DIVERSITY
Milbank

Alumni Spotlight

Kevin Chavers,
BlackRock

Kevin Chavers is a Managing Director and member of BlackRock's Government Relations and Public Policy Group. His successful, multifaceted career has taken him from Milbank, to Washington, DC, to Wall Street.

Our Diversity Committee Chair, Jerome McCluskey, spoke with Kevin about his career path, lessons learned from working in finance and policy, and his perspectives on diversity in the financial and legal sectors.

Jerome McCluskey: Let's begin by talking about your career path. What led you to begin your career as a lawyer?

Kevin Chavers and Jerome McCluskey

Kevin Chavers: I'd always had an interest in the intersection of public policy and business. I viewed policy as the vehicle that both facilitated change and created opportunity. I grew up in what we'd now call inner city Philadelphia, and was the product of the public schools there – but I never knew until years later that this was supposed to be a challenge for me! That's largely because of what I think of as enlightened public policy, good government policy, which has afforded me a host of educational and professional opportunities. So, with an interest in how to improve communities, I studied architecture and urban planning in college. Then, as I began to learn more about people involved in public policy, I discovered that most of them had legal backgrounds.

JM: So law school – in your case, Harvard Law – was a natural next step.

KC: Yes, and the class that seemed to make consistent sense to me as a first-year law student was property. I enjoyed it, and looked to see where I could go with that. Coming out of school, I tailored my interest to firms that had real estate practices. At Milbank, you had Patricia Irvin, who was in the Corporate Department – who was up for partner, in fact the firm's first African-American partner, during my first year. She was also a Harvard law alumna, and was very instrumental in mentoring and sponsoring me during my summer at the firm. Not only did Pat look out for me, she was just a great ambassador for Milbank. I also learned from partners such as Peter Herman and former chairman Mel Immergut.

JM: What were some of the more significant transactions you worked on while at Milbank in the 1980s?

KC: When CBS Records was sold to Sony, our team worked on the real estate component. As a junior associate, this meant I did lease reviews until my eyeballs were bleeding, but it was still very meaningful to play a role. Other deals were more memorable than significant – in one, the bankruptcy of another law firm in which Milbank represented the debtors, my assignment was to walk around the bankrupt firm's office space with the landlord, elaborate spaces with impressive art works, and negotiate which items were subject to the estate. Those are some of the things you just don't learn in law school!

Through it all, Milbank exposed me to the building blocks of being a professional, which I've drawn on throughout my career. I came to appreciate pretty quickly both the significance of attention to detail, and the kind of work ethic needed to be successful when you're part of a team.

JM: Then, just a couple years in to your career as a lawyer, Washington, DC came calling…

KC: Capitol Hill, actually. I went to work for the Senate Committee on Banking, Housing and Urban Affairs, chaired by Senator Riegle of Michigan. At the time they were very busy with issues related to the savings and loan and thrift crisis, so it was a fascinating time to be there.

JM: Then your next step was Ginnie Mae?

KC: I had a brief stopover as the chief of staff of the Office of Federal Housing Enterprise Oversight, and joined Ginnie Mae (the Government National Mortgage Association) after that. When I was appointed president I was told that I was the youngest sub-cabinet Senate-confirmed appointee in the Clinton Administration, at around age 30 or 31.

JM: What was that experience like?

KC: I remember being told by the career staff that, because the Ginnie Mae president is a political appointee, the organization had spent more time without a president than with one. The career guys were telling me, "You just go out and give speeches; we run the place." Well, I decided to do something different and that I would actually attempt to run things. We went through some reengineering and staff restructuring, finding new motivation for those senior people who had been less than fully engaged, while creating opportunities to empower people who were anxious to get things done.

We met with some resistance initially, but many people were thankful – they had been sort of sleepy. We launched a host of new products, cut vendor expenses in half, and at the time Ginnie Mae had its most profitable period to date during my tenure there.

JM: It's noteworthy that you successfully transitioned from your legal roles to management.

KC: I learned a lot from my mentors in the Administration and on the Hill, and had the benefit of being able to consult with them. And I certainly don't want to denigrate the importance of management skills, but a lot of it seemed like common sense to me. My parents were both civil servants; I may have absorbed some lessons about what motivates people from them. It's also partly project management – how do I get from A to Z – and my planning background comes in to play there as well.

JM: Returning to the private sector, you went back to managing transactions. How did you make the move back to Wall Street?

KC: A mentor suggested to me that in Washington, the quality of opportunities that arise for you tends to diminish toward the end of an administration, particularly for African-American appointees at the time. I wanted to look for opportunities, and to stay current. I had conversations with dozens of people at Goldman Sachs for many months before joining.

JM: You were a Vice President in Goldman's Mortgage Securities Department before joining Morgan Stanley where, as a Managing Director, you also worked on mortgage-related investments. So housing finance has been a common thread since leaving Washington…

KC: Yes, I have seen, and grew up in, communities that have historically been challenged with underinvestment. The opportunity to figure out how to attract more capital, to spur more investment in those areas, has always been what appealed to me about the sector. So while something like working on subprime deals didn't really align with my personal mission statement, the policy- and investment-related sides of the industry have always been something I've been passionate about.

JM: And how does this relate to your current role at BlackRock?

KC: I came here originally in our financial markets advisory group, within BlackRock Solutions, providing advisory solutions to financial institutions, in particular focused on legacy mortgage exposures. One of our vice chairmen and founders, Barbara Novick, was tapped to build a public policy government relations group, because clearly public policy had become more important part of our clients' lives post-financial crisis. There had not been a coherent voice for the investors in a lot of these policy debates. Rather, people used the banks as a surrogate in these discussions – sometimes their interests are aligned, sometimes diametrically opposed. I was invited to co-write a paper with Barbara on housing finance reform, and eventually asked to join the group. So, I continue to serve as a voice for investors in housing finance policy, and my remit has expanded to include infrastructure investment issues as well.

JM: Let's talk a bit about diversity. You have spent time working in some world-class organizations. Are there any things that you've seen that really work in moving the needle when it comes to diversity?

KC: I don't think it's as hard as organizations make it out to be. I've been having this conversation for over 20 years – until you either incent, either positively or negatively, and hold the people in decision seats accountable, I don't think you get results. At a place like Goldman or Morgan Stanley, you keep score every day when it comes to business — at the end of the day, are we up or down? I firmly believe, if you don't measure, it doesn't matter. And if you don't incent, you don't get different outcomes. So while what I call the "kumbaya" measures are important – we come together, there's cultural exchange, we get to know people unlike ourselves – that's not all that needs to be done.

JM: You've spoken about having strong mentors through your career. How does that fit in?

KC: What you find in most organizations is that certain people take more professional risks relative to other people in that organization. Almost everyone you've seen who's been successful has been put in a stretch opportunity at some point in their careers. But that requires sponsorship, not just mentorship. Sponsorship requires the sponsoring party to use some of their own capital to say, "you know, I have a body of data points on you, Jerome, that tells me this is a chance I should take, this is an informed decision, and I'm going to ask him to lead this group, deal or effort." That's the only way I've ever seen these things kind of work. Otherwise, people self-select – it's always easier just to pick someone who's most like myself.

JM: So, how do you measure success in institutions today?

KC: Smart people can debate what the metrics should be, but I don't know what other metrics you use aside from hard numbers. Call it a quota, target, a goal. I've seen people have some success with approaches similar to the National Football League's "Rooney Rule," where you can't move forward until you've interviewed a number of diverse candidates. The risk is it becomes just a "check the box," but the opportunity is that you may end up talking to brilliant people you otherwise might not have seen.

JM: Thanks for taking the time to catch up today.

KC: Thank you, it was my pleasure.