



Mike Carscaddon, MBA '08, Nails Solid Foundation at Habitat for Humanity

BUILDING ON THE FUNDAMENTALS

Mike Carscaddon, MBA '08, spends his day assessing an appalling bottom line: 1.6 billion people in the world lack adequate housing.

As executive vice president for international field operations for Habitat for Humanity International (HFHI), Carscaddon is used to operating within parameters that are unfathomable to most Americans — even with the domestic housing and mortgage markets in shambles. “The current homeownership rate in the U.S. is around 65 percent,” he says. “But if you go to India, fewer than six percent of the people have access to the capital needed to buy a house. When you get to a country like Zambia, that number drops to fewer than one percent.”

By Amy Spooner

PHOTOS COURTESY OF MIKE CARSCADDON

Without access to financing, it's virtually impossible for people to buy homes or improve their housing conditions. The alternatives are delaying repairs until funds can be saved or taking a loan from a moneylender at a usurious rate of interest. Habitat for Humanity is dedicated to changing this, Carscaddon says.

"In addition to building homes, we now are focused on broader strategies to sustainably enable access to housing and transform systems that impact affordable housing," he says. "This takes us back to Habitat's early days when one of our founders said, 'What the poor need is not charity but capital; not case workers, but co-workers.'"

BUILDING BLOCKS In the developing world housing often is referred to as a verb rather than a noun, Carscaddon says, and much like the work of Habitat for Humanity it happens incrementally. The organization is working with microfinancing institutions (MFIs) to mobilize capital and make more loans available to more people for housing needs. Habitat uses technical support and market research to show MFIs the inherent value that comes with housing. Carscaddon and his team also encourage MFIs to offer capital for improvement of existing homes, not just new ones.

"Our goal is to offer products that are relevant to the poor," Carscaddon says. "If we offer a new house to someone who can't afford it, versus offering a loan to put on a new roof or install a floor where there's currently only dirt, what makes more sense?"

Sometimes the process involves remodeling existing laws and cultural barriers. Carscaddon points out that in some countries women don't enjoy inheritance rights. As a result, widows must relinquish possession of their homes to in-laws. Habitat lobbies governments to overturn these laws and establish security of land tenure. Such advocacy increases and enhances the quality of housing. "People don't want to invest in bettering their homes if they know they could get kicked out of them at any time," Carscaddon says.

Technical support, market research, and advocacy may seem like nontraditional Habitat activities, but they illustrate fundamental changes happening inside the organization's business model, says Carscaddon. He likens the old model to a wheel with Habitat in the center, surrounded by its various programs. Now the approach is more holistic. Poverty and inadequate housing form the hub of the wheel, and Habitat joins organizations and governments focused on education, healthcare, water, and other social issues as the spokes.

"Housing is a fundamental building block of human development," Carscaddon says.

SCALE AND SUSTAINABILITY Historically Habitat's national organizations had similar structures and focused on building only new houses, primarily in rural areas. Today the organizations adapt according to a location's specific needs, says Carscaddon. "We ask, 'What can Habitat do best to enable affordable housing in this particular place?' with our key drivers being scale and sustainability."

By scale, Habitat seeks to help as many families as possible, recognizing that engaging partners is critical to extending the organization's reach. Sustainability, meanwhile, takes many forms, he notes.



GLOBAL IMPACT
Residents of earthquake-ravaged Sichuan Province, China, smile about their new home (left); Below, a worksite in Cambodia.



"For the families we serve it's about affordability; for the environment it's about building responsibly; and for Habitat it's about being financially viable so we can help more families in the future."

Meanwhile, building with local materials is not only culturally appropriate, but also environmentally friendly due to reduced transportation costs. Habitat won a World Bank award for its use of an indigenous cane reed product in Kyrgyzstan that's similar to bamboo and regenerates quickly. The organization also is exploring the potential of solar energy in places without electricity.

THE BLUEPRINT With 55,000 families helped by Habitat for Humanity last year, the organization's impact is far-reaching. But it also offers Carscaddon the kind of personal fulfillment he had been seeking in a career. In the mid-1980s, the then-professional CPA was climbing the corporate ladder within First Union Corporation (now Wachovia, a Wells Fargo company) in Charlotte, N.C. On weekends he could be found swinging a hammer with other members of his church on community builds for the local Habitat chapter. Then, in 1987, the annual Jimmy and Rosalynn Carter Work Project came to town.

“HOUSING IS A FUNDAMENTAL BUILDING BLOCK OF HUMAN DEVELOPMENT.”

“It was a big deal for the Carters to come to Charlotte,” Carscaddon says, “so a lot of volunteers were mobilized.” The experience motivated Carscaddon to accept a position on the organization’s local board of directors. “Groups are always looking for a CPA to be their treasurer,” he says with a laugh.

Carscaddon’s involvement intensified when his church congregation committed to constructing a home by itself. “Every Saturday for three or four months, I would work at the build site,” he says. On many occasions he worked alongside the woman who eventually would get the keys.

“Something we take for granted, like grocery shopping, is a major ordeal for someone living in poverty,” he says. “She was too poor to own a car. She had to take a bus quite a distance in order to shop. And then she could only buy as much as she could carry.”

As more of Carscaddon’s personal time was devoted to Habitat for Humanity, he found himself at a professional crossroads. Through career counseling he discovered that although he was well-suited for finance and accounting, his fulfillment level would be higher in an organization with a social mission.

IN THE HOUSE Around that time he received a call from the former executive director of Habitat for Humanity Charlotte, who had been hired by HFHI in Atlanta — the umbrella organization — to run its U.S. operations. The organization needed help in its financial department, and the CPA/volunteer/board member was top of mind for the opening. Carscaddon’s weekend volunteer gig had transformed into a full-time job.

The initial role as controller led to his appointment as HFHI’s chief financial officer in 1996. In 2000, he was promoted to senior vice president of administration; in 2004, he accepted his current role in international field operations. Even before Carscaddon headed Habitat’s overseas efforts, though, he had become increasingly interested in them. As the treasurer of the Charlotte board he was aware of Habitat’s tithing program, where U.S. affiliates give a portion of the funds they’ve raised to the charity’s global operations. “It’s the concept of ‘think globally, act locally,’ and I



ON A MISSION
Habitat for Humanity volunteers work at a build site in Thailand (above); Mike Carscaddon, MBA '08 (center), with HFHI colleagues in Haiti.

found it very intriguing,” he says. While serving as controller he sought a one-month assignment to Malawi so he could observe the organization’s efforts in developing countries.

Carscaddon now oversees the operation of Habitat’s work in 85 countries, centralized in field offices in Bangkok, Thailand; San Jose, Costa Rica; Pretoria, South Africa; and Bratislava, Slovakia. Programs in most countries are autonomous, raising funds and managing their own leadership boards. Carscaddon helps national organizations develop new programs and share best practices and innovations.

But even with his background as a CPA it is tough to nail down the bottom line in a nonprofit, he says. “There is no shareholder value, so how do we measure the impact of our organization?” He relies on the tools gained in his business training to help him lead. “I have learned good strategy and problem-solving frameworks and skills,” he says, “and I have learned to be more data driven. Nonprofits tend to be soft in that area, but it’s important that we make decisions based on facts.”

Those facts are critical to Carscaddon’s somewhat daunting mission. With the staggering number of people in need of housing worldwide, he knows his work is never-ending. He refers to a quote by Mother Teresa to avoid getting overwhelmed: “It is not the magnitude of our actions but the amount of love that is put into them that matters.” And he focuses on the fact that Habitat for Humanity changes the lives of homeowners, volunteers, and donors who get involved.

“We all have a responsibility to address poverty,” he says. “Habitat is very action-oriented. People can swing a hammer and feel like they are making a difference. We then harness that energy to make an even bigger difference.” ✦