



Interview with Archana Sahgal (Hyphen)

Ambika Samarthya-Howard

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Ambika Samarthya-Howard: Can you start by introducing yourself and your organization, and tell me a little bit about your work? Specifically, what makes your approach unique?

Archana Sahgal: As background, Hyphen started three years ago, as a first of its kind nonprofit, intermediate organization that both engages philanthropy, and organizes philanthropic resources, to serve as a bridge between the federal government and low-income families, and communities of color. **So the idea is that you can't have a public-private partnership without the hyphen.**

The idea is that philanthropy has an incredible set of resources from civil society that can often propel social justice, economic justice, racial justice, and priorities forward. And then, obviously, the Biden-Harris administration cares deeply about racial equity, carbon reduction, and good union jobs, but there's a role for everyone to play, to ensure that in particular, historic federal policy actually reaches its intended audience. As a little bit more background, over the last three years, there's been a huge passage of historic federal policies, and that includes the American Rescue Plan, or ARP. There's the infrastructure bill, there's that climate bill, and together, they add up to about \$4 trillion. So there's an opportunity to make sure that \$4 trillion really transforms the landscape of our communities, literally where we eat, drink, play, live, go to school, go to work, and what have you. So I talk a lot about how this moment is akin to the 21st century New Deal, or a modern Industrial Revolution. We talk a lot about equitable outcomes for this historic legislation. So that's what we do.

Ambika Samarthya-Howard: And when you say, "It's the hyphen," are you talking about low income, like the low-income hyphen, or are you talking about public-private partnerships?

Archana Sahgal: The hyphen helps to develop public-private partnerships between the federal government and philanthropy. A lot of people have focused so much on the passage of a law, ergo, why everyone is rightfully so focused on advocacy, to make sure that legislation gets passed. But Hyphen cares so much. We are created about really thoughtful policy implementation. It's funny, because our comms team is like, "Have you ever thought about doing like, How a Bill Becomes a law, that Schoolhouse Rock," it's incomplete.



Because it's not just how a bill becomes a law, then how that law gets implemented. And then, in addition to implementation, how you talk about the work as well. We're missing a couple of turns on the wheel. How change actually happens, and how the solutions actually come to be, is when there's equitable implementation of this incredible historic legislation.

Ambika Samarthya-Howard: Can you share an example that illustrates how this work works?

Archana Sahgal: I'll give you three examples. The first example is related to our work for the Initiative for Inclusive Entrepreneurship, or IIE. In October of 2022, Vice President Harris announced the Initiative for Inclusive Entrepreneurship. And the goal was to expand capital access for small businesses owned by people of color. The idea is that the American Rescue Plan had refunded what's called the State Small Business Credit Initiative, SSBCI. So the American Institute plan, via the Treasury, had given \$10 billion to support entrepreneurs of color. But just because that money is supposed to go to something, doesn't mean that money will actually flow to its intended focus.

We created the initiative to do a couple of things. One, build the capacity of small community lenders and fund managers focused on reaching entrepreneurs of color, really deploying philanthropic and private investment capital to leverage SSBCI funding, creating a centralized hub to understand a knowledge network, or a community of practice, because there are so many problems within the small business lending ecosystem. But we're really focused on the solutions. **The small business lending ecosystem is really fragmented. There's lots of actors, there's lots of different people managing different public and private funding streams. Oftentimes, they're not necessarily offering the products that entrepreneurs of color need, or the delivery channels that actually reach them.** We have all the numbers for problem after problem after problem, especially in Silicon Valley. You hear that 4% of total VC dollars reach entrepreneurs of color. Problem.

Another problem is that Black-owned businesses reach 2% of first round COVID PPP loans. It's like problem, problem, problem. But I was like, "Okay, we get it, there's problems around, but what are the solutions?" So the Initiative for Inclusive Entrepreneurship is one of the major solutions to shift that. We have a whole bunch of information about the Initiative for Inclusive Entrepreneurship. What Hyphen's done is organize the private dollars, to be complementary to the public dollars, with the Department of Treasury, and the Vice President's office, the Department of Commerce, to actually do that structural system change that's needed.

That's an example of the solutions that we're creating for these big problems. I like to call it, "high hanging fruit." There's been this whole piece about getting low hanging fruit. I'm like, "Don't get me wrong. I'm a low hanging fruit girl. Whatever you can grab, get it." I live in LA now, so we have a lot of citrus growing right now. But I was like, "Okay, at some point the orange, you have to get to the



top, because we think it's sweeter, harder to get, it's the structural change that'll happen." So we do that around expanding capital access for entrepreneurs of color.

For 18 months, we incubated the White House and gun violence work, called the Community Violence Intervention Collaborative. Problem after problem after problem, especially in the summertime, every Monday morning you wake up reading about the gun violence in communities across the country. And what's been bothering me is that there's actual solutions that are investable, that will have a direct link to decreasing gun violence in this country. You can see it in places like Newark. You can see it in places like Baton Rouge. So Civic, the White House Community Violence Intervention Collaborative, that Hyphen ran for the White House, is the solution that I really wanted to get in touch with.

Now, I believe Hyphen no longer incubates it, we've spun it out, We did this thing called the Coalition to Advance Public Safety. Baumer and Schusterman fund it. They have audacious goals about decreasing gun violence by X percentage in five years. So that's an example related to expanding capital access of color, it's our work around gun violence. We have other projects around making sure that communities of color understand where the money's gone, related to the infrastructure bill.

Ambika Samarthya-Howard: That goes to my next question, which is that it feels like so much of what you do is the journey, and not always just what happens at the end. So I was just curious how you measure success?

Archana Sahgal: It's so interesting, because people want to see impact immediately. We create the process and the vehicles that drive towards impact. We were just on the phone with our colleagues, where they're like, "Okay, that's a lot of process." And I was like, "Okay, we can throw numbers at you for impact. I got you." You want to talk about intermediary impact numbers? We have those outcomes. We can talk about the lessons, the learnings, the money that's going out now. How do you measure capacity? And I'm sure you understand this, how you measure capacity building is really challenging. Because oftentimes, people don't have the capacity to actually do the work, and the work is how you see impact. So for us, there's got to be another way of telling a story about capacity building, because at the end of the day, what Hyphen did was build the capacity of 51 local community-based public safety organizations.

And without that, without them having the capacity, they don't get to do the work. What we care about is the decreasing gun violence. But if you're not able to tell the story about [it, that's an issue]. There's a narrative arc about what needs to happen, in order to get to the big win. If you're only wanting to talk about the win around carbon reduction, or if you only want to talk about the



win around expanding access, you're going to wait two, five years. But you cannot wait to tell those stories. You have to talk about the incremental change that's happening now.

Ambika Samarthya-Howard: I'm curious, do you identify as a systems change orchestrator? If so, what do you need from other actors in your system to do what you need to do?

Archana Sahgal: One of the things that we're really focused on is ensuring that there are enough dollars from private philanthropy and financial institutions to provide the match capital that so often the federal government needs. The example that we use is, there may be this SSDCI capital, this \$10 billion, but within the structure of SSDCI there needs to be a private match. So Hyphen is helping to organize a private match, both by the IE investment vehicle, and then our capacity building work. That's the work that needs to happen from civil society. And who's going to organize that work? That's the work that Hyphen does. That is why if you have any advice, we are open to it. Because so much of this work is behind the scenes. It's organizing dollars, and it's capacity building resources.

Ambika Samarthya-Howard: Who do you work with, outside of the philanthropists and the governments? Do you have other people that you work with?

Archana Sahgal: It's the ecosystem of what we're working with, let's just take the Initiative for Inclusive Entrepreneurship, it is so vast. The amount of resources, like the re-granting and the sub-grants that were given to our partners, it's really robust ecosystems in order to do the system change. So it's community development, financial institutions. I use the easiest example to give you. We're working across three verticals. We're working across high growth, AKA venture capital, working across Main Street, AKA small businesses, and then, suppliers is that third vertical. It's like B2B, business to business, business to government, people that supply other businesses or people that supply the government with resources.

So each ecosystem has a micro ecosystem that we're supporting to get stronger. Because that's the thing, system change requires changing the entire ecosystem. It requires not a hit it and quit it story. It's like, one needs to be immersed in the problem, so that you can be immersed in the solution.

Ambika Samarthya-Howard: What's something that hasn't worked?

Archana Sahgal: Urgency. I think that one of the things that's not working, is that folks don't feel like this work is time sensitive enough.

There's so many different opportunities to make big systems change. It just requires a focus, and an all hands on deck moment. That's the piece where we're just looking for leverage, so for us,



leverage is the name of the game. The goal is to leverage the \$10 billion with private dollars as well. But it requires people to focus, and be able to move that money faster than ever. I think there's also a piece where the federal government works so quickly, but community and philanthropy works at a much slower pace. I think that there's some obvious examples where that's not the case.

The Skoll Foundation is the fastest funder we've ever worked with. They're able to understand problems, and then get the money out to solutions faster than ever. But in general, philanthropy, there's an old adage, because I came from the Open Study Foundation. If I had a great idea, it would take me 18 months, probably from start to finish, from when the money got out the door, for me to actually move those dollars. I'm like, people just need to be bolder, braver, more courageous, and hustling to get that money out the door. The biggest thing is a lack of urgency related to time, especially with regard to so much of the work that we're doing with the Biden-Harris administration. It's possible that the Biden administration may be around for another four years, but we don't know that. What we do know is that there's no calendar year of 2024, to really help drive equitable implementation of the American recipe plan, the infrastructure bill, the climate bill. So I think the biggest hurdle is time, and your ability to focus on what's the solution that you're wanting to go all hands on deck around.

Ambika Samarthya-Howard: That explains to me some of the stuff that doesn't work within your particular approach. Is there anything you tried that didn't work, like a lesson you can share?

Archana Sahgal: I have a lesson. I'll be honest with you, because the Hyphen Team is almost all women, and almost all people of color, we don't get to fail very often. When women of color are learning things, we don't fail fast. I know that that's a Silicon Valley adage, "Fail faster." But nothing could be more white male than that concept of failing faster. **I don't think women of color are allowed to fail, and they're certainly not allowed to fail fast.** Don't get me wrong. There's certain things that don't work, and then we make real time tweaks. Because Hyphen is not supposed to be around forever. We're only supposed to be around as long as we're making sure that these public-private collaborations are helpful. We're only as awesome as the work that we create. So we don't get the grace, if things don't work.

I'll just be really honest with you. If you asked me about my time at OSF around immigration, I'd be like, "Let me tell you about a time that we failed." Take the border, and the fact that people haven't focused on providing humanitarian relief at the border. Still not funny. It feels chaotic. But there are lots of great examples of solutions even at the border that help create [change]. Let me give you an example. In partnership with Welcome, the US supported the Welcome Fund. It's supposed to be about humanitarian relief to asylum seekers, specifically from Afghanistan, Ukraine, and now



Venezuela. Three presidents came together and announced it, George Bush, Former President Obama and President Biden.

There are solutions around making sure that there's humanitarian relief around the border, so that not only there's a perception that it's managed, it's actually managed properly. We have receiving mechanisms for the influx of asylum seekers. What you have is people not moving at the pace in which we need to move, and fund it at the pace that we have. We have so many solutions related to people's perception around the chaos at the border. But there's just not a lot of attention on it. So when there's not a lot of attention on the solutions, it becomes much more difficult to fund it. When you don't have the resources, those solutions actually don't get to scale.

Ambika Samarthya-Howard: In terms of sunseting, or where you see the future, how do you see your work evolving in the next five years?

Archana Sahgal: For us, Hyphen's going to be around as long as we're able to do great work. I think that oftentimes, organizations exist in perpetuity, so they have to create their own relevancy. I'll just be honest with you. If there is no appetite to create these public-private partnerships, then the way that we're going to evolve is, we will sense it. Right now, we see a huge opportunity, around driving dollars to support Native-led, Native-serving organizations. We're deep in conversation with the administration and private philanthropy around driving dollars to native led organizations. And obviously, none of the people on the Hyphen team are indigenous leaders. But what we do is, we partner with Indigenous leaders, including Native Americans in philanthropy, to drive equitable outcomes.

We make sure that there's private dollars to leverage the massive amounts of public dollars that the Biden administration is moving toward, not just communities of color, but in particular, to Indigenous folks around the country. That's the work that we're doing.

Ambika Samarthya-Howard: That's awesome. What kind of insights do you seek, from having done this work?

Archana Sahgal: Insights, insights, insights? There's plenty of solutions. It just requires resources, it requires leadership. So much of it's a political problem. Let me just keep hearing over and over again, "not to take us off," but it's like, military solution, political problem. I feel like so much of this work is their political problems, their resource problems. So that's the biggest insight, we need bigger thinkers. We need bigger thinkers together.

Ambika Samarthya-Howard: Can you tell me the relationship between the political problems and the resource problems? Are you saying you think a lot of people think it's a resource



problem, but it's really politics? Are you saying that it's political because of who owns the resources?

Archana Sahgal: So political, small “p”, versus Political. So let me get really clear. The opportunity is that there's all of these dollars, upwards of \$4 trillion of unlocked dollars. The federal government is taking a whole of government approach, to make sure that these resources go to communities. There's a perception that it is only the federal government's role to make sure that these resources go to communities. What Hyphen says is that actually, there's a huge role for civil society to be playing, to ensure that these resources get spent, and reach your intended focus, and essentially, the legislation gets implemented effectively.

So the biggest insight is that we need all of civil society to be working in collaboration with the federal government, in order to drive these resources forward. Oftentimes, there's a role for advocacy, and there's a role to hold the federal government accountable. That's when I was at the Open Study Foundation. My grantee partners were really forcing the federal government to be accountable to the work and the commitments they made. But the work that Hyphen's doing is less about advocacy. It's more about the partnership and the collaboration that we all have to take, in order to drive these federal dollars at play. Let me give you an example. The Department of Transportation has the lion's share of resources for the infrastructure bill. They have about \$800 billion in competitive resources that they're re-granting, on behalf of the infrastructure bill, or IGA. But they are really clear that they can only fund the proposals that reach their desk. So if the proposals are awesome, then they get to fund awesome work, using public dollars, infrastructure dollars.

If the proposals aren't fantastic, they can only fund what's before them. That's the role, to make sure that the proposals and the pipeline are solid, and they hold the trifecta of racial equity, good union jobs, carbon reduction, mitigating climate change. That's the role of civil society, to ensure that there are great projects that are being funded by the federal government. There's a perception about, "My job, your job?" And what I'm saying, is that it's everyone's job to make sure that we're driving towards equitable outcomes for this historic federal legislation that's been, and these dollars that have been unlocked.

Ambika Samarthya-Howard: Do you have any insights or advice for someone trying to do what you're doing? Like a colleague, a partner, or individuals?

Archana Sahgal: We follow the money. That's my number one piece of it. It's funny because I talk to a lot of reporters. And they're always like, "Okay, so how's the money been spent?" I was like, "No, no, no. Wrong question." By the time the money is spent, [it's] too late. By the time the money is spent, that knowledge is just an accountability reporting out sunlight issue. What Hyphen is



saying is that between now and when all of that \$4 trillion is spent, this is go time. I just think it's so interesting that when I talk to a bunch of reporters, they're like, "Okay, do you have a breakdown on how much the money has been spent already?" I'm like, "That's too late, y'all." The story, for me, is how do we ensure that the resources that are starting to go out are spent equitably? This is why the stories need to be told now, because that's a process story. If you're not telling the story until the money's going out, too late, who cares? The money's already gone out.

So my advice is, "Follow the money." In the case of the infrastructure bill, the Department of Transportation has the lion's share of resources. The EPA and the Department of has resources, but the lion share of the resources are going through [inaudible] team. The Undersecretary, Carlos Monje, that is the work. Build the relationships and figure out what needs to happen. What does the federal government need to be in order to be successful? And where can the financial institutions, where can the banks, where can the community come and support our shared interests? Because it's not about the Biden administration, it's about our shared interest in making sure that we propel racial equity. It's the three-legged stool of good jobs, climate, and racial equity in this country.

The other piece of advice is, don't silo this work. We don't lead siloed lives. Philanthropy is really siloed. Obviously, the government has plays, agency by agency, but people don't lead siloed lives. I have to say, I'll hand it to them. The Biden administration is really trying to take a whole of government approach, whether it's around gun violence, or infrastructure around climate. I just think that shockingly, civil society is kind of behind where the administration is. I think about how organizers are getting better and better. But back in the day, electoral organizing was here, organizing around healthcare was here, organizing around gun violence was here. And I'm like, "Y'all, the same people that don't have healthcare are the same people that are wanting to pay off their student loans, are the same people that feel like public safety is the number one thing in their life, that have asthma issues, that need better healthcare." I just think that it's the silo busting that needs to happen. And in order to do the silo busting, you have to take an ecosystems approach, which is so hard, and it's so hard to tell the story.

Ambika Samarthya-Howard: You mentioned a lot of the federal government and the CSOs, but earlier in the call, you mentioned the role of philanthropy money and the matching. When you talk about following the money, it's not just the government's money, it's also philanthropy money?

Archana Sahgal: I mean, for us, we are focused on following where the public dollars are, and that's when I said, "Follow the money."

Ambika Samarthya-Howard: So where does philanthropy come in?



Archana Sahgal: Philanthropy is providing the private capital to do the capacity building, to provide the match dollars, to provide the revolving loan funds, to pay for the communications work, to pay for the knowledge network, and the knowledge hubs, in the community of practice. With all the things that the federal government cannot pay for, that is the role for philanthropy, to pay for.

Ambika Samarthya-Howard: Then you sort of match what the government is doing, with what the CSOs, and what the communities need?

Archana Sahgal: Sometimes we play matchmaker, sometimes we organize private funding, and then give it away ourselves. It just depends on the project and what's required. Sometimes we incubate in-house. So for the expanding capital access for entrepreneurs of color, and for community-based public safety, decreasing gun violence work, we've seen the problem, so Hyphen will raise all the money. We raised almost \$8 million from private philanthropy. In the case of initiative, for instance, entrepreneurship, it's \$20 million a capacity building board, and \$80 million in private funding from the bank. So it's a \$100 million initiative. It just depends. Hyphen will organize the dollars, and we'll hold it at Hyphen. Or we will organize the dollars, and fundraise for the dollars, so it's parked at other organizations. It just depends.

Ambika Samarthya-Howard: Have you worked with governments?

Archana Sahgal: It's all private dollars. All the money that we hold, or we organize, or we fundraise for other entities, is only private dollars. We don't take public dollars.

Ambika Samarthya-Howard: When you were talking right now about the role of the Obama administration, or the role of politics, can you explain that again? Because I thought you were also trying to match government funding with what the communities needed.

Archana Sahgal: Oftentimes, where the money needs to flow, there's a barrier. What we do is organize private dollars to dismantle that barrier. Everything is political about that, because dismantling barriers is the hardest thing to do. Because oftentimes, barriers were constructed purposefully. There is so much design thinking. Systems work perfectly, because they were designed for that. That's why it's so hard to dismantle problems, because systems were designed for those outcomes.

Ambika Samarthya-Howard: Could you take me through what the biggest barriers are for your work?

Archana Sahgal: We call it the need. We always claim opportunity and need, but essentially, need is a barrier. The biggest barrier is that the current small business lending ecosystem is



fragmented. Myriad actors managing different public funding streams, myriad actors managing different private funding streams. The other barrier is that oftentimes, they're not offering the financial products that entrepreneurs of color need, and the delivery channels to reach them are also broken. Another barrier is that earmarked federal funds for entrepreneurs of color often fall short. So, challenge, challenge, challenge. What we do is, in Hyphenland, you can't map a challenge without figuring out what the corresponding solution is. That's how the entire initiative for inclusive entrepreneurship is structured, to dismantle each of those four barriers that we just identified.

Ambika Samarthya-Howard: Got it. Some of those barriers are within a larger system, and then some of those are specifically related to government funding as well?

Archana Sahgal: Exactly, so let me give you an example of solutions. Capacity building. One of the biggest issues is that we need to make sure that the community lenders, fund managers and deployment partners, focus on reaching entrepreneurs of color within the small business ecosystem have the capacity. We're developing a standard investment, due diligence and risk assessment. We're creating legal templates and documents for the SSDCI fund fermentation. And we're doing the customized side letters to account for state specific nuances. Talk about a solution for a very specific problem. We're also trying to design inclusive financial products and programs, and that's a collaboration with the Department of Treasury and the state administrators, to encourage expansion and adoption of those products. One of the issues is that we need new technology capacities.

The initiative includes building new technology. New technology capacities and a platform to do the underwriting and the data collection, and the servicing of the innovative products. I have A, B, C, D, E, F, and H around the solutions related to what's needed. We need a capital pool for underrepresented fund managers to offset the below market SSDCI management fees. If the SSDCI management fees are too expensive, we need a capital pool to offset.

Ambika Samarthya-Howard: That makes a lot of sense. Yeah, that's very systems change, isn't it?

Archana Sahgal: At every level, it's like, what is a problem? We whiteboard every problem and we actually create the solution, and then fundraise to fund the people creating those solutions, in partnership with Hyphen. Another example is, there's a lack of investment capital. What the initiative, for instance, of entrepreneurship is doing, is catalyzing that patient capital for entrepreneurs of color. The other is that we now help states meet the minimum federal requirement for security. The \$1 in private capital that's needed for every dollar in SSDCI funding. There's not enough patient capital, so we're going to create passion capital. The states, that's



another problem. To make sure entrepreneurs of color meet there's a minimum federal requirement of securing a dollar to meet the dollar match. Hyphen's raising money for it in the form of a \$50 million IE investment vehicle. And then we're also trying to secure private venture capital for \$2 billion in assets under management, the AUMs. That's why I am like, "You want to talk about problems? Let's talk about problems for five minutes, but let's talk about solutions for an hour."

And the thing is, it's not just about entrepreneurs of color. The reason why the federal government is so focused on entrepreneurs of color is because small businesses are the heartbeat of this country. Small businesses are the sun. It's the thing in communities, and it actually creates economic justice, and the economic development that we are so desperate for. It's the answer in rural communities, it's an answer in tribal communities, it's an answer in cities. At every level, you can create that system change, and it's like, "I just can't believe we're doing this." It's so hard. That system changes barrier after barrier after barrier, and it requires fortitude and resilience. When someone says no, you say, "I don't hear no, I hear, 'Well, maybe next month.'"

Ambika Samarthya-Howard: You've given us a wealth of details, I really appreciate talking to you.

Ambika Samarthya-Howard (she/her) is the Solution Journalism Network's Chief Innovation Officer: She leads on innovation and technology, leverages communication platforms for the network strategy and creates cool content. She has an MFA from Columbia's Film School and has been creating, teaching and writing at the intersection of storytelling and social good for two decades. She has produced content for Current TV, UNICEF, Havas, Praekelt.org, UNICEF, UNFPA, Save the Children, FCDO, Global Integrity and Prism.

** This interview has been edited and condensed.*