Economic Architecture Podcast - Episode 20 (Shalini Vajjhala)Transcript:

The following transcript has been edited for clarity:

Stuart Yasgur: I am Stuart Yasgur, and this is Economic Architecture, the podcast

Stuart Yasgur: There are times when you get to speak with people who are blazing their own path. That's what we get to do in this week's episode.

Stuart Yasgur: Instead of just having a job, Shalini Vajjhala, who's the Executive Director of the PRE Collective, is creating a new career path.

Shalini Vajjhala: It's really hard to build stuff, and we have terrible implementation, and we tend to point fingers at the public sector, and that's often not the case.

Stuart Yasgur: She is a renowned infrastructure and climate resiliency expert, and she realized that efforts to increase resilience will be more likely to succeed and realize their full potential if we ensure that they have three critical factors for success: vision, capacity, and money.

Stuart Yasgur: The issue is that focusing on pre-development is nobody's job, and that's everybody's problem because it means that our resiliency efforts are less likely to be successful.

Stuart Yasgur: Or, I should say, it was nobody's job. It was nobody's job before Shalini created the PRE Collective to play this critical role. As a trained architect, Shalini walks us through the many misconceptions in infrastructure, from the operations, maintenance, and funding of how we pay for buildings, and walks me through potential ways to incorporate money and questions of affordability into the design phase of projects.

Shalini Vajjhala: It is this simple problem of actually knowing who's responsible for running this leg? And sometimes that takes handholding someone with their baton and carrying it from, for example, transportation over to the water department.

Stuart Yasgur: One of the things that she's doing that is interesting is that she has looked at a bunch of resilience projects and said, what are some of the critical factors that contributed to their success or lack of success, if that was the case. And she has this really interesting diagnosis where she thinks that there are these kind of three parts of it.

Stuart Yasgur: First vision—this is a really important point, which is all too often, we recognize that we need massive change to address a problem, but then we set out to do something very modest. We need the ability to pursue audacious goals.

Stuart Yasgur: Second, we need the capabilities of actually carrying that through. And that means having people with the right abilities in the right places. And then the third part of that is, of course, it also takes a massive amount of resources to accomplish these things. And so, we're gonna need those resources, and we need to think creatively about how do we do each of those different stages.

Stuart Yasgur: Part of her insight was, we can set up our resilience-building efforts to be far more likely to succeed at the magnitude that we need them, if we take the time before the efforts really start in this kind of pre-development stage to get these pieces in place. Hence the name for the organization, the PRE Collective, right? This is a collective that's working on the pre-development stage of major resilience efforts.

Shalini Vajjhala: And it's not a job description. We've had to invent it inside PRE Collective. It's increasingly important. Otherwise, we're gonna get more versions of what we had and less of what we need.

Stuart Yasgur: We talk about where the greatest opportunities to create impact are, and how to mitigate the gap between what needs to be fixed and how to pay for the solution. We need a vision that rises to the magnitude of the problem, but also the capacity to carry those visions forward and the resources necessary to make that vision a reality. Shalini's work is helping us ensure that all of those elements are in place right from the outset.

Shalini Vajjhala: I think resilience is one of these things that is such a core, underpinning need in society right now, and for me, it resembles things like early childhood education or preventative healthcare, where it's easier to recognize in its absence, like when we have failures of these things, than it is when we're doing it really well.

Shalini Vajjhala: And so, I think that's where. I find resilience to be one of the most exciting things to be working on, and I have for now going on 20 years of work in this space because it really is about working into success as something that doesn't happen, right? You've prevented the bad outcome you've put on your cape, and headed off the disaster.

Shalini Vajjhala: So, I think there's so much opportunity there, but a lot of our existing systems just aren't built for doing that kind of work, and so we have to create new structures.

Stuart Yasgur: Yeah, I think that's absolutely true. It's also part of the challenge of this, right? Because when you're succeeding, people are not as aware of it.

Stuart Yasgur: And so, people don't as, as readily recognize what success looks like. And so, part of it's helping people see things differently.

Stuart Yasgur: Can you help, for folks who are kind of newer to this, can you help make it concrete? Like what's a specific kind of project where this would work?

Shalini Vajjhala: Yeah, so I love singing the praises of the City of Hoboken. So, for folks who haven't been to Hoboken, it's a tiny town. It's a single square mile across the river from Manhattan in New Jersey.

Shalini Vajjhala: And Hoboken is one of these towns that has extraordinary leadership from the mayor on through the staff. And the city was hit incredibly hard for Hurricane Sandy. And so now, I think at points of the city, they had 12 feet of standing water. So you picture this little square mile that is shaped like a bowl and made mostly of concrete, and a major storm is devastating in that setup.

Shalini Vajjhala: And so, we had the chance to work with the city very, very early in our work, and our sister from Re:Focus, which led to PRE Collective as a nonprofit. And, what we were able to do is work with the city to say, okay, instead of looking in your wallet and seeing what you can afford, or looking at disaster relief, federal funding programs and seeing what you're eligible for, like, you know, pumps for flooding, how do we think about designing and financing for what you actually need?

Shalini Vajjhala: And they surfaced these things that were so cool. They said, you know, we don't have green space. We're tiny, and we need more green space, and we need better parking solutions. And so we came in, and it was a little bit cheeky to say, okay, well, let's think about what resilience looks like, not just for the immediate flood water.

Shalini Vajjhala: We said, well, what if you designed a parking garage like a bathtub and flooded it from the bottom up? So parking fees could help pay for your flood protection when it's dry out. So if your cars are floating down your street anyway, right? You've sort of lost the plot. Might as well have parking pay for flood protection.

Shalini Vajjhala: And that was the entry idea that shaped how we think about pre-development. It was this door opener to something bigger. What the city did over the next several years, we thought about this like a relay

race, you know, where you're trying to shape this worthy finish line and help run the first leg.

Shalini Vajjhala: But, we always knew that whatever we designed at the beginning wasn't gonna be what happened at the end. And this is where the city just exceeded our wildest expectations. They worked with their water utility. They took this six-acre parcel that we were fantasizing about this bathtub around, and built a gorgeous, what is now an almost a hundred million dollars resiliency park.

Shalini Vajjhala: It's absolutely beautiful. You wouldn't know that it's a flood protection project. It's just a crown jewel of a community asset with, you know, basketball courts that are sunken in to hold flood water underneath the site. It's not parking, but it is this gorgeous, highly engineered cistern, and they can hold two million gallons of flood water now, without batting an eyelash.

Shalini Vajjhala: What this does, going back to that success that doesn't happen, right? That's the kind of thing that saves you from building a water treatment plant. It allowed the city to separate its sewers. It has wider benefits, and I think this is where we see the opportunities and resilience is to make that leap in imagination to the thing that actually creates multiple benefits.

Shalini Vajjhala: Not just the bandaid, not just the pump that'll serve you well for five years, not for 50.

Stuart Yasgur: Right. I think this is such a great example, and one is I think it's great to sing the praise of Hoboken. It's a remarkable place.

Shalini Vajjhala: Oh, yeah.

Stuart Yasgur: And underappreciated. I think that some folks are using the term thinking of like a sponge, right? That cities can be like a sponge. And it's not just, it moves us away from thinking of just, okay, we need to clean

flood waters out. We need to create bigger barricades. It pushes that pressure somewhere else.

Stuart Yasgur: But rather to start thinking of all the infrastructure that we have and how do we use this to create a protection, to create additional resilience in the face of that flooding, the additional rainwater, et cetera.

Stuart Yasgur: But also, it's serving all these other benefits when it's not being used for flood prevention, right? It's this incredible green space. So Hoboken is definitely a pioneer. We see this obviously internationally as well in other cities. ‘Cause we often think about it as a coastal issue, but also it happens in other cities, right? I was just in Detroit, which does have coast, but it's a very different kind of landscape.

Shalini Vajjhala: Yeah.

Stuart Yasgur: Flooding is a huge issue.

Shalini Vajjhala: Massive. Yeah.

Shalini Vajjhala: The upper Midwest, all along the Mississippi, you get places that are pancakes. If it floods at one edge, it’s just water sheets across the entire region. And I think we haven't built our institutions to deal with that kind of stuff. We have built around, kind of, silos and single-purpose infrastructure. You know, something is a transportation asset, or it is a park, or it is a water system, and that is just a failure of imagination. We can do so much better. We have to recognize where our institutional structures—but also the way our money flows—is getting in the way of it.

Stuart Yasgur: So, as you described this. A lot of our systems are not set up for this today. You have to work on this in a new way, and you've had this kind of distinctive approach to it. Can you share a little bit with how you've been thinking about this?

Shalini Vajjhala: The two systems that we saw really just kind of falling short of opportunities were how we do design of big things like infrastructure and even service programs, operations, maintenance, and how we finance projects. How we pay for things. So, it's both funding and financing.

Shalini Vajjhala: And if you think about this problem of like the storm hit, but the community wasn't flooded, this is something that we're historically terrible at valuing and paying for. It just becomes a public good. And so you have to really flip the script and say, okay, where does this problem show up on balance sheets?

Shalini Vajjhala: How do you think about incorporating the money into the design phases of what you're doing? So that you don't create this ideal solution that no one can pay for and sits on a drawing board forever, and that you don't design something that then closes doors to investment. And so, both those things coming together were really where our work at PRE Collective takes shape, and we frame it around just really three simple things.

Shalini Vajjhala: It's vision, capacity, and money. And that vision is, what do you need next? Not just what's a shinier version of what you have. Capacity is, do you have enough warm bodies in the right places at the right times with the right skills? And the money is pretty plain vanilla. It's funding and financing. Do you have what you need to actually build what creates the optimal value, not just what you can afford right now.

Stuart Yasgur: I think this goes to one of these other concepts that you mentioned, which is, you talk about this as really race, right? I think when people think about innovation, they might be thinking about how somebody makes a new widget, how somebody makes a new iPhone. Somebody makes a new app. Like very standalone efforts that are made by an organization. The kind of large-scale change you're talking about, really,

there are many players who have to be brought into this, and as you say, you have to pass the baton from one stage to the next, to the next.

Shalini Vajjhala: Yeah, it's actually what motivated us to launch PRE Collective. So PRE Collective is an outgrowth of a design and finance firm that I founded, and we did about 10 years of work, including that Hoboken collaboration.

Shalini Vajjhala: And over the last few years, what we were watching was more and more folks losing opportunities at the start line of the relay race, where they were imagining less ambitious projects, things that just with a little extra oomph could become incredibly impactful.

Shalini Vajjhala: So, I'm an architect and an engineer by training, and something I have always struggled with in both fields is a term called value engineering, where you design this gorgeous thing and then you shave it down to the thing you can afford.

Shalini Vajjhala: Instead of looking for where to get additional resources for all those additional benefits, the beautiful park space. And so, PRE Collective, it was formed to address exactly this relay race problem. As we were watching the start lines, either be too late, unambitious, you know, the finish line being unambitious, or not having enough runners.

Shalini Vajjhala: That capacity problem where we were just watching batons dropped. And so, I was mentioning this vision, capacity, and money framework we use. And just like resilience, it's easiest to see these things when they're absent. So like, everybody recognizes, when you have vision, capacity, and no money, you get these gorgeous drawings.

Shalini Vajjhala: Every city has this, right? And the stuff just doesn't get built for lack of resources. But the other two are equally insidious when we try to create economic development programs or investment programs, or federal funding programs.

Shalini Vajjhala: And if you're lacking vision, what you end up with is a shiny version of business as usual, which often doesn't serve everyone as well as it could have. That could have been shinier flood pumps and Hoboken. And when you're lacking capacity, this is the one that hits me most deeply, is this is where we point fingers at government, where we say something is slow or uneven, or it's really hard to build stuff, and we have terrible implementation. And we tend to point fingers at the public sector, and that's often not the case. It is this simple problem of actually knowing who's responsible for running this leg?

Shalini Vajjhala: And sometimes that takes handholding someone with their baton and carrying it from, for example, transportation over to the water department. And we just, this isn't, it's not a job description. We've had to invent it inside PRE Collective. And it's, it's increasingly important. Otherwise, we're gonna get more versions of what we had and less of what we need.

Stuart Yasgur: Absolutely. Yeah. And we're not used to doing this. We have to build new muscles, as individuals, as professionals, but also institutionally. Right? Like, we need new capacity to be able to do that.

Stuart Yasgur: I understand the pain point of when there's the lack of capacity and the fact that it's, you know, a little bit fashionable to beat up on government.

Shalini Vajjhala: Always, right?

Stuart Yasgur: Yeah. Unfortunately, because I think it really outshines so much of the good work that is happening inside government, and the incredible people who work in government, often for the best. Like, with the best of intentions to do really good work.

Stuart Yasgur: The instances where there's the lack of vision is really pernicious.

Shalini Vajjhala: Completely.

Stuart Yasgur: Because everybody, you can work really hard, succeed on very modest goals, but what you lose sight of is what could have been.

Stuart Yasgur: And the ability to think audaciously about what we could do and then rigorously about how to do it, I think it is really important when we're thinking about how to kind of address these larger and more frequent challenges that are, that we're all experiencing.

Shalini Vajjhala: Yeah. You absolutely nailed it, right? It's this marriage between the what and the how, and I find in my world this is, there's a real gap between describing an issue and doing something about it is you'll often get a really good what, you know, we could do X, Y, or Z, but then there's no connection to the how or the, or even more importantly, the who, like who is this serving and who's gonna do the work?

Shalini Vajjhala: And I think when you're actually doing the work, you stumble into these things that aren't quite policy, but are incredibly important for policy and implementation. And so, a good example is I never, it never occurred to me in all my appreciation for civil servants, how many infrastructure projects depend on archeologists.

Shalini Vajjhala: We have layered in so many requirements for archeological reviews in so many parts of the country, and you have whole states where that funnel narrows down to three people who need to approve projects, and it can result in years of delay. And it's the kind of thing you don't realize if you're sitting in a federal office, for example, and you're like, oh, we're gonna throw more money at the problem, it's like, no, you actually need to throw more archeologists at the problem. And that doesn't happen in six months or one year, or a budget cycle. That's a talent pipeline problem. And it's the stuff you only see when you try to do real things.

Stuart Yasgur: That is fascinating. Yeah. I have not heard about the archeologist bottleneck before, since this.

Shalini Vajjhala: You can hear that this is an active pain point right now.

Stuart Yasgur: Absolutely, you can feel it, but yeah, you're right. It's the difference between a, like a dreamer and kind of an, an innovator is, you have to go: it's not just the painting a picture of what might be nice. It's really understanding how to do it and then showing up day after day after day, to get that done.

Shalini Vajjhala: Yeah.

Stuart Yasgur: As people are thinking about it. We recognize that we need a new approach. The problems are mounting, right? Extreme weather's more frequent, and the magnitude of the events are getting more and more serious. There is a larger and larger threat. We need more to create communities that are more resilient to protect people's lives, their communities, their homes, all the assets as well. What's possible when you think about kind of looking ahead, where do you think the greatest opportunities are to create impact right now?

Shalini Vajjhala: Oh, I love this question. So, I think my big umbrella answer is what defines our whole portfolio PRE Collective right now, it's things that are everybody's problem and no one's job. And what defines that category for us is it kind of centers around two questions that are key for pre-development. What leads to the Hobokens of the world?

Shalini Vajjhala: You have to be able to ask, who loses money if we allow this problem to continue? And like a version of that is what's becoming unaffordable. And the answers vary pretty widely, but there's some big ones. So like, for example, insurance is becoming unavailable or unaffordable for a lot of folks.

Shalini Vajjhala: Electricity costs have gone up wildly for small water utilities. So, something that used to be 30% of a budget is now 50 or 60 or more, with no relief in sight. So that side of, it helps you identify who are your motivated runners in this relay race, right? Like who's losing money? The flip side of it is, who's suffering because of this problem?

Shalini Vajjhala: And that's the family whose water's being shut off because their utility is going under. We tend to have solutions where we think about direct rate payers for projects and the value we're creating, and this everyone's problem, no one's job framing kind of widens the aperture around solutions, which is how do we get folks to see their financial interest in something that is bigger than their own balance sheet, but anchored to their own balance sheet, so not just the…

Shalini Vajjhala: I have an allergic reaction to the folks who are pitting the thing that is important 50 years from now against the school lunch budget today. I think we can do better. And so, being able to spot for these opportunities for solutions and innovation and real practical action that's connected to balance sheets today.

Shalini Vajjhala: And alleviate some of the deepest suffering in our society, whether that's living with mold from a major storm, or not being able to afford basic services in your home. And so, I think we're always reaching for those things, and I love some of the work that we're seeing with partners in different states.

Shalini Vajjhala: So, I have to, I have to sing the praises of the state of North Carolina 'cause they just pulled off a remarkable set of things in the insurance sector. So the North Carolina Insurance Underwriting Association, NCIUA is the state insurance company for all intents and purposes for big storms, for wind.

Shalini Vajjhala: And they quietly, unheralded over the last five years or so, seven years, have built up a program to make homes more resilient in

hurricane season. And on the back of that, they just issued the first of its kind, new insurance product that rewards reducing risk for insurance companies. That's the kind of thing this problem-solving around like, this is our pain point.

Shalini Vajjhala: We are losing money if we don't solve this. And these people are living with mold and suffering, and they found a solution at the intersection of it, that I see as an opportunity to crack open an entire segment of the insurance market, which is so cool.

Stuart Yasgur: Absolutely. I think this is a great example. As you described, cracking open, we're kind of on the frontier of a new set of innovations that can really help pay for places where we already have interests to create resilience, to reduce the risk, to make it more economical for insurance companies.

Stuart Yasgur: This scenario, a lot of stakeholders have a vested interest that aligns, but we need to—in our terminology—we think about redesigning structural elements in the market. So that we can actually have that come to fruition and drive to create fortified homes that, in Alabama we have 60,000 potentially, North Carolina is doing this amazing work.

Stuart Yasgur: But we also know we need millions, so the ability to kind of engage the market, to enable us to reach that level of magnitude.

Shalini Vajjhala: I think that structural entry point is so interesting, because where I see the biggest opportunities are the folks who have seen their own interests in this, like North Carolina, like Alabama, represent a market leader where they've made it a closed loop problem.

Shalini Vajjhala: They've made the suffering and the losing money their own problem to solve. I think the next frontier of this that I'm very excited about is how we build the plug and socket to people working on these

things separately. So, like a state insurance company and then a program that's doing resilient home retrofits that just don't talk to each other.

Shalini Vajjhala: That I see as being the, how do we take the closed loop benefits that North Carolina managed to show, and now bring that to relay race runners, where you pair 'em up.

Stuart Yasgur: Yeah, I absolutely agree. I think there's good reason to think that this might be achievable in the near future. That this does not have to be something that's on the horizon, that this could be actionable in the near future.

Shalini Vajjhala: Yeah. None of it is rocket science. It all comes down to these kind of, people and value problems, like how do we value things and how do we generate value, and how do we capture it?

Stuart Yasgur: Yeah, absolutely. How do we create value for people? Absolutely. What, two or three other kind of areas, not as developed, 'cause these, I think these are great examples 'cause they're concrete, people can look at them, they could read about them.

Stuart Yasgur: Hoboken has done this. North Carolina is happening now. Kind of areas that are kind of more on the horizon, where are promising areas that you'd orient people?

Shalini Vajjhala: Back to that theme of everyone's problem and no one's job, I think one area where we're pushing that, I see a lot of opportunity, but the solutions aren't obvious yet, are supply chains. Anything that's creating physical supply chain disruption.

Shalini Vajjhala: So, I want you to picture water on a railway or water on a roadway where it's happening more and more often, and it's happening for longer. And there are a lot of folks losing money around that. It states, it's local economies where you're losing industry 'cause they're relocating.

Shalini Vajjhala: So, I grew up in and around Western Pennsylvania, and just knowing that, what that deep loss of industry means to families. We need to be able to anticipate this and get ahead of it, and we can, right? So, I'm excited about this because these are the new frontiers of collective action problems, where no single entity, there's no corporation in the world that can protect a whole supply chain, and there's no state that can do it.

Shalini Vajjhala: And so, the opportunities really are around this kind of, they're governance innovations that come ahead of financial instruments, where we have to glue folks together and see their own financial interests in something that is beyond their own fingertips to solve. And I see the process of that as being tremendously important for solving a lot of problems that have kind of either been deemed as public problems, when they are in fact not only public problems, or just flat out of reach.

Shalini Vajjhala: And so I think there's a lot here, and supply chain resilience is an entry point to solving a lot of those things.

Stuart Yasgur: That's very interesting. I think you're right. I think one of the other things that people need to become aware that they're, when they're doing their piece of it, whether you're in at the federal level, the state level, the local level of government.

Stuart Yasgur: Whether you're in the citizen sector or you're private sector you know, you're doing your piece, but that it's also part, like contributing to this larger kind of relay race and kind of, you know, as people become more aware of that and get used to it, they'll start to recognize, the critical role they play and their ability, frankly, to contribute. Creating change.

Shalini Vajjhala: Yeah, one thing I like about the relay race is just as a thought experiment in our work is you have to know your finish line. You don't just run indefinitely, right? So, I think that's something that's kind of, it's disappeared from our public discourse of just keeping programs running

is not the same thing as crossing a worthy finish line where you get to go enjoy the park in Hoboken.

Shalini Vajjhala: This is stuff that should serve us all well. We should be able to enjoy it, not just pay for it. And I think that's what we're reaching for, right? So, if we can have nature-based solutions that protect supply chains and give people things that have lots of benefits. You know, hopefully your basement doesn't flood and you get a park to enjoy, wouldn't that be great?

Stuart Yasgur: I think that's kind of a picture well painted. Would you be willing to share some thoughts about how do you see your work kind of evolving over the next three to five years?

Shalini Vajjhala: Well, 2025 has felt about a decade long. So, three to five years it's a bit of a wild timeframe to think through. Where we see our work going is really shaping the field of pre-development. How do you get in early so that you create more of these opportunities?

Shalini Vajjhala: And build programs, not just projects. I think Hoboken is a crown jewel example of a project, but some work we've been doing in a really unexpected space, with the Montgomery County Green Bank. So, this is a single county in Maryland.

Shalini Vajjhala: And using all the same questions that kind of walked us into flood resilience and insurance, and supply chains. What we've been able to build with the Green Bank is a new program for affordable housing developers to finance resilience measures.

Shalini Vajjhala: And I think the things that surprised me most in this work, Stuart, first of all, is how high a pain threshold affordable housing developers have for working through dozens of complicated programs and tax credits, and lining up money from 20 different sources. One of the things they're often trapped in, though, is a cycle of triage. They're managing properties, the roof is leaking, and you're just constantly like

scraping to get the money, to do the repair, not the proactive thing that could save you money.

Shalini Vajjhala: And it's just like being on a treadmill that is going faster and faster and faster, and you can't get off it. So, what the Green Bank did in Montgomery County was create this financial program—it's a hybrid of a line of credit and a loan—where you can basically reach into a pot of money to do the proactive thing.

Shalini Vajjhala: It makes it easy to do the proactive thing. And the thing that I found the most counterintuitive and also important in this work was that we were able to show where financing, like taking a loan and having to pay it back, was actually more cost-effective than free money.

Shalini Vajjhala: And I think this is a shift that, as a culture, we just aren't prepared to make. It's always the assumption that, well, grants are free and they're, not. And so, for the next three to five years of our work, I see that line between funding and financing, and really looking for what maximizes value for folks in doing these kinds of proactive, get ahead of the problem investments, like that success that doesn't happen showing up on their balance sheets.

Shalini Vajjhala: And I think that is the inflection point we're at, where 15 years ago you could say climate change was a future risk. No one says that now, and now it's on your balance sheet, and it's just a question of when and how much.

Shalini Vajjhala: And so, that's really where I see our next three to five years is taking programs like the excellent work that the Green Bank in Montgomery County has done, and figuring out how do we scale that to a multi-billion dollar addressable market for affordable housing developers across the country so that we're not hunting and pecking for bandaids, we have a really smart, cost effective and tailor made product for them, to say, no, this is how I do the thing that I wish I could do otherwise.

Stuart Yasgur: That's fascinating. As you're describing it, I'm just starting to picture how that could work and frankly, how big the need is gonna be for it, right? Like, I guess we talk to people in housing across the country,

Shalini Vajjhala: It's the difference between the basement that you just plaster over and wait for the next flood versus putting in the French drains, which might cost three times as much, but it'll save you the next 10 floods.

Stuart Yasgur: Absolutely. People are experiencing extreme weather. If they're unfortunately not living in a city like Hoboken that doesn't have this resilience, they're seeing the threat of this in their community and their neighbor's community. What action can they take to kind of help encourage their community, their leadership their companies think seriously about doing this pre-work?

Shalini Vajjhala: I have an answer that seems very far from the problem, but I think it's actually a core thing to our work, which is, I think, what most people need to do is be very plain spoken about where they're suffering and what they need, and not in big abstract policy ways.

Shalini Vajjhala: It's like, I'm living with mold in my basement. I can't get a contractor to repair my roof after this storm or after this fire, or it's taken me nine months to do this thing. And I think one of the things that we are really grappling with as the federal government, in a lot of ways, is going to need to be remade, is how do we walk from needs to ideas to projects and not have the money shape what we build, but have the needs shape what we build, and make sure it really serves people well.

Shalini Vajjhala: And so I think what a lot of people can do is when they think about engaging with policy or politics around resilience, bring it back to what you actually need, not the big picture. How do I react to this project? It's to ask the really simple question. Am I in or am I out? Am I protected by this? And those really simple questions demand design and

financing solutions. So, if you are not getting good answers, ask those questions over and over again to anyone who's listening.

Stuart Yasgur: I think that's a great articulation. And I think that if I could offer one thing that kind of accompanies that is that when people are expressing what they need, we have to hear that.

Stuart Yasgur: When people are expressing a need, they do not also need to have the solution. So, the fact that they don't have the most sophistic… the kind of the solution that is kind of impervious to any critiques doesn't undermine, shouldn't undermine the seriousness with which their need is being expressed.

Stuart Yasgur: Right. And so that's, yeah, absolutely. I think that's, I think that's a great, a great kind of, actionable piece to give people, 'cause we need to hear what the needs are.

Shalini Vajjhala: Yeah. And a lot of times they're invisible. We wouldn't know about the archeologist who's missing, or the basement, that it's still…

Stuart Yasgur: Or the mold that's in the person's basement that the person doesn't want, doesn't feel comfortable talking about.

Shalini Vajjhala: Right, exactly.

Stuart Yasgur: Shalini, I really enjoyed getting a chance to speak with you today. It is always a pleasure.

Shalini Vajjhala: Likewise.

Stuart Yasgur: Thank you so much for taking the time.

Shalini Vajjhala: Yeah, what a joy. Thank you.

Stuart Yasgur: Creating change is hard, right? It involves many different efforts, often over a long period of time to bring about kind of large-scale results. And the best of instances when we do things that are hard, that are really meaningful, we are going to fail. Like, failure is a core to how we're actually gonna achieve this. Because what we're doing is finding out all the ways, to make this work

Stuart Yasgur: Whether it's Edison's a thousand versions of the light bulb that didn't work, or the baseball player who strikes out two-thirds of the time yet is, you know, they get to the Hall of Fame. We need to think about failure in a different way. We shouldn't embrace failure, as in like, that's what we're trying to do, is achieve failure.

Stuart Yasgur: What we needed to do is kind of recognize that failure is an inherent part of success, right? Our success requires that we are taking on, that we're striving to do things that are beyond our capability, and so will inherently involve a failure.

Stuart Yasgur: People create massive change in very short timescales when you look at them at the larger magnitude of these things. But in order to do that, they have to stand up and recognize that they have the ability to author that change.

Stuart Yasgur: The other piece that you need to know is that, that actually things are getting much better, contrary to headlines, and maybe people's like, social media feeds on almost every indication that's important, people are doing better today than they ever have been before. There are some kind of important exceptions to this, but by and large, everybody around the world is doing better today than they were before.

Stuart Yasgur: People are healthier, they're living longer, they're more secure. They're living in places that are safer. There's higher degrees of security. The food they're eating is higher quality. The air they’re breathing is cleaner. The water they're drinking is cleaner. All of these things are, in

fact getting better, which is completely contrary to what most people walk around thinking about.

Stuart Yasgur: We talked a little bit about this in the interview. I think it's important to recognize that we all have a concept of what innovations consist of. And we often think about like shiny new objects, like an iPhone or a computer or something like that. And then how they're brought about. Like it's a person with this great epiphany, they run a team of really smart people. They introduce this product and launch it, and bring it to market, and they take ownership of it.

Stuart Yasgur: There are some instances where that's the way it works. But that's kind of the exception, not the rule, especially when we're talking about these large-scale societal-level changes that we're bringing about.

Stuart Yasgur: Often, they involve government at different levels, so you might have federal actors, state actors, local actors. You might have citizen sector participants, and you might have for-profit, like private sector participants. And they all have different roles to play.

Stuart Yasgur: And what that means is, because it requires so many different players, there are very few people who are gonna see that entire initiative through, all the way through, from conception to development, to execution, to the final delivery, and then kind of ownership of its success.

Stuart Yasgur: Shalini brought up the analogy of a relay race, and I think it's a really good one, because the baton keeps getting passed.

Stuart Yasgur: It's sometimes like the story of our own lives. It's something that really only comes together in a narrative form when we look at it in the past, like retrospectively.

Stuart Yasgur: But once you start to do that across many of these different projects, you can start to see the logic of how these things progress and

how the relay race really works. You can also start to, like a good coach, recognize what's needed for a really good relay team to be effective, right?

Stuart Yasgur: First, you need to make sure you have all the right runners in all the right places. They have to be positioned to accept the baton, carry it through their leg of the race, and then pass it on when that's appropriate.

Stuart Yasgur: And it works even better if you start to get people who recognize that they're in this larger relay.

Stuart Yasgur: And because this is not all that common for people to have this awareness, it's something new that she's helping to really kind of to the fore. But it's something that's really common in structural innovations. So there are instances where structural innovation is just authored and designed and executed and run by an individual or a team of individuals.

Stuart Yasgur: But quite frequently it really requires many different kind of touch points across many different people, many different organizations, many different types of organizations.

Stuart Yasgur: And so, we need to learn and understand how that's done.

Stuart Yasgur: And there's a critical role for the innovator. It's usually the innovator. And their role is not just to conceive of the idea, but their role is to drive that innovation forward at each day across each of those legs of the relay race.

Stuart Yasgur: And that means… requires them sometimes to be, to speak many different languages. So, they might have to speak to the federal level policymaking, to the securing of funds, at the legislature, state level, all the way to being able to speak to the private sector folks as well as community members, and et cetera.

Stuart Yasgur: What you have to do is continue to drive it through each of those steps. And as you drive it through each of those steps, it transforms

and takes shape, and recognizing that we're in a relay race, the different roles that there are to play in that. And then also the role of this kind of coach/innovator to make sure that the innovation has the life that goes all the way through that race.

Stuart Yasgur: I'm Stuart Yasgur, and this is Economic Architecture, the Podcast. Stay tuned for future episodes of the Economic Architecture Podcasts.