, but it's coming right. But I had a lot more good success because of the MBA.

Danielle L. Scott: Your mother seems to have given you tons of really helpful advice in your career. Is there anything else that she shared with you that you'd like to impart to the rest of the world?

Forescee Hogan-Rowles: She was just full of a lot of wisdom and was very committed to helping. And she would say things about voting, I never missed-- I missed one election and I felt so bad. Like I was guilt-ridden for 10 years or something I don't know because the year that Tom Bradley ran for governor he lost by one vote per precinct in the state of California and I had forgotten to do my-- it's a full confession now. I had forgotten to do my absolute ballot and I was in New York and they didn't have all of the technology because this was 1982. And I just literally didn't get to vote. It's the only election I've ever missed and I tell you I felt so bad because he lost by one vote per precinct so I thought it was my fault. And it was because I missed my precinct vote, right. But she would say, "One vote, one man," right. "One vote, one woman. All you have is your vote, and that's your integrity. So if you don't use that, you can't complain about what's going on down the street. Or you can't complain about the environment. So you need to make sure your vote." I mean that was her big thing. And then she would say, "You've got helped others because you've been helped, so you've got to help everybody else. Help as much as you can." She was big on songs. And so she would quote some Nat King Cole songs, she would come up with things and you'd walk around singing these songs but they were things to help you.

Danielle L. Scott: And they'd stick.

Forescee Hogan-Rowles: Yes and they would stick. So she was just, I think, very vibrant, very full of really love for her fellow now and that's the way she was raised. And she was big about, "Don't count your chickens before they hatch. Make hay while the sun shines." And a lot of things she would say I didn't get, now I get it. Now I understand what she met about don't count your chickens before they hatch. I'm sure everybody else's parents said the same things but she was a lot of fun.

Danielle L. Scott: Well, I'm wondering if you get your energy from her because with your full time job as President and CEO, your board work and your teaching responsibilities, I mean what is your time management secret?

Forescee Hogan-Rowles: I don't know. Never let them see you sweat. I don't have any time management secrets. I've come up with these little rules for myself and my rule is make sure you take care of yourself. So that includes eating right and making sure you get some exercise no matter what. One of the most beautiful things this morning was I was able to walk around the campus and look at the ocean and admire the waves so I understood why we're called the waves at Pepperdine now. And honestly, prioritizing so that I make sure that I'm doing what I need to do. Because people will put demands on your time that they think are important, and if you do that which I've allowed myself to get



Graziadio Business Report

A Journal of Relevant Information and Analysis

there you are run ragged and you haven't done anything on your list but you've accomplished everybody else's goals. And that doesn't bode well for what you're doing. So what I've come to realize is in this age where you have e-mail and you have more than one e-mail address and you've got three or four phone number and you've got extensions and you've got fax machines still and I'm going wait minute. So I'd say, a few years ago probably five or six years ago I said I'm just taking control of this. Every time the cell phone rings I do not have to answer it. I just don't. So if I'm driving in my car and I think I need some peace just from everything so I can just calm down or release some of the stress that's trying to come on me then I don't answer the phone unless it's like, usually you have caller id, or you can get the voicemail in a second. I just decided I'm going to take control. And even when people send me things I get stacks of things to read. I've learned to just say to people, "I got your stack and I have to admit to you, is there an executive summary in there because I probably only need to read the executive summary." So I've tried to learn how to use my time so that I am using my time wisely. And with family I really try to focus on can I spend X-amount of time with this member of my family and I'm there in that moment. I am not a fan of taking calls in the car when other people are in my car. And when we're at dinner or lunch I turn my cell phone off. As a consequence, though, I get people that call me back going, "I tried you for five times," "Well, I was in a meeting." And so I've decided that in order to really have quality time and quality conversations with people ...

Danielle L. Scott: And sanity.

Forescee Hogan-Rowles: And sanity absolutely, I just decided this is what it is. And I know that some people are going to shoot arrows at me and I just decided they don't hurt me. What sticks and stones may break my bones but words will never hurt me. I can't allow that to pull me down. So I think that's been the biggest lesson for me too is recognizing that you are what you do. And you are who you say you are. And you're not who everybody else says you are and so you have to make that commitment to yourself and it's rough sometimes. I mean being on the commission-- the other day I finally had a chance to listen to my voicemail actually driving up here, I had 22 messages.

Danielle L. Scott: Wow.

Forescee Hogan-Rowles: And I had four from the commission. Now, I had all ready instructed my assistant to call them and let them know I'd be late because I had an investor meeting that morning at 8:00 and the commission started at 9:00 but they wanted to start at 9:00 that's fine, but know that I won't be there probably until 10:30, 10:45 because my investor meeting was 8:00 to 10:00 and I had to be there. When I got in the car from that investor meeting I decided I needed to decompress in order to be good for the next meeting so I turned everything off, right. I even turned off my radio. So I'm just driving peacefully with the sun roof open. I get there and I'm the meeting and I'm wondering why they're looking at me like why are you just getting here? Well, it wasn't until last night, this is three days ago, it wasn't

until last and I'm driving up here I had four message from the commission secretary saying, "Hi, it's 9:20 we're just wondering here you are. It's 9:25." So what I realized is my assistant didn't connect to them and make it clear that I wouldn't be there until 10:30 or 10:45 because I literally arrived at 10:35. And had I had my phone on I would have gotten those calls in that meeting or would have gotten them in my car which would have caused me a newer level of stress because I would have tried to call them back and say, "Hey I am coming," when in fact I got there very rested. I had some water. And I went in and I was able to do my job. So I think you have to be ready for what that all entails but I think it's so important for each of us to take control of our lives. Takes responsibilities for the decisions that we make and be willing to standby in order for us to proceed and be healthy and happy and humans that contribute to society in a good way.

Danielle L. Scott: Well, about contributing to society, what specific advice would you give to those interested in entering the non-profit sector? I mean what steps should they take and what do you think they should be prepared to deal with?

Forescee Hogan-Rowles: Well, that's a really great question because the non-profit sector in my experience is like no other. And I've had just a small amount of my adult career in for-profit. So I have some level of comparison. And I think if you know you want to go into a non-profit I think it's important to volunteer in a non-profit setting, so you can really get a glimpse of what it's like. I volunteered in the political world and not realizing that's what I was doing to have any specific impact going forward, but I volunteered for almost eight years in the political world. And so I got a glimpse of if you've got to stuff envelopes, you're going to stuff the envelopes, a direct mail service is not going to stuff the envelopes for you. You've got to make phone calls, you're not going to have a dialing service do it, you've got to do it so you've got to connect. And so I think volunteering if you are really serious about it will be helpful and in almost any sector because non-profit sector tends to have the same challenges and outcomes whether it's in the health industry or the education world or community development or it depends. But largely, non-profits have to raise money. They usually are working with less than they need and they can always tend to do more if they had more. And they're always looking to bring in new folks to help them do better and do some sort of business processes overhauls, right. And so I think that's one thing. And I think too being prepared by knowing that it's not the corporate world. We've had people come from the corporate world into our non-profit world because they want to do something that's more fulfilling. They want to share their experience and knowledge and they came from sort of and I'll use the banks as an example, they come from the banking world where to get one loan out you may go through six departments. You've got to go through first the front liners, the credit check and then you get to somewhere else or the analysis and then you get somewhere else for the approval and then you're sent somewhere else and you have somebody different in each of these jobs. Well, you come to CFRC and you've got one person who does from soup to dessert. And so what we've learned is for-profit people that come into a non-profit are a little freaked out about. They're like, "Well, who's going to do that?" "You are." "Well, who's going to go call the bank?" "You are. You're going to call the person. And you're going to sit down with them

and you're going to help them do TA and you may have another person but that's pretty well it." You don't have a whole department. So it's rare, I think, in smaller non-profits and even mid-sized non-profits that you actually have every single thing down for you. You tend to be an entrepreneur.

Danielle L. Scott: And everyone wears lots of hats.

Forescee Hogan-Rowles: Including me. When I started I was wearing about 10 hats, I now wear probably five but I'm still wearing a lot of hats. And you always think you're going to get there but the demand doesn't seem to change. It doesn't seem to go down especially when you're a mission driven organization like Community Financial Resource Center is but it tends to go up. And so every year our demand increases and it doesn't decrease and the funds seem to decrease but we need them to increase. So there's a constant tension, if you will, between your ability to deliver services and your ability to have everything in place on the financial and the fundraising side. So I think people need to be ready for that. But it's a fulfilling time and you can still-- and I offer this to people too who can't really handle the whole non-profit setting, you can still work at your for-profit job and volunteer in a non-profit. And often corporations will offer volunteer time. They'll offer loaned execs and things like that. You can always donate and I always think that people really should plan to donate to the non-profit of their choice because that's where differences are really made and you're getting a group of people who are dedicated in a specific area that are doing things that you may not be willing to do but our pastor has a thing where he says you need to either be a goer or a sender. You either are going to help or you're going to send people by donating people so that they can go. So I think of people in that way, you've got to be a goer or a sender. Either you're going to go and volunteer and you're going to go and help or you're going to send some people by offering some money and sending a contribution to your favorite non-profit.

Danielle L. Scott: Well, I would imagine that the decision to get your MBA has influenced your career as a goer in that you've learned a lot about all of the different aspects of business and you can wear those hats.

Forescee Hogan-Rowles: Exactly. I think one of the best decisions I could have made was the MBA, of course with my mother's pushing, but it has really done well for me. I really went because I just wanted the knowledge. I knew that I wasn't going to necessarily get a promotion by going for a MBA, but I knew that I would get information that I would need in my career to help build a non-profit, build a small business. And so honestly, it has really helped me to think strategically, to have clarity around issues. And I really believe it's one of the reasons that I'm often asked to serve on boards because they know I have not only the practical side but the formal education side. And so those two things, I think, in combination have really made more marketable, not necessarily in the for-profit but certainly in the non-profit and public sector side.



Graziadio Business Report

A Journal of Relevant Information and Analysis

Danielle L. Scott: And Forescee for our last question, thank you so much for your time, I was wondering if you had any parting advice to give to current and recently graduated MBA students. What did you wish you knew then as a new graduate?

Forescee Hogan-Rowles: Well, it's funny because as I think back about that I thought I knew everything. So when you come out of MBA school you think you knew it all especially when you come out of Pepperdine. So I was a really enthusiastic wave who thought that I knew everything and I just want to encourage people to recognize you think you know you really don't and to be prepared to learn some more. I spend every day looking at the end of the day at what I learned again today. And I used to think that that was a old cliché that people just said that and now I find myself doing it, what did I learn today? Whether I'm just sitting in an airport, or I'm driving in my car or I'm looking at a tree and a bird flies into it or a away from it, I'm learning something all of the time. So I just encourage people to stay open and know that yes, while you know "everything" quote unquote there's so much more to learn on the practical side and be prepared and open to receive that because it's just going to make you a better person.

Danielle L. Scott: Well, thank you so much for your time. I've really appreciated talking to you. You've definitely given a lot food for thought so thank you very much.

Forescee Hogan-Rowles: Thank you so much. I've really enjoyed this and I appreciate the honor of being with you in this interview. Thank you.

End