

MoS Rapid Response Transcript – Darren Walker

[Listen to the Masters of Scale Rapid Response episode with Darren Walker here.](#)

DARREN WALKER: This was like 1918, 1929, and 1968 in one week. It all came together: a pandemic, a financial crisis, and civil unrest.

It was national heartbreak because racism in its crudest form, being killed by someone whose remit it is to protect, demonstrated that deniability for white people was no longer an option when it comes to racism in America.

I am very hopeful about the future because I see the wind changing. I see people who are successful, who are questioning the systems that propel their success, and how fair those systems and structures and institutions were and are.

What we've got to do in this country is get to the business of ensuring that opportunity abounds.

BOB SAFIAN: That's Darren Walker, President of the Ford Foundation.

Many philanthropies have felt forced to pull back on their giving amid the global pandemic, with endowments crimped by declining investment markets. Many high net worth individuals have done the same.

But Darren has taken a different tack, responding to the heightened need in this moment by committing to distribute even more than usual. He's following a novel tactic, having the Ford Foundation borrow \$1 billion in order to give it away, and he's convinced other foundations to embrace the tactic too.

But that is hardly the only impact Darren has had.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale: Rapid Response.

I wanted to talk to Darren because, as a Black business leader, he brings particular insight to this moment of social unrest, economic uncertainty, and rising health need. Darren is counseling CEOs across the country on appropriately addressing racial injustice. He talks about the interconnectedness of coronavirus deaths and social inequality. And he makes a fervent call for what he calls a new playbook, one that can begin to level the playing field. By unlocking opportunity, Darren says, America can live up to its potential, and he's hopeful that recent events will speed that effort. As he puts it: "I see the wind changing."

[THEME MUSIC]

SAFIAN: I'm Bob Safian and I'm here with Darren Walker, the president of the Ford Foundation. He's also author of the book, *From Generosity to Justice: A New Gospel of Wealth*. He was also recently appointed to the board of directors at Square and at Ralph Lauren. Darren's coming to us today remotely from the upper East Side of Manhattan as I ask my questions from my home in Brooklyn. Darren, thanks for joining us.

WALKER: Thank you, Bob. Happy to be with you.

SAFIAN: This year has brought unprecedented crisis, beginning with pandemic health concerns, spreading to economic impact, punctuated by social unrest over police activity and racial injustice. It's knocked everyone's plans off kilter. When did you first realize that your plans for 2020 wouldn't be able to hold?

WALKER: When I received a call on Sunday, March the 8th, alerting me to the fact that we had a staff member who was likely infected with COVID, and the question of what to do about the Ford Foundation headquarters on 42nd street: Should we close or remain open? And I knew immediately that by closing the building – which we did – certainly in the near term, my plans would be upended.

We were the first foundation to close. The city didn't close for another week and other foundations and businesses started to close a few days after Ford did. When we first closed, that first day, I got messages from other foundation presidents asking why we closed, why are you so precipitously making the decision to close?

But within two or three days, it became clear to everyone that we were all going to close. I was lucky that we had a very strong business continuity plan in place, anticipating interruption. We had the technology, the equipment, the infrastructure to pretty seamlessly transition to remote operation – but I did not know we would be on lockdown for basically three months. I mean, who can prepare for that? This truly is a once in a century experience – or at least let's hope it is.

SAFIAN: Yeah. What might've seemed rash to some in that moment, of course was prescient. And here we are continuing to wonder exactly when everyone's going to be back at work in different places, in different ways. Has your building reopened?

WALKER: We made the decision several weeks ago to not open the building until after Labor Day, cancel all events through the end of the year, to cancel all travel, and to anticipate that for the rest of the year, staff would be working from home – and from the office intermittently. But that we would in many ways just chalk this up to a lost year.

Not that productivity is lost, we have been more productive in terms of grant making than we've been in years. We've exceeded our KPIs around grant making. So the actual work

of the foundation, giving money away, we've accelerated. We've done very well at that, but there are other important facets of our work at the foundation, which we will not be able to accomplish this year.

SAFIAN: In the spring, there was a lot of shock about making all those decisions – what to close, what to keep doing. And then we sort of got to May and I think a lot of organizations, particularly the well-funded ones felt like, “All right, we're onto the next phase a little bit.” And then after George Floyd's death, everything shifted again. Do you remember where you were when you first heard about George Floyd's death?

WALKER: I was actually at home, I think, watching the news when the video first appeared. I think it was the same day of the Amy Cooper / Chris Cooper kerfuffle in Central Park. And I remember being on the phone with a friend about that, which was shocking, and watching my social media feed and seeing how this got picked up. I mean, it all happened within 24 hours. And I do remember that by Friday evening of that week, I was being called, emailed, Zoomed by a number of people who were absolutely paralyzed by the questions of what to do.

And these were mostly leaders because in some ways, Bob, this was like 1918, 1929, and 1968 in one week. It all came together – a pandemic, a financial crisis, and civil unrest – with the issue of racial inequality and racist policing practices, being the tinderbox that truly unleashed onto the streets. I think people who were angry about racial injustice, but they were also angry about growing inequality in our society.

Many of these people who were marching were marching to honor George Floyd, but they were also marching because they were angry that they lived in a system where in order to get a decent college education, you got to go into debt \$150,000 or \$200,000; where the opportunity for mobility as measured by any benchmark, we are falling farther and farther behind. And they are angry that their dreams are being constrained by economics and a form of capitalism that has just marginalized far too many people.

SAFIAN: Those factors have been in play of course, for quite a while. Why do you think the George Floyd situation and that particular week, those days, elicited such a response?

WALKER: I think the pandemic was a backdrop and the pandemic ensured that people were at home and were watching the various cable channels and not going on about their daily business as there they would be in the BC world. In the BC world, the Wednesday to Friday when this all transpired, people would have been traveling, been out to the theater, been at dinner, been out with friends, been at family events. We were all in our home watching the big screen or looking at our iPhones and Twitter and Instagram.

That as a backdrop for the actual visual of an African American man being murdered, literally in broad daylight, I think for white Americans was a moment of... It was national heartbreak because racism in its crudest form and most potent form, being killed by someone whose remit it is to protect, demonstrated that deniability for white people was no longer an option when it comes to racism in America. And for so long, people denied or ignored or simply hoped to not have to engage on the issue, and his murder made engagement, or non-engagement, no longer an option. And I think it just unleashed this anguish and grief and heartbreak for many, many people.

SAFIAN: You got those calls from folks asking for advice for counsel. What did you tell them?

WALKER: Many of the people who called were concerned CEOs. The concerned CEOs were motivated immediately by the urgency within their own organizations. On the firm intranet, or postings of staff that came back to the firm, to the bank through various channels – staff chat rooms, the employee resource groups, especially – these CEOs were hearing from their employees, anger, grief, real acrimony, and some of it directed at their experiences in the workplace.

And I think for some, they were truly shocked by what they heard. I think for a lot of the CEOs I spoke to, they were asking for advice on how to manage through this, how to manage internally, how to manage externally when there are calls for public statements, calls for more transparency, requests for information about African Americans on your board, in your C suite, et cetera. Information that they had generally not felt a need to provide, and certainly not being demanded of them.

I think they were also dealing with a media that became obsessed, rightly so, with the issue. As you may remember, there was shortly thereafter a very prominent part of the business section of the *New York Times* with the headline, “Corporate America Has Failed Black America,” that I think demonstrated how far corporate America had to go to be a truly inclusive, diverse place, because the numbers of companies with no African Americans on the board, no African Americans in the C suite operating committees, management committees was truly shocking when the inventory was made public. They were concerned about that.

I also heard from philanthropists, from very generous Americans whose foundations either they're running professionally or especially family offices, high net worth families, who are interested in issues of whether it be poverty reduction or improving education. They too were really worried and wanting to consider how they could give in a way that would have an impact on this issue of racism. It was pretty broad, but the thing about it was that it was incredibly genuine and sincere and people were truly, I think, grieving as they went through the process of trying to figure it all out.

[AD BREAK]

SAFIAN: As you're making your management decisions, how do you balance the needs in the giving that the Ford Foundation does between the needs posed by systemic racism and the needs created by the pandemic?

WALKER: Well, they are in fact interdependent. The issue of racism is a root cause of why there is such a disparate impact on Blacks and Latinx Americans, as a result of COVID. I mean, the numbers of whites who are both infected and die is relatively low. Blacks who are infected are more likely to die. And in some places they have died at a rate of three to one to whites. Even though our infection rates may be similar, the mortality numbers are shocking. And race is a significant reason for that because the underlying conditions that make African-Americans, Latinx Americans more vulnerable, relate to race, and race relates to income, where you live, the quality of housing, the quality of your schools, the quality of your healthcare. Whether or not you have access to a primary care physician correlates with race in our country.

SAFIAN: I recently heard you cite Langston Hughes's poem, "Let America Be America," which calls out the Black experience. It also refers to immigrants, native Americans, other groups. What about that poem speaks to you right now?

WALKER: I think when he says, "Let America be America," America never was America to me. And what he was saying was he believed in America, in the idea of America – in the ideals, in our founding documents – that he had faith that those documents would deliver on the ideals. And he was saying that towards the end of his life, when he wrote that poem, that America never was America to him. And I think it was both a statement of resignation to that and a statement of defiance that America will be America, a belief, that even though he was deflated, and in some ways objected about the American experience and his life, even after that level of profound disappointment, he believed that America would be America someday.

SAFIAN: I'm curious how dramatic you think we need to be in this moment. Robert F. Smith made a call to a recent Forbes Philanthropy Conference for reparative investments by financial institutions. Do you support those kinds of ideas?

WALKER: Absolutely, I support those kinds of ideas – and Robert, who is a good friend. These ideas, they go beyond the kind of superficial "Let's set up a loan fund to a community development financial institution in a black community and we will have done our bit". That really is the old playbook, and the old playbook will not work on this occasion. The new playbook needs to place equity and asset building for African American entrepreneurs at the center, and in order to do that, making available expensive debt is not going to actually help the African American business person.

We need equity investment. We have to realize that African Americans don't have what most white Americans, white entrepreneurs, get started through what we know as friends and family. Mark Zuckerberg, Bill Gates, so many more started their business with capital that they borrowed from their parents, their grandparents, their aunts and uncles, their cousins, their fathers, family friends.

These are the mechanisms that most white entrepreneurs have at their disposal. Black entrepreneurs do not have a friends and family network. And so how do we think about proxies for that? How do we think about businesses providing that kind of FNF equity that is often not available – and without it, it's impossible to start and sustain a business. And if you can start it without that capital, your likelihood for failing is that much higher because you don't have the cushion, the resilience, because you're going to burn cash. And that early cash burning is usually family and friends money. And we just, as Robert knows very well, we need that kind of capital, the capital that he had through his network.

SAFIAN: You're talking about a need for systemic solutions because we have a systemic problem and just relying on one company doing this here, or one company doing that there, that that may not add up to enough. Are you hopeful about the future? Are you concerned about it?

WALKER: I am very hopeful about the future because I see the wind changing. I see people who are successful, who are questioning the systems that propel their success, and how fair those systems and structures and institutions were and are. I see people talking about race and racism who are engaging in a way that I've never seen in this country. I have seen terms that were wants at the margins, and almost unspeakable, and some places terms like white supremacy, which is a very real phenomenon in our culture. People accepting that we have white supremacy and institutions that are infused with that. And because of that, are unable to fully respond to the needs of non-whites. And that's what we're going to have to deal with as this country continues to evolve and demographically morph into a browner America – which I don't see as a bad thing.

I know that there are clearly some people who believe that a browner America is a less attractive America, a less successful America, a less dynamic America. And I refuse to believe that. I know that this country is filled with talent from sea to sea, but that opportunity is not spread as evenly with that talent, with potential. What we've got to do in this country is get to the business of ensuring that opportunity abounds and is out there in the world and that America will remain a nation of opportunity.

And finally, I will say that at the Ford Foundation, we are in the business of hope. When you are a foundation and you have the privilege of giving away hundreds of millions of dollars a year to nonprofits doing remarkable work, every day, I meet a leader, I hear a story that inspires me and reminds me of why there are reasons for hope. Even on dark

days, like the days we saw in this country in March and April and May, and with the sun out now, I think that is more than just a metaphor for the days ahead.

SAFIAN: Darren, being a leader is so challenging. Being a leader in a crisis is doubly challenging. Being a Black leader you add this other layer of the pressure of being a role model on top of all of those things. How difficult is that added layer? How much more difficult does that make everything else or are you so used to it, it's second nature to now, you don't even notice it?

WALKER: Well, I notice it because I'm reminded of it. And I think the reality in this country for African Americans who lead institutions, or they occupy positions of authority where they don't look like their predecessors, for us, it is a reminder of how remarkable this country is that a Black queer boy from a small town in East Texas could ascend to be the president of one of the leading international philanthropies is a story that we all should take pride in and want to make happen in the future. What I am excited about is having more stories like mine, more institutions led by people like me. And I think when that day comes, we will know that Langston Hughes's poem, his aspiration for America is truly realized.

SAFIAN: Well, Darren, thank you so much for sharing your time and your thoughts with us. I really appreciate it.

WALKER: Thank you, Bob. This has been a great treat for me.