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Lessons Learned From the Mistakes and Solutions of Ordinary People



In previous posts, I've written about the harm the social sector can cause from efforts that are, in effect, "paternalistic." In a society where race, class and gender biases still fuel negative stereotypes of low-income adults, top-down services fuel the misconceptions that certain members of society want to believe to be true: low-income adults make bad decisions, don't care enough about their children, cannot lead their own change, cannot solve their own problems and are unwilling to help one another. In 2001, the year I started the [Family Independence Initiative](#) (FII), I learned an important lesson about the potential that exists from *not* helping.

"¡Vamos a comprar una casa!" (We're going to buy a house!) Jorge declared at a monthly meeting attended by one of our staff liaisons. FII had enrolled a cohort of five families -- friends who were refugees from the civil war in El Salvador. Every month one of my staff would sit in as this group met to share stories. For about seven months this group talked mostly about trying to take care of their health and assuring that their kids did well in school. Then suddenly Jorge and his wife Maria-Elena reported that a Spanish-speaking agent/broker assured them that he could help them purchase a house in their neighborhood. They also said that friends were going to help with the needed deposits.

As we followed this situation, my staff reported that they thought this guy was going to rip the family off, that he was a predatory lender. Staff wanted to counsel the family or get them to go to financial training workshops, but I wouldn't let them. FII was set up with the help of Jerry Brown -- then Mayor of Oakland -- and I had promised him that my staff would never interfere or counsel the families. Our founding goal was to learn what families would do

on their own if they were brought together with friends and could earn small amounts of money by reporting what they did each month.

"No, you can't say anything," was my directive to staff. "Just track what they do." In my previous role running a social service agency, our job was to counsel and "save" families. FII was different. Although I personally wanted to intervene, I knew we had to accept that -- [like my mother](#) -- everyone has to make their own mistakes.

Sure enough, since the agent would make his money upon closing, he did get Jorge and Maria-Elena their house, but their mortgage payment in total was 65% of their income. My staff was pissed at me for not letting them help the family and, of course, I also felt bad. It was clear that the family would lose the house. The only bright spot might be that word of mouth would travel through the community and this guy would not do business there again.

But then the lessons for me started. We had assumed the family was clueless, but at some point they recognized that they were in over their heads. They had included a refinance clause in their mortgage. They called on friends who descended on the house and re-tiled, re-landscaped and re-painted it, increasing its value. Six months after closing, they asked me to sit in on the refinance and they got their payments down to about 40% of their income. With this community of friends surrounding them it was clear they would not lose the house. From that point on, I promised myself that I would try to avoid underestimating people's ability to solve their own problems.

Yet the lessons continued.

Families enrolled in FII provide us data on their monthly activities and, while they can track their own progress and that of others, we can also see the changes they are making. Two months after Jorge and Maria-Elena refinanced their house, I saw that savings start to go up for all the other families in their cohort.

At the next monthly meeting, I asked them why they were saving. They answered, "Well, if Jorge and Maria-Elena can get a house, we can get one too!" Sure enough, within 18 months of that meeting all the other four families owned homes in the United States. And none had used that predatory broker.

But there was one more lesson. The success of this one ordinary family and their friends had a ripple effect on their broader community. Most of this refugee community felt that it would be impossible to build assets in this country, but Jorge and Maria-Elena changed all that. If it had been some exceptional family that accomplished this -- the pastor from their church or a thriving business owner -- self-efficacy and expectations around what could be accomplished would not have changed for most families. But Jorge and Maria-Elena were peers. And if my staff had "saved" Jorge and Maria-Elena, credit would have gone to the staff and the perception that families need programs and services to save them would not have changed. But I also learned that all of us need our friends. Jorge and Maria-Elena received help from relationships far and wide to buy their house, including \$5,000 all the way from El Salvador.

From that point on, I felt so much more justified in not permitting staff to give direction to these ingenious families. Since its inception, FII has already fired four staff who couldn't help being helpful. I expect families will make mistakes just as my mother, my staff and I make mistakes, but I continue to be amazed by the solutions the families come up with if we give them direct access to capital or connections normally only available to social service staff. Our sector needs to step back, understand that low-income families are as smart as we are, and we will learn so much more together.

By the way, Jorge and Maria-Elena still own their home.