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When I was a boy in Iowa during the Great Depression, one of the rare treats was a trip to DesMoines and the Riverview Amusement Park. My favorite ride was the roller coaster, and I will always remember the feeling in the pit of my stomach as we plummeted down the first hill. As an adult, when I moved to Michigan to assume the Presidency of Grand Valley nineteen years ago, I did not realize that I had just climbed aboard a roller coaster again - an economic roller coaster that had hills as steep as the old monster at Riverview Park. As a University President in Michigan, I have that old feeling in the pit of my stomach when we peak at the top and begin to ride the Michigan economy down. The major difference between riding down the first hill of a roller coaster and riding down the cycle of the state's economy is that the former is fun; the latter is not.

I accept the reality of economic cycles. As I become older I don't ride roller coasters much anymore, and I like the economic cycles to resemble hills and vales - not mountains and valleys. In our state there has been building for some time the desire to diversify our economy so that feasting is not followed by so severe a famine. Certainly the state government is emphasizing jobs, jobs, jobs, and part of that emphasis is a push for diversification. The Governor and the Legislature, the Democrats and the Republicans have climbed on that band wagon no matter how cacophonous the sound at times. Our section of Michigan, with Grand Rapids as the largest and core city, possesses probably the most diversified economy of any heavily populated area in Michigan. We have a head start, and we are growing. The quality and nature of that growth in the next twenty-five years will cast the future for west Michigan through a substantial part of the 21st century. It is not yet clear how large a role west Michigan will play in the economy of the whole state. If the current population trends continue, and the leadership of the future in west Michigan matches the leadership of the recent past in vision and energy, you can be assured that we will perform more often in the center ring.

During the recession of the early 80's, west Michigan's diversity meant that our bottom was not so low as the rest of the state, but we suffer along with the rest because our schools and universities, our highways and roads, our cities and counties depend heavily on what happens to revenues of the whole state. Yet it is better to be more of a positive contributor to the whole than a region that siphons off without pouring
much back. And concerned as I am about a roller coaster economy, I am more concerned that when we are taking the ride we are in good condition. I want to ride in the front seat.

This is the Grand Rapids Economic Club. I assume nearly all of you are citizens of west Michigan. The quality of life here affects the way you and your family live, and the extent to which you enjoy life. I know that the majority of you must deal far beyond west Michigan to make a living. You may be integrated in a worldwide (certainly a nationwide or statewide) network of industry and commerce. But today I am interested in home base. I am interested for two reasons. First, I want to see extended here in west Michigan a high quality of personal life, a high standard of living for all citizens, a model 21st century region of industrial, commercial, and agricultural productivity, and a spawning place for health, leisure, and creative arts. Second, I want to see our economic power grow so that through our diversity we contribute more to lessening the roller coaster effect of our Michigan economy, and work cooperatively toward that end with business and government leaders throughout the state.

One fact people learned who had not suffered through the Great Depression of the 1930's and who were more interested in occupations supported by taxes than those that generated tax revenues - they learned the economy is important! That was harder to learn than members of an economic club might expect. The strength of our regional economy, of course, underlies all my hopes for the region. To make reality out of hope we must have a recipe, and I submit mine to those who may want to assemble a cookbook of Regional Economic Specialties.

The first necessary ingredient, the base stock of this economic cuisine, are locally owned, preferably homegrown, businesses and industries. The owners are more likely to be concerned about the happiness and security of the people who work for their enterprise. There is less likelihood that the operation will be transferred from the area. The people in charge live here, and we can be reasonably confident that their talents will be more concentrated on what happens here than away from the region. Home office has the edge.

Recently we learned of a public company in Grand Rapids, a homegrown company, one of Grand Rapids' economic pillars, that was sold to outside interests, and now is being repurchased by those who manage it, who live here, who are investing the company's and their future in the old homestead. It's like building a new house on the old place. It's like the
prodigal returning. It's like a resurrection. The city benefits, the workers benefit, and I pray the manager-owners make huge profits and pay their taxes. It's cause for a celebration.

There is another story to tell. A homegrown industry, oozing with leadership and support for the community, sold for reasons that can be understood, when approached for community support this year, refused. The executive who always participated in the giving, in muted and saddened tones, had to say that the new owners, half a continent away, weren't interested.

When we look at our region's nourishment, the plants started and tended in our own garden have provided most if it. Most have grown fast, in one generation or two. There is no promising future unless the climate stimulates the growth of new homegrown varieties and sustains a good percentage of those we have. History demonstrates there must be the forces at work to replenish.

My singularity about the value of locally-owned or locally-based industry may by now have caused creeping resentment among you who work here yet represent companies owned and headquartered elsewhere. I cannot back off from my belief that local ownership and local industrial development is essential to the long range economic health of a region. But to stand there does not disqualify my view that branches and subsidiary operations of national and multi-national corporations are to be courted under the right conditions. The owners and executives of outside interests who purchase our homegrown industries should be welcomed and encouraged to appreciate our life in west Michigan. Significant leadership for our community life comes from people who fill the important positions of companies like these. Some of the international and national companies have intelligent and generous policies toward our community, honed through years of experience and the administration of high quality executives. Yet I don't think we can just hope that outside ownership will buy into our community life with money and interest. We must persuade them. I don't think we can just hope that the right companies will locate here. We must work to attract them. If we feed our children well and teach them to brush their teeth, will enough of them grow up to be entrepreneurs to keep the homegrown businesses coming on line, enough to manage the existing ones? I am not sure.

I have no illusions about the possibility of a region such as ours
planning its economy through some authoritative or volunteer organization that seeks to control and determine the nature of that economy. There is no way to guarantee an adequate number of homegrown industries; no way to secure the right mix of outside and local ownership, of large and small businesses. There is no way to promise that the families, schools, colleges, and universities will provide a sufficient number of creative, hard-working individuals who will stay here. Our way of life is too dynamic, and our tradition of free enterprise more acceptable to the majority mentality than the government controlled centralized planning. I am ready to leave a lot to chance, but perhaps chance can be fashioned in some ways.

We begin to fashion chance by looking about the country, to find characteristics that accompany the kind of economy we want to preserve and expand. I have already discussed the need for home developed business and industry, for outside owned industry committed to the local area, and for a diversified industrial base. What must we have in place to give us the best shot at achieving our objectives?

A few years ago a Battelle Institute study prepared for the Grand Rapids area Chamber of Commerce and the Greater Grand Rapids Area Economic Team identified the lack of University level research and engineering and technological education as possibly this area's most significant weakness in its drive for economic excellence. There is no doubt that the extent and quality of education from elementary school through the university will equate directly to the diversity and the success of the economy in any region. As the MIT economist David L. Birch stated in The Atomization of America, "the microscope suggests for instance that the single largest contribution to a region's economic health is the strength of its educational community." When I support Dr. Birch's hypothesis, one that obviously enhances my profession, I do so as much to remind my colleagues within the profession of their responsibilities as I do to remind the citizenry that they had better insist on high quality education for their own good.

The Battelle study was taken seriously by educators and laymen. Steps have been taken to apply remedies for the ailment identified.

1) Grand Valley State University will occupy a new nine-floor center in downtown Grand Rapids in April 1988. Two floors are dedicated to engineering education, a third to the computer instruction necessary to the engineering program, and a significant part of a fourth to the first teleconferencing auditorium in the area that can receive and send
programs. That capacity will bring engineering and technology courses via satellite, and it will be available to business and industry in this area for their multiple uses.

2) Grand Valley, Michigan State, and Western Michigan University are joining together in an engineering program. Grand Valley will offer all undergraduate education, MSU masters level education in electrical and computer engineering, and Western masters degrees in industrial and mechanical engineering. Grand Valley will provide the facilities in its new center.

3) Grand Rapids Junior College and Ferris State University together will begin construction of a new building where they will offer training in technologies for this area's manufacturers and businesses, in addition to research and consultation, to solve practical technological problems. Over the past few years Grand Rapids Junior College, Ferris, and Grand Valley have worked together to avoid the duplication of programs in Grand Rapids. The same initiative has been taken in Muskegon with Muskegon Community College. We hope that such cooperation will eventually include all state universities who offer programs in the Grand Rapids area. Certainly the MSU, Western Michigan, Grand Valley joint engineering program demonstrates the possibility.

4) One of the encouraging developments of the past few years has been the collaboration of GGREAT and the Chamber of Commerce to get things done. Through the initiative of those two organizations, university and business representatives established the Research and Technology Institute. The Institute is in the process of forming. Dr. Bruce Chubb, formerly Research Director of Smith Industries, is the recently appointed director. With an appropriation from the State for $850,000, and support from Grand Valley, Western, Grand Rapids Junior College, the Right Place Program of the Chamber of Commerce, and the Grand Rapids Foundation, the Institute is ready to begin operations. The Institute is a place where professors from local educational institutions, both private and public, and local industrial Research and Development personnel can come together to pursue research projects that can directly assist the area economy, have favorable implications for the economy of the state as a whole, and make west Michigan a more attractive place to work and do business.

Cooperation amongst universities and colleges to the extent described is a major achievement. Equally important is the recognition by universities
of the importance of the economy and their commitment as a high priority to keeping it healthy. All four of the actions taken since the Battelle report bring people in business and industry closer to the professors who prepare students for their profession in business and industry. There is an opportunity here to mold theory to practice more effectively than before in our region. The four post-Battelle initiatives were preceded by a significant development involving GGREAT, and eight higher educational institutions - Grand Rapids Junior College, Grand Valley, Aquinas, Calvin, Davenport, Ferris, Kendall School of Design, and Western. Just like calling 911 for help in time of medical emergency, an entrepreneur or businessman can call 451-8744. That will put him or her in contact with the College Consortium office (called the Small Business Center) where a request can be made for assistance and will be channeled to the appropriate people in one or more of the institutions who will contact the caller. The service is a function of GGREAT who contracts with the College Consortium to provide it. In this way the colleges begin to increase their services beyond the classroom to the people of the area. Since October, 1987 over 300 area businesses have been helped.

What has been done and what is imminent constitutes a beginning. There is not much of a track record. We are hopeful, even confident, that there will be a successful track record a few years hence. We are putting in place the structure and the facilities that will give this city and this region the capacity for university-level education, research, and consultation.

I cannot presume to speak for my colleagues at other institutions in and near Grand Rapids. All I can do is share with you what I hope becomes the commitment for Grand Valley in the next era of west Michigan regional development.

First - that we will undergird the area with one of the state's finest resident undergraduate programs on the Allendale campus.

Second - that through our Downtown Center we will contribute to university-level research to assist business, industry, education, social services, and government. That we will offer high quality graduate programs through the masters levels and also provide research and updated conference facilities for local corporations and organizations.

Third - that through our Faculty and our Office for Economic Expansion we will, over a period of years, use the generous gift by Steelcase Corporation of the Stow & Davis property to add the programs and facilities
to improve the quality of life for all citizens.

In our world of business start-ups, failures, successes and buyouts, the chances for economic health improve to the degree that the citizens are politically aware, or we might say, politically sophisticated. This awareness and sophistication operates on several levels and amongst different interest groups. Only if it exists will the region lend its weight effectively to passing and sustaining state laws that contribute to economic development. It is necessary for the proper ordinances in the cities and counties, for tax abatements, legislation for favorable zoning, for sensible environmental requirements, and for equitable taxation at all levels. We need continuing education in these fields, and discussion without the pejoratives.

As a result of political awareness, social, political, and economic networks develop. A good example of that in Kent County is the formation of the Greater Grand Rapids Area Economic Team. Started by the Mayors of several Kent County cities, it brought together representatives of county and city government, labor, business, and education to plan for and implement through contracts the economic development of the region. I have already cited some of the organization's involvements. Here is a major attempt to bring together interest groups throughout the county to see if common cause in the interest of a better standard of living can transcend local boundaries and the self interest of several professions. Already GGREAT, after checking with constituent cities and groups, has established priorities for state appropriations to area projects. This is the beginning of political awareness. For the region to prosper there must be a combination of public and private investment, and a substantial majority of citizens have to understand that the western section of the state has nearly 19% of the state's population and receives 14% of the state's revenues for services. On a per capita basis the western region receives the lowest amount of tax dollars, $1,105, while the central region receives the highest, $2,032, the upper Peninsula $1,962, the eastern section $1,409, and the northern $1,192. The statewide average is $1,461. Kent County ranks 74th in the state per capita spending, and Ottawa County ranks 83rd — last in the state. All this could mean we are healthier economically than other sections, that we receive what we require, and are only sharing our largesse with others in greater need. It can mean also or instead that we don't have the political strength to "bring home the bacon." I hope you will forgive the mixed metaphor, but we had better have some bacon or the goose that roosts over here may not get what it takes to lay those golden
eggs.

To drive on 44th Street after 4:00 p.m. or a work day gives you the uneasy feeling that you are in crosstown Manhattan traffic without the skyscrapers. There is no doubt that if the predicted population increase is to be accompanied by economic growth with the quality of life we want to preserve, major changes and additions to the infrastructure are required. The south beltline and increased water and sewer systems throughout the area test the ability of intra-city relations to produce cooperation, and test the will and skill of the people and their representatives to pay and bring home the tax dollars to build those public works that will help insure their personal well being.

Confronted as we are by the vagaries of chance, the most important element that loads the dice in our favor, that tilts the wheel toward us, is the loyalty of so many able, creative people to this spot in west Michigan, to the values that make our way of life. This commitment has overwhelming practical advantage for us. That there is under construction the greatest pyramid west of Cairo is another. Investment of that kind of capital is likely to attract streams of money from outside that will meet as if in confluence with a continuing flow of cash and credit from west Michigan loyalists. The energy from the financial movement will assist the young and vigorous to think creatively, and it will make it possible for them to find the risk dollars to launch and sustain the best of their ideas. I can attest to the ready spirit of the economic producers of this area to build for Grand Rapids, through their support of Grand Valley's Downtown Center, a necessary house for those activities that will further the economy and the kind of arts and services that only a strong economy supports. In the economic game there are always losses. That is why it is so important to produce so many wins. We in Grand Rapids must have winning seasons all the time. That is why we need successful loyalists.

Rebecca West, an unusual and successful British author-journalist who died in 1983 at ninety years of age, wrote in her book Black Lamb and Grey Falcon, published during World War II, "A great town brings forth its tradition which cannot be destroyed because it is sown through the brains and loins of all men born within it or under its shadow, and because it determines the form of local customs and thus forever afterwards constrains those who enter it from other parts to its way of living."
It is an economic tradition of reinvestment in the Grand Rapids area that I cherish, reinvestment motivated by a sense of purpose as well as profit, reinvestment motivated by personal values as well as the value of money, reinvestment by home grown possessors of capital and by those outside owners who benefit from our place and our people. I cherish a town and a region with a strength of character that can withstand when it must and create as a natural condition a town as Rebecca West describes. I think west Michigan's success as a place to live can be attributed to its heritage. We want to uphold and add to that heritage. Whether or not we can flatten out the roller coaster, I think we in west Michigan are in for a fast ride.