

# Making a Difference through Community Development

## A Profile of Michael Swack

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“If you get involved in community development work, it means you’re basically an optimistic person because you believe that the work you can do can make a difference... And the thing about development at the community level: you actually can.”

After decades of creating lasting, positive change, the best evidence for Professor Michael Swack’s optimism is his own career. These days, Swack holds dual

“If you get involved in community development work, it means you’re

appointments as a professor at UNH, at both the Carsey School and Paul College, as well as serving as the director of the Center for Impact Finance. He is an internationally-recognized expert in helping underserved communities get access to financial capital and transforming those funds into social good. However, his first step into the field of community development was not particularly distinguished. In fact, it wasn't a step at all.

Swack attended the University of Wisconsin in Madison as an undergraduate to study political science. His sophomore year, he and a few friends moved into a housing co-operative, which was a member of an umbrella organization called the Madison Community Cooperative. They stayed through their junior year, when a vacancy opened up on the MCC board of directors.

"It was almost like one of those old cartoons where there's a lineup of military personnel and a sergeant says, 'I'm looking for one volunteer here!' Then everybody in line takes one step back and there's the one person standing in the same place," he says laughing at the memory. "And that was me."

At the tender age of 19 years old, Swack found himself a board member on a large non-profit. Within a year he became a director. Swack understood that cooperatives filled a huge community need by providing affordable, self-governing housing. He wanted to expand.

"I quickly did the numbers and said 'If anybody would lend us the money, what people are already paying in rent would easily cover

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the cost of mortgage and any operations to maintain the house: this works.”

However, Swack soon found that nobody was willing to lend money to co-ops like the MCC. It didn't matter if the project was good for the community or if he could prove it was a financially-sound investment. Mainstream financial institutions have specific standards and a narrow view of which risks are acceptable; nontraditional operations rarely get a chance.

“It's a long-standing problem here and elsewhere. Access to capital is a major factor that prohibits development of individuals and communities. The ability to grow, make a better life, and build assets for you and your family: these are major issues.”

After graduating from Wisconsin, Swack decided to pursue one of his other passions: music. He was accepted into the New England Conservatory for clarinet and moved out to the east coast. Swack played professionally for a few years in his twenties until the lack of a financial future nudged him back to graduate school.

He enrolled at the Harvard Kennedy School of Government, where his previous experience in community development was never far from his mind.

“At the Kennedy School, I focused a lot of my coursework, interests, and even some of my outside work in finance, and in particular, development finance. I had to learn some real skills

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there if I was interested in this field.”

In the first two years after completing his Master’s degree, Swack worked for a small consulting firm founded by a former professor. While the work was intellectually stimulating and provided the economic stability that classical music performance couldn’t, it didn’t feel like the right fit. Providing additional support to organizations and institutions that already had plenty of means simply wasn’t the reason he had gone back to school.

However, it was on a business trip with the firm that Swack met the colleague who would do more to shape his career than anyone else. In 1982, he got connected with the executive director of the Institute for Community Economics, Chuck Matthai. The two immediately hit it off. Matthai had had plenty of success in running fiscally-sound land trusts, but found it impossible to get financing.

“Chuck said ‘I want to start a loan fund and I don’t want to think about finance. Will you work with me to start one?’ And I said, sure.” Utilizing their different skill sets, they set up a loan fund and helped launch community land trusts in Maine, Ohio, and right in their backyard of Boston. “We worked with local neighborhood groups that were trying to develop affordable housing and wanted to maintain it long term as affordable housing.”

The following year, the two joined with Peter Thibault to found the New Hampshire Community Loan Fund, a non-profit that has gone on to loan and leverage over a billion dollars for NH communities who couldn’t get financing from banks. Swack still serves on the board of directors to this day. In nearly 40 years of operation, the loan fund has created and preserved over 10,000 affordable homes, 4,000 child care facilities, and 3,000 local jobs, without a single investor ever losing their money.

“What we have demonstrated is that a lot of what mainstream financial markets see is more a perception of risk than actual risk.”

Shortly thereafter, Swack turned back to academia. He joined the faculty at New Hampshire College (now Southern New Hampshire University) and founded a Master's program for like-minded people. Implementing what he himself had learned from his early successes in the field, Swack built the "graduate program like I would have liked to have gone through." Over the next 27 years as a professor and administrator, he taught generations of students how to use finance for social good. And in his down time?

"I went back and got my PhD at Columbia, starting during my first sabbatical."

In 2008, Swack was approached by Carsey's founding director Mil Duncan about joining their faculty. While grateful for all that SNHU had allowed him to do as a dean there, he was thrilled by the idea of focusing more on teaching and getting involved with hands-on projects. In 2010, Swack taught the first class at Carsey's new



graduate program in Community Development, which he runs today. He proudly notes that it is one of UNH's most diverse programs, attracting a wide array of students from across the country, all with different experiences of community building.

Over the years, Swack has continued to put his expertise to

practice through a wide variety of organizations, including the Financial Innovations Roundtable, the NH Community Development Finance Authority, and the Opportunity Finance Network. This includes his skill on the clarinet, which you can hear him play in a New Orleans style street band called "The Second Line Social Aid & Pleasure Society Brass Band." Swack's work in development has not gone unrecognized. In 2019, he was awarded the Ned Gramlich Lifetime Achievement Award for Responsible Finance, the industry's highest individual honor. Two years later, President Biden appointed him to the national Community Development Advisory Board, where he has helped direct federal funds toward the projects that need it most.

"I've been really pushing them to develop more specific support for [institutions] that do clean energy financing. I think it's just a huge opportunity area and one often where poor communities are excluded and the mainstream financial institutions aren't going to figure it out... Not every project succeeds, but many do and you can actually see the benefits: people who have access to clean energy now, who have housing now, who have a little micro business that supports them."

The passion for his work comes out in his voice when Swack explains all the ways that on-the-ground development makes a difference in people's lives, especially when he can make that connection to students. Graduates from his program have gone back to countless communities across the country, equipped with the knowledge to do lasting good. More than three decades later, being in the classroom still energizes him.

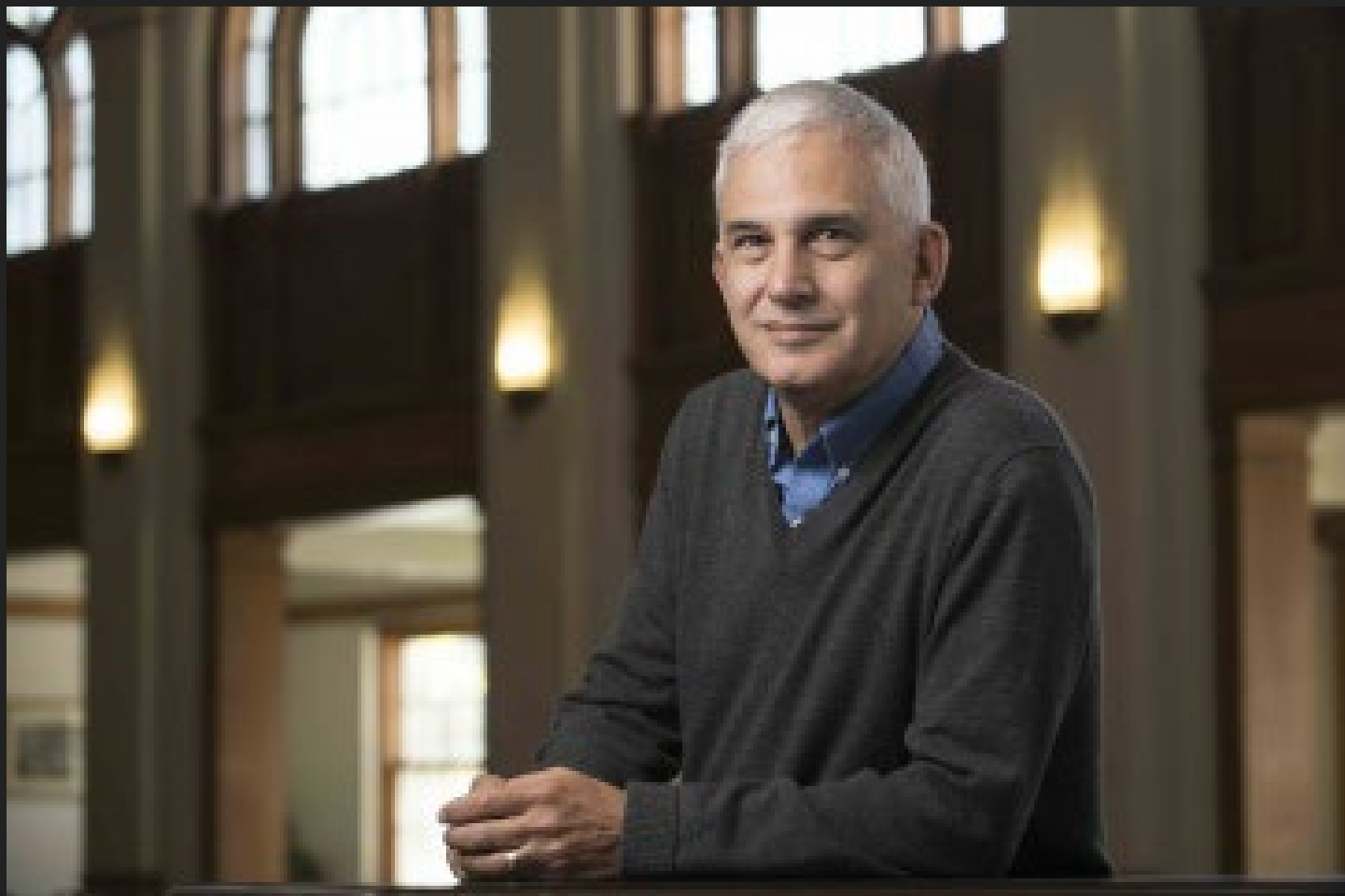
"I really love teaching, particularly students in our master's program who are really interested in promoting change in their communities... These are optimistic people who think that they can do something and are willing to try. When you have people like that in your class, what more can you ask for?"

Reported by Benjamin Scott Savard '23

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