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Advancing Economic Mobility and Innovation

Closing Plenary | Investing in the American Dream: A Conversation with HUD Secretary Scott Turner

Announcer 00:04

Please welcome Scott Turner, Secretary US Department of Housing and Urban Development, and Rich Ditzio, CEO Milken Institute.

Rich Ditzio 00:20

Okay, well, it's been a wonderful day, and the only thing between the reception is us—but we want to take advantage while we have Secretary Turner here. Thank you so much for joining us today. So we're sitting here at the Milken Center for Advancing the American Dream. I think housing stability and home ownership factor into many peoples' thoughts about what they think about the American dream, but I want to start with you first and your story, because you have had such an amazing journey so far, your path taking you from the NFL to state legislator to private industry to the HUD secretary: this is quite a unique set of varied experiences. Tell us about that progression across these various roles, and what parts of your journey most shape your view of how the government should participate in housing and community development.

Scott Turner 01:10

Well, thank you, Rich, and good evening, everyone. I'm happy to be here with you. Honored to be on stage with my friend Rich. You know when I think about this, the first thing I think about is my parents, and a lot of what shaped my view was the struggle growing up in a household with two loving parents, but didn't—they didn't understand and know how to stay married, and so I grew up in a very difficult situation, to say the least. And my parents were divorced. It was a very chaotic situation—violence. But through those things, my mother taught me how to have a tremendous faith in the Lord, and my father taught me how to have a work ethic, a tremendous work ethic, and I worked at a restaurant in Dallas called Spring Creek Barbecue. I was a dishwasher. My father picked me up from football practice one day in August in Texas.

How many know it's hot in Texas in August? And he took me to this barbecue restaurant, and he said, "This is your new job," and Rich, the manager met me at the door and said, "Welcome to Spring Creek Barbecue. You're our new dishwasher." I was already aggravated, because I just came from football practice. It's 100 degrees, and now my father takes me to this barbecue restaurant through the back door, and they tell me I'm going to be a dishwasher. And my father says, "You're a great athlete, but you don't know how to work." And so that was my first job. I stayed there for four years, and I say that because it was hard work that taught me how to overcome adversity. It was being humble in situations that taught me how to—no matter the scenario that I'm in—that I need to put my hand to it and give it my all, and that started at Spring Creek Barbecue, and along the way, my sweet mother teaching me how to trust God in every situation. And I say that because that has shaped my view of work in America. And last week, we made an announcement of a new proposed rule in Champaign, Illinois that HUD would give allowance to public housing authorities and owners to require those that are receiving housing assistance to require them to work and/or time limits. Because we believe that work restores dignity, that work builds the family, that work teaches us things whereby we would not learn had we not been working. I'm talking about able-bodied, able-minded people—not disabled, not the elderly: able-bodied people. And I say this because in this job, what I've learned is that prior to us coming here, the mindset of it was that government would just do it all, that government would do what it does for people. And my mindset is, how can we help people that are able-bodied to become self-sufficient? And work requirements, time-limits are one tool to do that, and we believe that with this new proposed rule, that more than \$501 million increase in income for tenants, about 79,000 families will become self-sufficient just in one year. Rich, 50 percent of people on public housing in 2024—50 percent of people living in a household did not work or have any reported income—and so we want to change that paradigm. And so me growing up struggling with my mother, my father, the divorce, the situation, my faith, them teaching me how to work hard, work in the [inaudible], all of these things shaped me and motivated me. Because I've seen that, or what it did for me and restored dignity in me, I want to see that in other Americans.

Rich Ditizio 05:07

So in the NFL, you have to work as a team player. You now lead a team at HUD, and I think HUD is trying to foster strong communities and address solutions around affordable housing. Given all the conflicting priorities here in Washington, just the general noise level, how do you keep above that and stay focused on the mission?

Scott Turner 05:26

Well, I think playing in the NFL really helped me, because you know, when you play corner, which is what I played, and for those who don't know anything about football—which I'm not mad at you—corner is on the defense. And so our job is to keep the offense from scoring a touchdown, and when you when you play cornerback, you had—literally, you run backwards and anticipate where this guy might go. He already knows where he's going. I played against guys like Jerry Rice and Michael Irvin and guys like that, Chris Carter. You know these Hall of Fame guys, they already knew the play, I don't know the play. And I say that because playing cornerback is hard, and you have to be very focused, and sometimes you get beat, but you have to have a short memory, and you have to go to the next play. And I think it's that type of

mindset that has helped me to be focused. And at HUD, when we came in, we said we need to return to the mission-minded focus of HUD, to serve the most vulnerable people in our country, to promote self-sustainability and self-sufficiency, to provide disaster recovery and relief when storms hit, to help our homeless neighbors and friends around the country, not just in housing, but in really getting to the root cause of homelessness and treating mental illness and drug addiction and helping people to become transformed, all the while housing them, but then get them back on their feet, out to a life of self-sustainability. That's our focus. And every single day, myself and our team, we are reminded why we are here. We know our mission. We know what we've been called to. We know the people that we've been called to serve. And so no matter what goes on in Washington, the noise around it, we understand why we're here, right? And so we see the results at HUD every single day. Last year, Rich, we had 1 million people through our FHA and Ginnie Mae program to be able to afford to buy a home. 500,000 of those were first-time home builders. We look at what you know under President Trump and others in the administration, the numbers that are going on right now, mortgage affordability is at a four-year high. Five million people in January were able to refinance their homes and bring down their monthly payment. Rents are coming down. And so when I say all those things, those numbers, those results, taking down burdensome regulations and a lot that helps me to stay focused. And I will say this, I have a tremendous team. Every leader knows that you're only as good as your team, and I'm really blessed to have a very talented, smart and committed, mission-minded team.

Rich Ditzio 08:00

Okay, well, to solve these very complex issues, you need a great team. You need good partners. There's a lot of proposals floating around. We hear a lot about affordability. There's bills working their way through Congress. Businesses and philanthropists have ideas around it, but what do you see the role of the federal government playing, versus, say, the private sector and expanding housing opportunity?

Scott Turner 08:22

Well, I have a very—like I said, I have a very talented team, and one of the gentlemen on our team gave me a quote from Milton Friedman, and I want to read it. And it says, and it's credited to Milton Friedman. It says, "If you put the federal government in charge of the Sahara Desert, in five years, there'd be a shortage of sand." And I think that's very true. HUD is a great convener. HUD is a great facilitator, if you will. But our focus is not to be micromanagers, not to be heavy handed, but to be facilitators and conveners, and let the private sector—if you will, because that's where the real solutions come from—is for the private sector to unleash ingenuity, to unleash innovativeness and creativity. And what we do is, we take down burdensome regulations from the federal standpoint. For instance, one of the first things we did was take down the Affirmatively Furthering Fair Housing rule, which essentially made HUD a national zoning board. So we tore this rule down to restore control back to the localities. Because you being in Santa Monica previously to come and hear me in Dallas and other cities—Boston, San Francisco—those places know their needs better than bureaucrats in Washington, and so I believe that it's our job to let the private sector, to let localities identify their issues, identify their problems, come up with solutions, and then we can be conveners and facilitators of that, and particularly when it comes to public-private partnerships.

Rich Ditzio 09:58

So let's pivot a little bit. We were talking before, and you mentioned that 1 million people were lifted out of poverty through opportunity zones. Tell us what worked particularly well about that program, and are there any lessons you can extract from that experience that apply to housing?

Scott Turner 10:16

Sure. So opportunity zones, as you all know, were part of the Tax Cuts and Jobs Act in 2018, and Senator Tim Scott and others who were the architects of this legislation came up with the opportunity zones. Y'all, there's 8,754 qualified opportunity zone sites around our country, urban, tribal and rural. The governments, the territory leaders of every single state and territory in our country were given a task to identify 25 percent of eligible census tracts, and they were then certified by the Department of Treasury to become opportunity zones. These are areas that you've all seen, you all know, some of you may even be from those once thriving, rural, suburban areas that are now blighted and dilapidated, that have high crime rates, low education rates, health deserts, food deserts. I'm kind of just putting a picture in your mind. And so when I was leading the opportunity zone effort, my job was to go around the country and convene stakeholders, if you will—public officials, entrepreneurs, faith leaders, education leaders, community leaders—to come to the table all at one time, to have a discussion: What is the problem in this said city? What is the problem in this said state? And once we identified it, then to come up with a strategy for long-term sustainability. And so not just to say, oh, you know, it's blighted, but say it's blighted, now what? And that came from a public-private partnership, people coming together. Imagine the mayor being with the developer being with the faith leader, the education leader, and the community leader. The mayor has the authority, the rule-making power. The developer has a vision for what can be built. The faith leaders have people in their church and in their shared parishes. The education leader is the one teacher, but the community leader has the heartbeat. That's the beauty of opportunity zones. That's why \$100 billion of private money was invested into opportunity zones, 400,000 new units of housing, a million people coming off the poverty roads. And I don't think we talk about this much. You're talking about a million individuals coming off the poverty rolls. Well, how many families? Does that million people represent people coming off of poverty in America? This is America. Y'all, I went to 80 cities around our country in the first administration, to opportunity zones, hosting these round—over 250 convenings with people in our country identifying blight, identifying poverty. You know the word 'revitalization', because it was a White House Opportunity and Revitalization Council. Revitalization stands for new life, and that's what opportunity zones bring to our country, to individuals. I saw first time entrepreneurs who have never been in business. Now they own a business that impacts them and their family and the community. I've been—just since we've been in the administration, I've been blessed to go to 13 different opportunity zone sites since February 5 of last year: Atlanta, Philly, all around the country. And there's people in our country, some of you may even be in here, that have made investments of time, talent, and treasure to take once-broken communities that have been forgotten. In Atlanta, there's a 50-acre hole right in the middle of downtown Atlanta between the football stadium, I believe it's the basketball stadium, and they have tried to fill this thing and have plans for this through the years. It's an opportunity-zone site, and now there's a developer there. In partnership with public and private now they're building mixed-use development, affordable housing, market-rate housing, restaurants, hotels. That's what opportunity zones do. And I'm

sorry that the media hasn't done a wonderful job of telling it, but I'm going to tell it because I put my hands on it. I've seen it with my own eyes. I've literally seen people's lives change, those investing and those that benefit from the investment. And so I'm happy that the One Big Beautiful Bill has now made these permanent.

Rich Ditizio 14:17

And is there anything that you're particularly excited about in the public-private partnership space around housing that you can share with us?

Scott Turner 14:26

Yes, there is and there's more to come, and I don't want to get ahead. Obviously, the President has made, you know, very bold decisions. This is not just a priority, but of utmost importance for the President, for myself, for Secretary Bessent, Director Pulte, and others across the administration, is to help people achieve the American Dream of home ownership. Again, the federal government can do its job in facilitation, in taking down regulations, in rule making. But the private sector is where the real results are. And I believe, and I'll say it again, as we unleash the private sector, builders, developers, property owners, both multifamily, single family, manufactured housing is doing a tremendous job. And to remove that permanent chassis from the manufacturer, I know you didn't ask me about this, but to remove the manufactured housing, permanent chassis, is going to be huge for our manufactured housing industry. About 22 million people in America live in manufactured housing, so that's one very innovative tool that we're using. But there's more to come. And do know that it is a priority of mine, the President's and others—not only on the demand side, as we talked about a little bit, but also on the supply side—to build more supply, to have a focus in our rural communities, to build more single-family homes for Americans. And so that's all I'm gonna say on that. But just know that, that and more is what we're involved in.

Rich Ditizio 16:02

So we keep returning to this theme of the American Dream, and the role that housing plays in that, but it's so much more than that, I think. You know, as we sit here today, one of the things that we're doing at the Institute is we are filming 10,000 people from around the world to tell their story about what the American Dream is. And as I watch these videos, I'm always taking that in nearly every single one, the person is thinking about someone who was catalytic towards their own achievement of the American Dream. They become very emotional and often cry as they're being filmed. So I want to ask you, given your extraordinary story, who is that person for you, that saw something different in you that allowed you to go on and achieve your version of the American Dream?

Scott Turner 16:47

Well, first of all, thank you. You know, y'all, I'm really humbled, really just to be sitting on stage before you, because when I grew up and the situation that I came out of, I wasn't supposed to be here. And I know there may be some of you here who have a similar testimony, and I do. I thank God that He had grace on me and that my mother and father loved me and gave everything they could to me in spite of their struggle. And there have been people that have come along the way to help me. I've had coaches and teachers that believed in me. I had one of my teachers one time she pulled me to the side, and she called me Scotty, and she said, "Scotty, you're smart." I was in the seventh grade. That's the first time I ever heard that, but it changed my life. I knew I could run fast. I knew I was a tremendous athlete. I knew I was faster than all my cousins at Christmas, but this teacher came and she said, "You have a brilliant mind, young man, you're smart." And it literally changed me. It encouraged me. And there's been people that have come behind her, coaches in high school—Mike Jenkins, Sherman Smith in college; Aeneas Williams, Hall of Famer, football player from the Arizona Cardinals—that have come alongside me, to encourage me, to challenge me, to correct me, to rebuke me, literally to lift me up. I mean, countless opinions. I've had naysayers along the way, too, but for those who have come alongside me to help me and to encourage me, Dr. Ben Carson is a huge blessing to me. He's not only a mentor to me, but he's a great encourager to me, and he's also a great example of really achieving the American Dream. When I think about the president, I spend time with the President. He's a great encourager to me, and shows me how when you say you love America, when you say that American people are first, you don't just talk about it, you do it. And so I think we have that in our President. I see that in him. He's an encourager for me. Dr. Ben Carson. But I tell you, who also encourages me is people who I see just every day, that are doing everything they can with all the gifts and talent and effort that they have to be successful. I may never meet them, but I see them. I may not know their name, and they might not know mine, but I'm encouraged by people like that. I love to read, and I love to read about people who've come from very little and who have done a lot. And for me, ladies and gentlemen, it's not about the achievement of wealth or fame or money. It's about literally using your God-given talent to impact your generation. That drives me, and I hope that by me being in this position in this season of time, will be a great encouragement to others that they can do it too.

Rich Ditizio 19:57

Well, that's a wonderful place to end, and I want to thank you so much for joining us today. Thank you.

Scott Turner 20:01

Thank you, sir.

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