

*Reshaping the Fundamentals:
Strengthening Community Economies
in Turbulent Times*

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Introduction

Rex LaMore

Morning Keynote

Peter Edelman

Succeeding in Uncertain Times: Challenges for Distressed Communities

Thank you for the opportunity to join you today. This year's conference title is indeed apt. Globalization, terrorism, and the continuing process of change in the American economy certainly make this a turbulent and uncertain time. On the other hand, when you work in distressed communities, the times are always turbulent and uncertain. You work in places where, when the economy catches cold, your constituents get pneumonia. Some of you work in places that have economic pneumonia all the time.

I admire the work you do. You focus on places with problems that are hard to solve. That fact also captures why it was a particular challenge for me to come up with thoughts that would be helpful to you. The problems on which you work don't lend themselves to easy answers, and I'm afraid keynote speakers, like graduation speakers, are excellent at offering easy answers.

But let's take a shot at it. I will disclose up front, though, that I do not know how to bring full employment to Flint, Michigan.

What is a distressed community? Generally it's a place that is disproportionately poor, where too many people don't have jobs and too many others have low-wage jobs. Often there are what we might call neighborhood effects – disproportionate incidence of various bad outcomes due to too many poor people all living in the same place. How does a community become distressed? Generally it's a demand-side problem – there aren't enough good jobs or enough jobs, period, within commuting distance. And why is that? The jobs that used to be there, on farms and in mines and at industrial plants, have disappeared for one reason or another.

Of course it's not only or always a demand-side problem. Sometimes the problem is on the supply side – too many people who don't have the skills to do jobs that are available. Sometimes it's a problem of discrimination – jobs that are within geographical reach, and too many people who could do them but don't get them because of their race or ethnicity or gender or some other immutable characteristic.

If your work is in rural distressed communities, I can tell you right now I'm not going to make you much smarter. You can get a prison – until recently anyway that was the number one rural development strategy for quite some time. You can go into riverboat gambling if you have a river. You can attract a factory, although since NAFTA they're going in the other direction. You can do tourism – I was just in Lanesboro, Minnesota the other week – it's the bicycle trail capital of southeastern Minnesota. And of course if any of those things are feasible (some of which may be more attractive than others) but you lack the



infrastructure, you can try to get public funds to put the needed infrastructure in place. The state built the bike trails in Lanesboro, Minnesota, for example. Rural community development can be successful, but not always. But you know all of these things, the successes and the failures.

There is one more thing I can say on the rural side, and this one is somewhat controversial. If there aren't going to be enough jobs in a rural area, and we think people should be able to have a choice of finishing the task of bringing up their children and going to church and being part of the community in the place where they have always lived, it might well be justified to provide a modest income so people could stay where they want to stay. For the elderly we call that social security. When we're talking about people of working age there's a different word for it and it isn't very popular – welfare. At the moment anyway, the one-size-fits-all “work first” philosophy says time limits for welfare are generally appropriate, and leaves little room for the kind of income support policy that might make sense in many rural areas.

I mentioned NAFTA. It raises a larger point that I'll come back to later on: there are matters of policy that are decided somewhere else that have an enormous impact on whether a community comes to be distressed in the first place. NAFTA is one. Farm policy is another one. If you're going to work to un-distress distressed communities, you have to be aware of and try to affect a variety of outside forces. They have an enormous impact on your work.

I'm going to spend more time on urban distressed communities. I'm not any smarter about that, but I have more to say.

I want to make one basic point, but it has a number of applications. You can't do the work in isolation. Of course nobody ever thought you could revive an urban neighborhood without outside investment or assistance. From the earliest days of the first community development corporations, it was always understood that outside funding was required for economic development or low-income housing construction or rehabilitation. Although I should say that too often outside funding meant only public or foundation funding, and the possibility of funding from market sources was not thought of or pursued.

Anyway, for a long time, there was a kind of mythology, I call it a mythology, that, as long as you had some outside funding, you could fix a neighborhood by things you did inside the neighborhood. You could improve the housing within the neighborhood, but that doesn't improve the neighborhood economy or the job situation – it doesn't give people the income to pay the mortgage or the rent. The idea of all of that, the romantic idea I would say, was that you could attract industrial plants and retail businesses and all in all create enough jobs in or quite near the neighborhood to solve the job problem. Not true, it was never true. On top of that, few neighborhood revitalization strategies were truly comprehensive. Most CDCs – and there are now more

than 2,000 of them – did and still do only housing. Some do a certain amount of economic development – mostly retail stores. Even now, probably considerably fewer than a hundred in the whole country could be called comprehensive.

So let me list five applications of my point that you can't do the work in isolation. Forgive me if the points are obvious.

1. You have to do distressed community work in a regional context.

This is surely true in rural areas as well. The most obvious point here is that CDCs and other neighborhood revitalizers should be thinking and acting regionally about jobs for their residents. So the question is not only, what jobs can we attract to the neighborhood, which is very worthwhile to (for example) get stores that make goods available at nationally competitive prices. But also, how do we get people connected to jobs in the suburbs? Obvious as that is, it has not been on the radar screen of very many CDCs. Some people are starting to wake up. The Annie E. Casey Foundation, for example, has a six-city Jobs Initiative dedicated to exactly that point. How do we match people to jobs in the suburbs, make sure they have the skills they need, break down any walls of discrimination against them, make sure they have a car or convenient public transportation to get to and from the jobs every day, and so on? With differing kinds of local partners in each of the six locations, the Casey Jobs Initiative is pursuing these objectives. All of this should be obvious and simply common practice, but, sad to say, it isn't. It is where the issues of people meet the issues of place, and we need to focus on it and work on it.

There was and still is a great opportunity to use TANF (Temporary Assistance to Needy Families) to do some of this. There was and still is a lot of money associated with TANF. As far as I know, no CDC has yet used it to participate in a comprehensive strategy to help inner-city people get and keep jobs in the regional economy, to identify the jobs, do the placement, see to the transportation, help people buy cars, set up new transit and paratransit systems, and set up or even run the child care. There was and still is an opportunity for CDCs to do this. I hasten to say that MOSES has been a leader in organizing people to work on the transportation aspect of the problem. MOSES and others helped get the Transportation Equity Act passed nationally, and they have been leading an effective coalition for equitable transportation here in Michigan.

There is another piece of the regional context that is very important: housing. People should have the opportunity to live where they want to. A genuine commitment to economic integration, especially if it also means racial integration, is difficult to achieve. But it should be on our screen. We have had a few successful examples over the years – one thinks of the Gautreaux case in Chicago and the few others like it that followed – but this objective has largely fallen off the table.

Peter Edelman emphasized that work with distressed communities cannot be done in isolation.

2. We have to be thinking about economic integration.

A neighborhood is unlikely to achieve stability as long as its residents are disproportionately poor. If more of them have good jobs, that will help. But so will attracting middle-income people back to the neighborhood. In some cities it is happening in undesirable ways – we call that gentrification. In Detroit, gentrification is only a gleam in people’s eye. Nonetheless, we should remember that there was a time when inner-city African-American neighborhoods, albeit involuntarily segregated, were healthier communities than they are now. Why? Because they were economically three-dimensional. There were doctors and lawyers and preachers and teachers and funeral directors. There were more role models. There was a stronger community. Economic reintegration is occurring in a few places – in Harlem, on 47th Street on the South Side of Chicago, in the Shaw neighborhood of Washington, DC. And where it is occurring it is a good thing. So two-way residential mobility should be on our radar screen.

3. Not working in isolation means thinking about the possibility of new political alliances, both spatially and racially.

Spatially, as you well know, there is a new locus of distressed community in our metropolitan areas – the suburbs, mainly the inner-ring suburbs. These places are now older, and the first and even the second wave of residents have moved out, replaced by immigrants as well as people who have moved out of the inner city. Their infrastructures are aging and their residents are disproportionately lower-wage workers who have to live in overcrowded situations in order to make ends meet. Outside public funding is similar to that of central cities. They share a common interest with central cities in eroding the power of the further-out suburbs in the legislature and in county governance, where that is relevant. As, especially, the work of Myron Orfield in Minnesota has demonstrated, this is a good breeding ground for political partnership.

A second possible new politics is in America’s new diversity, especially between African-Americans and all of the other groups whose arrival has so enriched America. Of course this is dangerous terrain. In Los Angeles, as most of you know, a situation of unpleasant political conflict has arisen between African-Americans and Latinos, which resulted in a divide and conquer strategy that defeated an attractive Latino candidate for Mayor recently. But when it comes to distressed urban and suburban communities, the people who have the problems are disproportionately people of color. African-American, Latino, Asian, others. They have a great deal in common. We need to accentuate the positive and look for the possible political partnerships.

Let me make a side observation here. In my view there has always been

an odd fact about inner city distressed community work. These communities largely exist because of policies of racial segregation, official and unofficial both – read Thomas Sugrue’s award-winning *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Yet the practitioners of neighborhood revitalization and their foundation and other partners have over the years been strangely silent about the racial context of the problem. Half the poor residents of inner-city neighborhoods of concentrated poverty in 1990 were African-American. Another quarter were Latino. Part of the problem they face is one of racial and ethnic discrimination. Recognition of these facts could affect both the remedies that are sought and the coalitions that are formed to pursue the remedies. Race is an issue in the world of urban and suburban distressed communities and we ought to be willing to say so and act accordingly.

4. A fourth aspect of not working in isolation is to hold accountable the mainstream agencies and institutions that are supposed to serve distressed communities and don’t, or don’t do so properly.

Is the policing adequate and fair? How are the public schools? How do the child welfare and juvenile justice systems operate *vis a vis* the neighborhood? Are the employment and training system and the welfare system responsive to inner-city residents? Is there any institutional way in which the business community can be enlisted to be more responsive in hiring and other matters?

In my experience, people who do housing and community economic development in distressed urban communities seldom get involved in these “other” matters that have so much to do with the quality of life in a neighborhood. In the Sandtown-Winchester neighborhood of Baltimore, I was pleased to find that the Community Building in Partnership initiative, which was fostered by the late James Rouse, had gotten intensely involved in improving the three elementary schools in the neighborhood. The sad thing is how unusual an activity that is for a neighborhood revitalization initiative. The consequence of the silo mentality is that bureaucracies like child welfare and juvenile justice have an enormous impact on neighborhood children and youth, and no one in the neighborhood is involved in holding them to account. There is a huge agenda here.

5. Improve national policy.

There is a fifth aspect of not working in isolation, even harder than the hard ones I’ve listed, and only addressable by working in coalitions and as part of larger groups in one way or another, and that relates to national policy. Let me give you three examples. All of what I am about to say applies to you wherever you do your work, urban or rural or wherever.

Five Key Points:

- *Consider regional context*
- *Achieve economic integration*
- *Form new political alliances*
- *Hold the mainstream accountable*
- *Improve national policy*

One, there is a debate going on in Washington right now over reauthorization of the 1996 welfare law – unfortunately a highly politicized and rather stupid debate if you ask me. Without getting into the gory details, it boils down to this. President Bush and the Republicans and, I have to say, some Democrats as well, think you can just tell people to go to work and that, magically, jobs will appear. The weird thing, almost a miracle, actually, was that after the 1996 welfare law was enacted, that is exactly what did happen, in most (although certainly not all) of the country. Job availability soared, and guess what, surprise surprise, single mothers went to work in record numbers. Frankly, we were very fortunate as a nation. For about five years, until recently, we have had the lowest unemployment that we've had in forty years. Now things are different. Unemployment is rising, and in some places skyrocketing. Of course in other places it never went down much.

Let me tell you the story of North Carolina and the mid-South generally, that was told to me by my friend David Dodson, who runs a terrific organization called MDC in Chapel Hill. In 1998 and 1999 the unemployment rate in places like Charlotte was under 3 percent. Almost anyone could get a job. Business people made public testimonials about how it turned out that former welfare recipients were really good workers. Again, surprise surprise.

Now the bottom has fallen out. The textile belt has lost 400,000 jobs over the past two years.

David Dodson says the whole region is going to be the next Mississippi Delta. Yet the debate in Washington continues to deal with the matter as a supply-side problem. The predominant attitude is, if only we can force these lazy people to get off their duff and go out and find a job everything will be fine. No one, no one is asking how this economy is going to create employment. And of course no one is asking what is going to happen to people who hit arbitrary lifetime time limits for welfare in contexts where no job is available. Place-based people with limited skills are stuck, especially those who live in rural areas. We have a serious and growing demand side problem regarding employment. But no one in Washington is looking at it.

We need you in this welfare debate. You in Michigan and you in this audience understand the problem I just laid out. You need to be telling your delegation – strengthening your Senators, whose hearts I think are in the right place, to play an active role – and educating some in your House delegation who need education – that we need a bill that focuses realistically on poverty reduction, on addressing the demand-side problem, on helping people get and retain the best possible job and advance from there, and on providing the right kind of help to those with the most serious problems. TANF is far and away the biggest pot of federal money we have to help people who live in distressed communities. It should be structured in a way that enables the states to pursue

In the United States, 2.8 million people have the same income as 112 million people.

realistic policies. If you want to get involved in these issues and have up-to-date information on what is happening, I urge you to get involved with the National Campaign for Jobs and Income Support, which is a coalition of more than a thousand grass-roots organizations that have come together to be a voice from the communities on jobs and income policy. Their web site is www.nationalcampaign.org.

Two, welfare is only the beginning of federal policy that affects the income of people who live in distressed communities. So many of the people on whose behalf you work have jobs, but they are jobs that don't pay enough to live on. This has been the case in America for a long time, but it has been accentuated by deindustrialization and automation. We obviously should be doing everything we can to raise wages, but we also need federal policy to add to wages – improving the earned income tax credit, for example – and we still need universal health coverage, child care assistance for everyone who needs help, and serious help with the crisis in the supply and affordability of low-income rental housing that is getting worse and worse around the country. Health coverage, childcare, and housing assistance are important in and of themselves, obviously, but they also add to income. They create purchasing power for residents in the distressed communities in which you work, urban and rural both.

The situation of millions of Americans who aren't poor according to the inadequate definition of poverty that we use, and don't think of themselves as poor for that matter, but can't make ends meet every month, is not on the front burner of national discussion. Millions of people know individually that they are struggling, but they don't see the commonality of their position with millions of others. There is a politics there. We need to pursue it. You need to be involved.

Three, you are doing this work with one hand tied behind your back. The country's income has doubled over the past two decades, but the increase in income has all stuck at the top. This means two things – your constituents have less than they should, and they are getting less in the way of publicly funded help than they should. Kevin Phillips, in his new book *Wealth and Democracy*, quotes figures which show that the income of the bottom 3/5 of Americans actually went down in real terms between 1977 and 1999. By contrast, the real income of the top 1% more than doubled. In the late 70s the top 1% had the same income as the bottom 20% of the population. Now the top 1% have the same total income as the bottom 40%. In other words, 2.8 million people have the same income as 112 million people. The top 20 percent have half the income in the country. If the bottom 20% – or even the bottom half – had their fair share, your work would be so much easier.

Millions of people know individually that they are struggling, but they don't see the commonality of their position with millions of others.

The tax cut for the very wealthy enacted last year makes matters even worse. Even though the effective tax rate on the top 1% dropped between 1995 to 1999, and their average after-tax income went up by 45% during that same period, we have a tax cut which gives 71 % of its benefits to the top 20%. There was no need to do it, we shouldn't have done it, and we should take it back. And remember, my basic message is you cannot do your work in isolation. The tax cut means money you should have to help you do your work will not be available. It means money that should go to provide health care and childcare and housing assistance to people who really need it will not be available.

I know you already work 25 hours every day, but we need you, we need everyone who is affected negatively to speak up. Too many people were silent when the tax cut passed. It should not stand.

I am a member of the Aspen Institute Roundtable on Comprehensive Community Initiatives. We are just now releasing *Voices from the Field II*, which is a book of reflections by practitioners and participants on comprehensive community change. You may have seen *Voices from the Field I*. In the report we sum up an ecology of change on four different levels. The summary neatly captures my message to you this morning, so I want to quote the four levels:

- Change among community residents
- Change within and among community-level institutions
- Change among those who provide technical, financial, practical, and other supports; and
- Change in broad policies and structures that have enormous influence on community residents and institutions.

If you want the full report you may e-mail publications@aspeninstitute.org.

Let me conclude with this thought: one major message from the horror of last September 11 should be that we need to do far more to help raise the income of the 3 billion people who live on less than two dollars a day, according to the latest figures. But I would also say that if we want to be a good citizen of the world, if we want to convey a positive statement of what America is about, our responsibility begins at home.

1. People

Ron Jimmerson provided an employer’s perspective on the hiring of welfare recipients to meet the increasing need for well-trained and dedicated employees. Mr. Jimmerson described an employee self-sufficiency model, “From Welfare to a Career,” in use at Cascade Engineering. Citing the company’s anticipated growth, Mr. Jimmerson highlighted the importance of forward thinking business practices. To meet its increasing human resource demands, Cascade Engineering has made a practice of hiring welfare recipients. Its purpose in doing so, according to Mr. Jimmerson, is to support unemployed and underemployed individuals as they move from dependence to economic self-sufficiency.

In addition to retaining the unemployed and underemployed, the goals of the program are to develop individual employee’s life skills and foster the development of a productive and skilled workforce. Cascade Engineering provides mandatory training programs to communicate company goals. This training includes Steven Covey’s Seven Habits of Highly Effective People, and 30 hours of diversity training. Mr. Jimmerson said Cascade Engineering sees itself as a “pot of stir fry” where each individual makes up a part of the whole company yet maintains his or her uniqueness.

In discussing the impact of the Cascade Engineering program, Mr. Jimmerson briefly summarized this country’s economic culture. Drawing on author Ruby Payne’s *Framework for Understanding Poverty*, Mr. Jimmerson outlined the “three economic classes” of the United States. Payne’s book argues that “each economic class has its own culture complete with hidden rules, characteristics, and language structure that shape behavior. The behaviors of each class can be appreciated if the hidden rules and characteristics are understood.” Mr. Jimmerson further stated that, in the U. S., “we don’t understand the hidden rules of different cultures We are not teaching low income folks how to be successful in a middle class society.” He argued that low-income people need to be provided tools to be successful: the same spiritual, physical, emotional, mental, and financial resources available to successful middle-class workers. Providing employees with these resources is one goal of the Welfare-to-Career Program. Another key part of the program are the mentors who understand the cultural differences and who help individuals make the bridge from a world of poverty to a middle class business environment. The Michigan Family Independence Agency provides two caseworkers to address the issues and

Ron Jimmerson described a “welfare to career” initiative at Cascade Engineering in Grand Rapids.

2. Place

Jon Coleman and Steve Hayward discussed the “Regional Growth: Choices for the Future” planning effort that was recently conducted by the Tri-County Regional Planning Commission for Clinton, Eaton, and Ingham Counties. The mission of this project

The third step outlined by Mr. Coleman was to identify and evaluate several alternatives to the observed trends. Mr. Coleman discussed four potential alternatives considered during the planning process: a “build out” analysis, which assumed no significant change in existing zoning; a “business as usual” analysis, which projected current trends into the future; and two “wise growth” alternatives, one for each of the build-out and trend assumptions.

The two “build-out” options were projected to result in a 2020 population of 1,462,666 persons, while the alternatives based on current trends led to projected results of 550,166 persons. Similarly, the build out projections resulted in 446,231 households and the trends projections in 228,655 households. Various elements were included in evaluating the different alternatives: community service, environment, environmental justice, utilities, cost of public service, transportation, land use and quality of life.

The next step in the planning process was to work toward a shared regional vision about a preferred alternative and developing tools, techniques and action strategies to implement the shared vision and preferred alternative. According to Mr. Hayward, there was strong public participation in the visioning process, with over 1,500 people providing input. In considering the region’s future, participants considered seven vision areas: natural resources, wise growth,

Jon Coleman and Steve Hayward described a long-range planning and visioning effort recently conducted in the Lansing region.

*Carol Townsend
and Kendra Wills
described a
citizen-based
approach for
dealing with sprawl
in Kent County.*

quality of life, regional approach, parks and recreation, economic development and public participation

The final step of the planning effort was to establish a regional process for the monitoring and evaluating success at implementation of those strategies. This step is presently under way, according to Mr. Coleman.

Carol Townsend and Kendra Wills discussed the United Growth for Kent County project. Its focus is the creation of a sustainable, citizen-based organization that unites people and organizations around the issue of promoting positive land use in Kent County and West Michigan. Ms. Townsend described the United Growth for Kent County project as a “citizen-based approach in dealing with situations of urban sprawl.” United Growth is a Michigan State University, MSU Extension and MSU Center for Urban Affairs project, primarily funded by the Americana Foundation, Frey Foundation, Grand Rapids Community Foundation, Lowell Area Community Fund, Grand Rapids Area Urban Cooperation Board and the Steelcase Foundation.

Ms. Townsend described United Growth as being directed by two components: a rural committee and an urban committee. Members of the committees represent residents, landowners, businesses and organizations throughout Kent County. Initially, each committee met separately to determine its own goals

and identities. After working separately to clarify their own priorities, the rural and urban areas have come together to develop the United Growth Coalition.

The urban component of United Growth assists central city neighborhoods in improving the social and economic vitality of neighborhoods by identifying and mitigating the affects of urban sprawl and underutilized infrastructure. It centers on reversing the patterns of abandonment and disinvestment and revitalizing central city neighborhoods. Ms. Townsend stated that “downtown Grand Rapids has been successfully revitalized due to a lot of private monies. However, the surrounding neighborhoods have not.” These areas of concern are being addressed by partners in community-based organizations. MSU resources have also been utilized by involving students in conducting a number of studies and reports in the neighborhoods. According to Ms. Townsend, many of the problems of Grand Rapids’ urban neighborhoods would take care of themselves if there were more mixed income development.

The rural component of United Growth educates landowners and township officials on the unrecognized costs of low-density development and the benefits of compact design, and provides an opportunity for empowerment of rural communities to make better-informed land use decisions. “The rural component

focuses mainly on two points – agricultural profitability and land use planning,” stated Ms. Wills. She emphasized that if a farm is not profitable, its land is sold for development, but if the farm is profitable, farming will continue or expand.

Recently an Economic Development Agent was hired to focus on increasing farmers profitability in the Fruit Ridge area. The agent is working on education and economic opportunities of value-added, diversification, tourism and alternative marketing. An innovative marketing project currently under study is the developmental process to ensure that sliced apples not turn brown to improve marketability. This is significant since this area produces 40% of Michigan’s apples, and the Fruit Ridge area is one of the most prime fruit growing areas in the world.

In an effort to equip today’s youth with the knowledge to make wise land use decisions MSU Extension partnered with several organizations to compile existing land use educational material into a Land Use Learning Series. These activity materials are designed to be used in 3rd, 4th and 5th grades across Michigan. It is tied to the Michigan Curriculum Framework and Kent County Collaborative Core Curriculum (KC4) standards as well as the National Council for the Social Studies standards and should be available in the Fall 2002. “In order to make any impact on land use, we need

to get land use issues information into the classrooms,” stated Ms. Wills.

Finally, Ms. Townsend described the Citizen Planner Program available to community members. The program was developed to address the basic, ongoing training needs of citizens appointed to serve on local land use planning bodies. It is a non-credit course series leading to an optional certificate of competency awarded by MSUE. To date 23 out of 49 participants earned the Citizen Planner Certificates in the Lowell Program. Seven out of eleven Kent county participants will earn certificates from the Ionia program. The significance of the program has been proven by the fact that three participants were appointed as Planning Commissioners and one as township assistant planner after completing the course.

– by Phyllis Ball

3. Financial Resources

Reverend Alonzo E. Vincent described Mission of Peace, a housing counseling resource for individuals seeking homeownership. Founded in Flint in 1997, Mission of Peace is “a comprehensive approach to assist individuals looking for homes.” Mr. Vincent emphasized that his work in this field was influenced by a mentor’s words: “Son, get you some dirt.” To him that meant that what matters most in our economic system is obtaining land as an asset.

Alonzo Vincent discussed the Mission of Peace housing resource program in Flint.

Mission of Peace has two focuses: first the individual, and second the community. On an individual basis, the organization's work is driven by the question: "What does it take for this individual to purchase a home?" Services and products are packaged for persons as they are assessed individually—not necessarily targeting low-income people. To illustrate this point, Mr. Vincent told of a General Motors engineer from Germany who was a legal alien but did not have his green card. Mission of Peace helped him to purchase a home for \$450,000. He also described work helping individuals purchase \$10,000 homes. Mission of Peace offers an Individual Development Account (IDA) program where employed low-income individuals save money (a minimum of \$10.00 a month) and have it matched by other funds to put toward homeownership. Participants must save for a minimum of six months and attend financial education classes that offer information on budgeting, credit issues and banking information.

The organization also offers housing-related financial education separate from the IDA program. Mission of Peace examines predatory lending practices, and offers refinancing packages for individuals caught in high interest loans. For example, a Mission of Peace lending initiative funded by Fannie Mae will allow low-income individuals lower loan interest rates. Mr. Vincent also referred to "functionally illiterate"

young adults and the elderly who face predatory practices. Mission of Peace also offers life skills education on basic usage of ATM, and makes people aware of behavior that could harm them, such as giving out personal information to strangers by asking for help at an ATM machine.

At the community level, Mr. Vincent described a partnership between Mission of Peace and the Dayton Heights neighborhood of Flint. There are twelve tax reverted properties in the neighborhood, and a great number of rentals. Mission of Peace intends to develop stick-built homes on the tax reverted property and work with renters to purchase a home. Organized block clubs exist in that area, and individuals will be required to attend their meetings in order to qualify for assistance. Mr. Vincent asserted that "you will work to build your community if you know your neighbors." By using such approaches, Mission of Peace strives to serve as a "full service" housing assistance organization.

Carol DiMarcello described the Alternative Investments Fund of the Adrian Dominican Sisters. The Adrian Dominican Sisters are a Catholic Order in Adrian, Michigan, established in the 1880s with interest in teaching and the medical field. In the 1970s the Sisters began to share the information that they had learned through investing for retirement and opened an office on investing

*Carol DiMarcello
described a
community
development loan
fund administered
by the Adrian
Dominican Sisters.*

responsibly. They took a public stance on disinvesting in South Africa, and became involved in speaking out against sweatshops and poor working conditions.

The Adrian Dominican Sisters first established a low-interest revolving loan fund in 1978 with \$100,000 for financing community economic development projects in inner cities and poor rural areas. The Alternative Investments Fund's current portfolio consists of 67 nonprofit and cooperative enterprises, along with several community banks and credit unions. Through this fund, the Adrian Dominican Sisters support the development of affordable housing and job creation by investing in project across the United States and around the globe in places such as South Africa, Central America, Haiti, and Northern Ireland.

Today the Alternative Investments Fund has a total of \$3 million in available resources. The loans range from twenty five to fifty thousand dollars, with an average loan of \$37,000 and support for three to five years. Groups can reapply and renew the loan; some organizations have been working with the Sisters for as many as fifteen years. The Fund charges interest rates on a sliding scale, whereby groups in the start-up stage may be charged three percent and as they get established may pay up to six percent. Applications are considered on an annual basis, using social criteria to select among applicants.

Ms. DiMarcello stated that, "the field of lending has become amazingly sophisticated. We need to allow the newer groups to get a chance." She suggested that faith-based funding is good place to find resources, but is overlooked by many groups; once an organization gets into the network, she says, they may well find abundant support.

Melody Taylor discussed the Westshore Community Federal Credit Union's Individual Development Account (IDA) program. The IDA program has fifteen participants saving: eight toward home purchase and seven for education. Westshore Credit Union first became involved with IDAs through the Michigan State University Center for Urban Affairs-Community Development Credit Union-Statewide IDA Initiative.

Ms. Taylor cited one key factor for the success of the IDA savers is the support group meetings, stating, "Interaction makes the program work. The participants are able to exchange information they know." Some participants have switched from homeownership to education after learning the responsibilities of homeownership through the sessions.

Westshore's IDA program requires participants to attend financial education classes and support groups. Westshore has formed a network of community-based organizations that serve as partners offering a variety of services. For example, a credit

Melody Taylor discussed an Individual Development Account program within Westshore Community Credit Union.

counseling service employee volunteers his time to help participants with credit issues. Participants can be in the program for three years and are expected to save a minimum of twenty dollars a month, but Ms. Taylor says she is flexible because she strongly believes that saving is more important than the amount.

Natasha Hammock acts as an IDA liaison to the Westshore Credit Union. Ms. Hammock was hired as a VISTA volunteer to coordinate the Individual Development Account program within the credit union. She participates as a saver in the program, and communicates participants' perceived barriers to saving to the credit union staff.

Westshore Credit Union is trying to combat predatory lending practices by offering a small low-interest line of credit to members for a short term as overdraft protection. Yet, according to Ms. Taylor, risk-based lending for members with credit problems is necessary for the credit union to stay alive. "It gives more people the opportunity to get a loan." Risk-based lending does mean higher interest rates, but she felt that most people with severe credit problems couldn't otherwise get a loan. The credit union personalizes the service and nurtures the member, eventually moving them into a lower interest rate as their credit is established. By being involved with the IDA program, Ms. Taylor believes she is better able to address the issues and think creatively with services and products offered by the credit union

– by Patricia Wood

4. Planning

Mark Wilson discussed the emergence of the "new economy" and its impact on Michigan's distressed communities. He raised fundamental questions about the potential for science and technology related economic development to assist distressed communities, and discussed possible strategies for directing new economy resources to the distressed areas. Mr. Wilson noted that while the new economy may be new, it is not all that new; he cited examples of how the wheel and the industrial age led to revolutionary changes in the world economy. However, given the constant change evident today, the stakes are ever higher for those left behind. Mr. Wilson argued that understanding changing labor needs is essential for developing economic development strategies to benefit distressed communities.

Mr. Wilson focused on regions and locations with the potential to attract science and high technology firms that generate new ideas. He emphasized the role that knowledge-based industries play in the new economy. Given that economic growth is increasingly knowledge-driven, our standards of education need to be raised. Demands upon our educational system are expected to continue to increase. However, according to Mr. Wilson, even with a better-educated and more highly skilled workforce, organizations in the new economy maintain a low commitment to place,

for high skills service jobs.

Mr. Wilson provided international examples of governments promoting local growth through global expansion involving science and technology. He discussed the Republic of Ireland, which has outreach offices in Silicon Valley and New York engaged in conducting research work and attracting business to Irish firms. He also cited the example of the government of Bavaria in Germany, replicating similar efforts through their global offices.

Finally, Mr. Wilson discussed the idea of place as a factor in the new economy. He stated that, in Michigan as elsewhere, there are “only a few miles of distance between labor shortages and high growth; and only a few miles of distance between a distressed area and an area of high growth.” He raised questions about the individual employee’s ability to cope with need for mobility and the personal stress that may result. He stated that the Michigan economy needs to be robust in order to generate jobs, but that the residents of Michigan need better information about the changing economy. Furthermore, stating the importance of education, he recognizes no easy solutions for employment in the distressed areas; a strong educational foundation is essential, making the roles of community and local colleges very important. Mr. Wilson underscored the importance of broadband connectivity, through which all residents would have equal access

Mark Wilson explored the impact of the emergence of the “new economy” on distressed communities.

Bettie Landauer-Menchik reviewed recent demographic and education trends.

to the Internet and new technology. He emphasized the importance of Michigan's capacity to provide broadband connectivity and its ability to bridge the gap in the digital divide.

Bettie Landauer-Menchik offered a demographic perspective on the new economy, focused on the importance of education and characteristics of children in Michigan. Ms. Landauer-Menchik discussed population increases among children, their residential status, and economic issues around job creation based on the geographic location of children.

Ms. Landauer-Menchik described recent population shifts, including significant increases in rural areas of suburban counties. The greatest increases have been in the suburbs around Detroit, in Western Michigan and in the Upper Peninsula near Sault Ste. Marie. This shift has caused a large increase in the population of suburban community schools. Ms. Landauer-Menchik stressed the importance of understanding the characteristics of individual households in the areas that have seen a significant increase in population and said "As jobs need to be created (in these areas), they need to reflect the population characteristics of the people who live there."

Ms. Landauer-Menchik next focused on a comparison between school districts. She considered the patterns of race and ethnicity among Michigan's child population. Michigan,

for example, is not as diverse as California, and Michigan's ethnic/racial composition is not going to become like that of California. Ms. Landauer-Menchik noted that 65% of children in Michigan live with married couples and many of them with single parents within the state and also many grandparents are now heads of the household. Ms. Landauer-Menchik stressed the importance of disaggregating the census-based population data to look at each child individually. It is an important policy perspective to consider the communities as separate, understanding the needs of each family and taking the location of children into account. Ms. Landauer-Menchik noted that family income is also an important characteristic in terms of job creation and other economic development issues. Single parent fathers make a significantly higher income than single parent mothers, which raises different questions for children in each family. "Are they going to be able to afford school supplies?" she questions.

Ms. Landauer-Menchik also discussed the topic of school lunches and MEAP scores, and created a comparison between them. Noting that poor children (who receive free or reduced cost lunches) have lower MEAP scores, she created a geographic comparison showing that (in general) inner city children in Detroit/Grand Rapids do poorly on the MEAP test and in Livonia/Canton/Plymouth do significantly better. Ms.

Landauer-Menchik also noted that children tend to succeed and do better when they have role models. Using the example of single parents who have jobs, she states “they are a role model, and having single parents working has a direct influence on kids, particularly middle and high school children.” Ms. Landauer-Menchik also noted that children succeed when they have safe neighborhoods and schools, quality teachers and high standards, have attended good headstart programs, and participated in school based activities. She also stated the importance of safe and stable neighborhoods, reinforcing the point that schools are directly connected to the stability of neighborhoods, where children are participating in positive activities in a safe environment.

In closing Ms. Landauer-Menchik reiterated the importance of disaggregating the census study data, stating that the single parent, married couple or grand parents who are the heads of households will have different needs and the school districts must recognize this factor, for the children attending their schools. Ms. Landauer-Menchik stated that there are good resources in the schools and that the future of child education is in our hands.

– by Karan Singh

Luncheon Keynote

Laury Hammel



Building Community-Based Business That Serve The Common Good

I want to thank the Summer Institute for inviting me to speak at this conference, which is addressing a crucial topic: Strengthening Community Economies in Turbulent Times. This theme suggests a perspective that is being promoted by a new organization called the Business Alliance for Local Living Economies (BALLE). BALLE was founded by a group of business leaders from various local business organizations around the nation who are working to build strong local and sustainable economies.

The current economy is dominated by transnational corporations that are primarily driven by Wall Street's demand for maximizing corporate profits at the expense of all other stakeholders. Unfortunately, we are reading every day about how this economic system has led to an epidemic of dishonest and unethical business practices that have done immeasurable harm to employees, stockholders, and our economy.

The current crisis in trust in corporate America is not just the result of a few greedy rogue corporate executives, but is the natural consequence of a system and economic structure that needs to be fundamentally reshaped. We need to move from an economy that emphasizes creating economic wealth for a small percentage of our population, to an economy that provides well-paid, rewarding jobs to all people. We need to move from an economy that is destroying our natural environment to an economy that has a beneficial impact on our environment. We need to move from an economy that is designed to encourage a throwaway culture, impersonal big-box stores, and a profit-at-any-cost mentality, to an economy that is environmentally, economically, and socially sustainable. We need to develop an economy and a business climate that values and serves the needs of all stakeholders—consumers, employees, vendors, the community, the environment, as well as stockholders.

One sign of a healthy educational environment is that underlying assumptions are challenged and discussed. I would like to challenge the following assumptions:

Myth 1. Profitability is the only measurement of success of a business

Making profits and rewarding the stockholders is an important and necessary aspect of running a business. But there are other equally important measurements of success such as employee happiness, customer satisfaction, the impact on the environment, and the contribution made to the community.

Myth 2. The business community is homogeneous and all businesses share the same economic interests

The needs and interests of transnational corporations are becoming more and more in conflict with the needs and interests of small and mid-sized

businesses. The swallowing up and elimination of small banks, local hardware stores, independent bookstores, and the destruction of main street business communities by big corporations and big-box stores has been rampant, unfair, and economically unhealthy. Today, small, local, and independent businesses are joining together to strengthen their businesses by creating marketing opportunities, develop financing mechanisms, and collaborating in other mutually beneficial ways. Small and mid-sized business owners and managers are seeing that the needs of community-based businesses are increasingly becoming juxtaposed to those of large corporations.

Myth 3. Growing big and fast is the goal

There is an underlying assumption in the dominant economic system that for a business to be successful it must reach a certain size (sometimes \$100 million and sometimes \$1 billion, and sometimes bigger) and to reach this size rapidly. *Inc Magazine* still measures and touts the Top 100 fastest growing companies. Many, if not most, of these fast-growth icons aren't around five years later. There are serious problems inherent in an economic system that sees big as better and giant as best, and inappropriately rewards business consolidation and acquisition. We need to change this paradigm now. We need to value human scale enterprise. We need to value sustainable growth. We need to value long-term success and consistent and lasting contributions to the community.

Myth 4. Selling at the lowest price is the main goal

Walmart's slogan is '*We sell at the lowest price.*' But what is the true cost of this low price? What are the wages of the employees of the business – are they paying a real living wage? Are they paying for overtime work, or expecting extra work at no additional pay? What are the environmental costs associated with transporting all of the goods from long distances? What are the costs to the community when the consumer dollar is spent on big-box stores owned by transnational corporations? This is not to say that sustainable businesses cannot compete on the price/value continuum with large corporations, which can be done on occasion. But it is to say that sometimes spending more money on organic produce or on locally handcrafted goods may be a better and more healthy choice for the consumer.

Myth 5. Globalization is the only route available for a world economy

World trade is here to stay, and this is good. However, world trade should be conducted in a way that is fair and sustainable. Goods and services should be purchased locally whenever possible, but when certain items are not available locally then trade should happen in a way that enhances the local economies and the cultural life of all communities. Trading directly with growers of coffee who grow their coffee sustainably and receive fair compensation for their products is an example of fair trade.

*Laury Hammel
challenged myths
about the viability
of community-
minded business
practices.*

When we challenge these assumptions we set the stage for a conversation about how we can move forward in a way that creates a more just and sustainable economy. BALLE is one business organization developing programs and projects that will help build strong local and living economies. A living economy uses our human and environmental resources in way that enhances the life of the whole community. It provides fulfilling livelihoods for all people, works in harmony with natural systems, and it supports biological and cultural diversity.

My company – The Longfellow Clubs – and BALLE are working to create an alternative economy that demonstrate through actual successes that there is another way to organize economic relationships. This alternative economy would have a strong and alive local economy anchored by thousands of community-based businesses who possess the following qualities:

Small and Mid-Sized

Small and mid-sized businesses have always been an important part of the economic life of the United States. In a living economy the business landscape is filled with a variety of enterprises that are designed at a human scale. Organizations tend to maintain more human qualities and work more efficiently when the human factor and relationships dominate the culture. Large organizational structures with internal processes based merely drilling into employees on a set of policies and procedures have a difficult time being agile and responsive in today's fast-paced world of commerce. Today's transnational corporations have largely lost a sense of ethics, personal responsibility, and ultimately business success. Witness the fall of Enron, et. al. And the sheer size of these monsters is one important reason explaining these disastrous business failures.

Locally Owned

Local ownership of businesses is essential to a healthy living economy. Local ownership helps ensure a number of positive things will happen. When the owners of a company live in the community they tend to be more sensitive to the impact their business has on the environment and they have more direct personal contact with employees, consumers, and the community. When the profits of the company remain in the community, the capital gets re-circulated creating a 'multiplier' effect that benefits the whole local economy, rather than lining the pockets of people who live outside the local community. The continued growth of Walmart is the most obvious example of this problem. Every opening of a Walmart is the death knell of several small businesses, not to mention in some cases a whole local business community. And where do the profits go? Into the hands of the most wealthy family in the world. The cost of shopping at WalMart is entirely too high when one equates the true cost to the community in lost privately owned business, customer relations, entrepreneurial spirit, and employee significance (not to mention the blight of big box stores and acres of parking lots).

Independent

Most consumer product manufacturers sell their products to consumers all over the nation. A living economy includes small and mid-sized manufacturers who are independently owned – not a publicly held corporation, nor controlled by one. Independently owned businesses help uplift the economy of their local community, and they are capable of resisting the insatiable and unbalanced drive for profits to which publicly held companies are pressured to respond.

The near destruction and elimination of locally owned independent bookstores is the best example of this aspect of a dying economy. The dominance of the book market by two giant book companies has put thousands of independent bookstores out of business, and eliminated the homey, convenient, and personal feel of an independent bookstore.

Multiple-Stakeholder Model

A living economy includes businesses that have adopted a business philosophy that serves the common good and values the needs of all stakeholders – the stockholders, employees, consumers, vendors, community, and environment. When a business makes decisions based on the impact on the whole community, different decisions are made. This view is the heart of social responsibility and forms the foundation of an ethical community-based business.

BALLE is actively working to join with people from all sectors who are interested building strong local living economies and we will do this partly by nurturing and supporting entrepreneurs and businesses achieve their goals and make a contribution to the community. One way we will do this is described in the following Four I's acronym:

Identify niches for new sustainable businesses.

Incubate startup companies (assist financially, mentor, etc.)

Invest in and improve existing locally owned socially responsible companies

Institutionalize community-based businesses that are in ownership transition (prevent them from going public and being bought out by corporations)

We are excited about this new movement involving people from all sectors of society who are committed to building a world where everyone benefits from the wealth of our society and where our glorious natural world is preserved for future generations. I'm honored to have spent this time with you, and I would love to speak with you over time about these ideas and see how we can work together to help create a strong living and sustainable economy in Michigan.

**Afternoon
Concurrent
Sessions**

*Rebecca Ross
and Erin Black
documented the
increasing demand
for public assistance
programs in
Michigan.*

5. People

Rebecca Ross and Erin Black discussed current trends in Michigan's economy. Ms. Ross explained that, in 2001, total employment in Michigan declined by 87,000 workers. Most of these lost jobs (67.5%) were in the manufacturing sector, while 21% were in wholesale and retail trade. This is consistent with a national trend characterized by a shift away from the production of durable goods and toward an emphasis on providing services. For Michigan families, the most significant aspect of this change is a significant decrease in income. Manufacturing has historically been the highest paying industry in Michigan, while the service industry and the retail trade industry are the lowest paid industries. As people lose jobs in the manufacturing sector and take lower paying service jobs, it can result in severe financial strain for many individuals and families.

Erin Black explained how these changes in the economy are reflected both in poverty trends and in levels of participation in welfare services. Ms. Black explained that poverty rates throughout the U.S. have historically risen through various recessions, and normally peak a year or two after a recession technically ends. Poverty levels then tend to drop over time until rising again during the next recession. Although the percent of individuals and families below the poverty level in 2000 was fairly low (nationwide, 11.3% for individuals and 9.6% for families), Ms. Black explained that many economic

analysts are expecting to see another rise in poverty in the near future. It is this rising level of poverty and growing sense of uncertainty that, according to Ms. Black, has created an increase in the number of people needing public assistance since 2000.

Ms. Black described the trends in programs that are designed to assist individuals and families in need. For example, the Family Independence Program provides monthly cash assistance for families with basic subsistence needs. Although the number of recipients of this program has decreased dramatically from its peak in 1983, since 2000 the number of recipients have begun to increase and are expected to continue to grow in the future. Similarly, the State Emergency Relief Program, which is intended to help families and individuals obtain safe, decent and affordable shelter and other essentials when they face an emergency beyond their control, is also growing. Although expenditures for this program have been steadily increasing since 1996, a significant increase occurred from 2000 to 2001.

Ms. Black also described similar trends in The Food Assistance Program, which is designed to supplement the food purchasing power of low-income individuals and families. From 1993 to 2000, the number of households participating in this program declined from 418,744 to 253,887. In an effort to increase participation in the program and to

serve those families that may have left the program during welfare reform but remain in need, intense outreach was carried out. The combination of this outreach effort and an increase in need have produced increases since 2000 that are expected to continue into the future.

The final program described by Ms. Black was Day Care Services, designed to provide available, affordable, and quality child day care to qualifying families when a caretaker is unavailable due to employment, education, or treatment of a health/social condition. As with other aid programs, Day Care Services has seen a dramatic increase in participation since 1996. From 1996 to 2002, the caseload for daycare services has risen from 28,223 to 63,200.

Beverly Weiner highlighted some of the various programs and services within the community that are supporting people in need every day. One such program is Haven House, an East Lansing shelter for families with children that have become homeless. Ms. Weiner reported that although most families never actually become homeless, many of them are living on extremely low incomes and are struggling to survive. Ms. Weiner began her discussion with a description of two families that are somewhat “typical” of those that often enter the shelter. One of these families became homeless after the landlord of the mobile home they were renting allowed

it to deteriorate to the point of becoming uninhabitable. Although the father in the family is disabled and unable to work, the mother is employed in a fast food restaurant where she recently received a promotion to manager. Even with the mother’s income and the father’s Supplemental Security Income benefit, the parents are still unable to adequately support themselves and their two children. According to Ms. Weiner, this type of family reflects a common situation in which responsible and capable parents are not able to earn enough income to maintain a healthy and stable lifestyle for their families.

The second family described by Ms. Weiner is one that consists of a single mother with four children, the oldest of whom is five years old. The mother of this family has little work experience and has trouble both locating work and staying employed. Because of her lack of work experience, the mother has little understanding of employer expectations, and is therefore often fired quickly from the various jobs that she is able to locate. According to Ms. Weiner, therefore, both a lack of decent wages for those that are qualified to hold steady jobs, and a lack of skills among those with less work experience are reasons why families are experiencing severe difficulties in supporting themselves.

According to Ms. Weiner, there have always been families that for

Beverly Weiner described the impacts of economic uncertainty on families with children.

various reasons have needed assistance at some time. Recently, however, Ms. Weiner and others at Haven House have observed that both the numbers of families and the degree of difficulties they are facing have been rapidly increasing. With welfare reform, more capable people have in fact been able to get jobs and are earning more money than they had through welfare. Even through the current economic downturn, many poor people are keeping their jobs and are even getting promoted. At the same time, however, there are numerous people who, for a variety of reasons, do not have the skills necessary to hold a higher level position. As a result, these people are often the last hired and the first fired, and their income is often quite low. It is these people who often find themselves needing the services offered by organizations like Haven House.

Compounding the problem of work experience is the fact that the housing situation in many areas has gotten more competitive, and landlords have become more sophisticated in finding tenants. Landlords are now routinely checking the backgrounds of potential tenants, and will often refuse to rent to someone who has an eviction in their rental history. In addition, because many landlords got out of the rental business when the economy was thriving, there are fewer affordable rental housing units available.

Haven House staff have also

witnessed some positive changes in recent years. According to Ms. Weiner, the fact that more people are working can provide positive role models for children. In addition, at least half of the people that enter the shelter have received a high school diploma, an indication of their ability to persevere to reach a desired goal. Finally, the staff has noticed that there are more two-parent families entering the shelter and, according to many research findings, two-parent families provide a more stable and healthy environment for children. In summary, Ms. Weiner stated, although many families are experiencing significant challenges in finding employment and affordable housing in recent years, many characteristics of the individuals and families needing assistance indicate their ability to again become self-sufficient if provided with appropriate support.

Reverend Frank McAuley described another organization working to address the needs of families who are in need, the Greater Lansing Association for Development and Empowerment (GLADE). According to Mr. McAuley, one of the original founders of the group, and Spenser Piston, the group's lead organizer, GLADE is a collaboration of churches and other organizations. The goal of GLADE is to encourage local churches and organizations to interact not only with their members, but also with other neighborhood residents in an effort to

identify community needs and to bring about positive change for community members where their churches are located. According to Mr. McAuley, GLADE is attempting to reverse a trend that has occurred in many areas of the country in which the members of a church do not live in the area that the church is located. Instead members often drive to the church to attend services, and leave the community immediately after the service. Because church members are not local residents, the church may become detached from the local community and may not be aware of the needs of its members. Without such awareness, the church cannot attempt to address local needs, which is an objective that many churches have as part of their mission. To address this issue, GLADE strives to become more involved in the lives of the people who live in the areas surrounding their churches so that they can make differences in their lives.

Currently, GLADE consists of ten different organizations from across the greater Lansing area. Mr. Piston, as lead organizer, helps to recruit new organizations to the group and provides linkages between existing member groups. Although current GLADE members are all Christian organizations, they hope to recruit organizations of other religions so that the group will be as inclusive and effective as possible.

Because the main goal of GLADE is to understand and address the needs of local residents, members within the organization feel that the only way to

identify needs is to have personal interaction with local residents. GLADE organizations therefore conduct face-to-face interviews with local residents. According to Mr. McAuley, many of the organizations involved in GLADE have found that within their communities people often do not really talk to each other in a meaningful manner. The purpose of the personal interviews is to change this trend, and to try to engage people in meaningful conversations that will help to uncover the most pressing concerns and needs of local residents, and also help to create strong relationships based on mutual trust and understanding. During the meetings, participants discuss not only their needs and concerns, but also their thoughts, feelings, and dreams. According to Mr. Piston and Mr. McAuley, this tool has become one of the most effective ways to truly gain an understanding of local needs, as well as to begin to find solutions to address these needs.

Once a year, the organizations involved in GLADE come together as a group to discuss how they will turn what they have each learned from the one-on-one interviews and other community meetings into actions that will help to address the needs of local community members. In April, 2002, GLADE held its first Covenant Assembly in which all of the individual organizations came together as a group to discuss future actions of the organization. From these discussions, GLADE then decided on specific areas

Frank McAuley and Spenser Piston described the work of a Lansing area collaboration of faith-based institutions.

where the need seems to be greatest for local residents. These areas are where GLADE will target their research and begin to work to find solutions to meet the identified needs. The three areas identified for further action in the 2002 Covenant Assembly included the provision of adequate daycare for local children, the provision of summer and after school activities for local youth, and the improvement of the local public transportation system. GLADE established separate subcommittees to work on each of these issues. The subcommittees intend to research the problems and concerns associated with each of the issues, and collaborate with local community leaders to seek effective solutions that will improve the quality of life of local residents.

– by Cathy Stauffer

6. Place

John Czarnecki opened his presentation on statewide economic development efforts with the promotional slogan that Michigan is a “great place to live, work and recreate.” Mr. Czarnecki described several economic development programs of the Michigan Economic Development Corporation (MEDC). He suggested that economic development begins locally and the MEDC has therefore formed partnerships with fifty-four local economic development agencies throughout Michigan. MEDC supports public utilities developments, works on issues of

education and supporting a strong supplier base for firms, and coordinates other related services. Mr. Czarnecki stated, “the MEDC facilitates communities to help themselves by giving them the necessary tools to develop.”

Mr. Czarnecki stated that the MEDC approach to economic development is focused on the attraction and retention of smart businesses and people to the state of Michigan. He also stressed that it is in the MEDC’s mission to build smart business infrastructure (telecommunications infrastructure), and to grow smart communities – by enticing businesses to expand and locate in Michigan to create jobs, and also create an exciting place to live and work for younger people. Mr. Czarnecki also believes in marketing Michigan as a “smart state,” stating that in recent technology rankings Michigan stood fourth on a national scale.

Mr. Czarnecki also addressed the needs of distressed areas, and specifically discussed how the MEDC helps distressed communities in economic development. He explained the Renaissance Zone program, whereby certain areas can be designated as tax-free zones to attract business and commercial development. Cities like St. Joseph, Grand Rapids and Flint have experienced success under this program. Mr. Czarnecki does caution, however, that not all areas would benefit equally (due to locational factors), citing examples of the Upper Peninsula and certain areas of Detroit.

*John Czarnecki
provided an
overview of the
State of Michigan’s
economic
development
programs.*

Bill O'Brien described the organizational structure and goals of MOSES (Metropolitan Organizing Strategy Enabling Strength). He emphasized the importance of community organizing, given what he described as a clear lack of organizing in today's society. He stated that MOSES grew in 1997 from a base of institutional churches throughout the metropolitan Detroit area and from community support. The mission of MOSES, according to Mr. O'Brien is to "get people together to push officials to do their job." Mr. O'Brien and other MOSES organizers felt that there was a lack of responsibility among the police force and politicians towards inner city Detroit and they therefore developed the church-based organization to raise public concerns with the authorities. MOSES began with a small number of churches and pastors and gathered two thousand people in its initial stages to influence Detroit Mayor Dennis Archer, to review the police authority's policies. Today they have extended their coalition and community organizing through various churches and pastors in Michigan, including areas of Saginaw and Kalamazoo and have over seventy churches under the MOSES umbrella. MOSES as an organization is funded primarily with the help of church fund-raisers, grants from various foundations, and MOSES-driven fundraisers.

Mr. O'Brien described MOSES' current focus: working with Metro-

*Bill O'Brien
described MOSES,
a faith-based
community
organizing effort
in Southeast
Michigan.*

been a major thrust of their efforts. MOSES has used the work and theories of Senator Myron Orfield of Minnesota, author of *American Metropolitcs*, as core principles behind the coordination of efforts by all of Greater Metropolitan Detroit. According to Mr. O'Brien, MOSES is committed to opening the eyes of the policy makers in Lansing about the need to control and contain growth in order to rebuild and revitalize all the core cities in Michigan. They know that the entire state suffers when its old cities are no longer the thriving centers of business and community life they once were.

– Karan Singh

7. Financial Resources

Rene Rosenbaum discussed how globalization affects every level of our physical existence. Driven by the financial endeavors of the Western world, Mr. Rosenbaum pointed out that globalization has increased economic competition between multinational corporations, between nation states, between nation states and transnationals, and between the local and the multinational corporations. Globalization has produced new policy dynamics by which rules are being shifted concerning the allocation of bargaining power. According to Mr. Rosenbaum, this raises the question of whether the market or governments and localities should determine trade?

Mr. Rosenbaum asserted that many local economies will not benefit

from globalization due to the asymmetry of power between transnational corporations (TNCs) and local institutions. “There is little that such institutions can do on their own other than provide an attractive business environment or attempt to stimulate local business that might eventually be embedded in an international network. Virtually all effective bargaining power to influence local economies lies not at the local level, but at the national level.” said Mr. Rosenbaum. “We see this in NAFTA agreements, and other cross-national flows of goods, services, labor, short-term and long-term capital, and foreign direct investment. We are creating an increasingly dense and complex network of transnational production networks.”

One arena Mr. Rosenbaum notes is the effect of globalization in lesser-developed countries. The increasingly competitive global environment has driven down the average global income. Lesser developed countries seeking assistance, such as loans from the International Monetary Fund (IMF), must meet conditions set by a Western world seeking safer investment environments. According to Mr. Rosenbaum, strong-arming globalization in exchange for loans is one way that an asymmetry of power is maintained between lesser-developed nation states and advanced developed nation states.

Similarly, small farmers cannot compete, driving them to leave their land for urban centers or other coun-

tries to make a living. As a result, migration to urban centers and other nations is increasing. “While globalization has a distinctly American face,” says Mr. Rosenbaum, “for many countries retaining their own language, literature, and way of life and culture is increasingly difficult.”

Another arena in which to observe globalization is in advanced developed nations. Within these countries, increased trade and financial integration create divisions between individuals, groups, and communities. Mr. Rosenbaum says that in this environment capital owners and skilled workers gain, while unskilled workers fall behind. Less developed countries provide inexpensive labor for transnational corporations that drive down wages to remain competitive at the global level, because labor is too expensive in their countries of origin. More and more, corporations are not limited by national boundaries. In wealthier nations, the demand for domestic unskilled labor falls, while increased international outsourcing is a global finance boon. This has led to greater unemployment and decreased income for workers all over the world, including American workers and workers in other advanced developed nations.

At the domestic level, according to Mr. Rosenbaum, the events of September 11 reaffirmed, for many, the need for U.S. world military supremacy. Investments in military supremacy shift the use of financial capital, shifting resources to military programs at the

Rene Rosenbaum discussed the implications of globalization.

expense of domestic and international social and economic programs. This facilitates the ability to impose economic policies, values, and cultural beliefs on other countries, hastening globalization and the emergence and operation of a single, worldwide economy.

“Conventional economists believe in competition, mobility of capital and labor, freedom of enterprise, private property, and limited government intervention. U.S. citizens have come to believe it too,” said Mr. Rosenbaum. Corporations today can move without notice or warning to the communities in which they reside. Community leaders seeking to attract globally competitive businesses do not favor constraints upon corporations. Communities seeking the rewards of economic development offer large incentives such as subsidies and tax abatements to attract corporations. But is this investment really worth it in the long run?

Some view corporate mobility as a threat to U.S. communities because sudden corporate departures impose huge costs to local government, jeopardize job quality and quality of life, and can work to the detriment of local culture. Additionally, Mr. Rosenbaum said, corporate mobility “undermines the capacity of communities to establish a balanced give-and-take relationship with private firms, undermining the capacity of communities to plan for the future.”

According to Mr. Rosenbaum, what is needed in light of globalization

are strategies that help to retain financial capital within our communities. “We need banks to work with the Community Reinvestment Act to outlaw lending discrimination and to halt redlining poorer neighborhoods as “bad credit,” he said. “We need community development to be innovative in the areas of financial institutions, with banks that have an unequivocal mission to invest locally with micro-enterprise funds, community-based consumer credit unions that make loans to members, community owned banks or thrifts, unconventional loans among friends and family, community corporations and locally-owned equity, and pension reinvestment used as investment capital.”

According to Marcelo Siles and Lindon Robison, if we care for each other, we have *social capital*. They defined social capital as a person or group’s sympathetic feeling for another person or group. The fact is that we tend to coalesce around similarities and to trade with those that are similar to us in some way or with whom we share something in common. Mr. Siles and Mr. Robison recalled Adam Smith, who wrote: “Every man feels his own pleasures and his own pains more sensibly than those of other people...After himself, the members of his own family, those who usually live in the same house with him, his parents, his children, his brothers and sisters, are naturally the objects of his warmest affection.”

Sympathetic relationships really do serve as capital. “Social capital relationships change financial outcomes and resource availability. Social capital can *substitute* for financial capital,” according to Mr. Robison. Social capital produces a flow of socio-emotional goods that have value, transforms the value and meaning of physical goods and services, is durable and can be depreciated or maintained, and can be substituted for and complement other forms of capital. For example, some neighbors may not purchase a lawn mower if they can borrow or trade the use of the mower for another good with a neighbor.

Of course, social capital is not always a good thing. People sometimes create walls that unfairly disadvantage some while privileging others. Mr. Robison discussed the common experience of “it isn’t what you know, it’s who you know,” and offered the example of a comic strip with the punchline, “all lawyers know the law but a good lawyer knows the judge.” In a society seeking to be fair and just, such a use of sympathetic relationships is not necessarily equitable.

There are many different views of social capital. While Mr. Siles and Mr. Robison characterized social capital as a dynamic between people who are sympathetic to one another versus those involved in a competitive situation, they acknowledged that other definitions of social capital exist that are more directly based on the economic competitive paradigm. Mr. Siles

and Mr. Robison argued that these models only serve to reiterate the old economic paradigms. The two identified several key concepts in social capital, including socio-emotional goods, attachment values, networks, and institutional rules.

Socio-emotional goods, as an aspect of social capital, are the goods with which we have a social-emotional connection. As such, they are produced in relationships of sympathy, and one’s access to them depends on one’s social capital. With these goods, *value* is placed upon an object that is not necessarily inherent within that object. Thus, objects have value and meaning as emotional goods. Mr. Siles and Mr. Robison cited Carl Rogers statement that self-regard is a basic human need that is often more powerful than physiological needs.

Most exchanges involve both physical goods and socio-emotional goods. The amount of socio-emotional goods included in the exchange alter the terms and level of physical goods and services exchanged. For example, Siles and Robison compare getting flowers as a gift from a loved one or flowers that have been won as a door prize. The flowers are the same, yet the meaning or value of the flowers changes with the circumstance. This is what is understood as *attachment values*. Objects have their value and meaning change when embedded with socio-emotional goods. Attachment values are the change in value of objects due to socio-emotional goods.

Lindon Robison and Marcelo Siles discussed the relationship between social capital and financial capital.

Another example of this is that in the United States we eat cows without a second thought, but we do not eat our dogs. In India, they would never eat a cow because they have attachment value for the cow, while in Korea they will eat the dog because they do not. According to Mr. Robison, “the world we live in is not what you learned in Economics 101, because we have social emotional values.” Socio-emotional values change our economic behavior as well as how we define worth. Socio-emotional goods have value because they satisfy our needs for validation, experiences of caring, and information. Marketing is all about embedding goods with attachment values. Objects with high attachment values may be difficult to trade unless buyers share the seller’s attachment value.

Mr. Robison also pointed out that social capital resides in networks. Some networks are organized around inherited traits. Other networks are organized around learned traits. Networks based on inherited traits are more likely to share bonding or bridging social capital and exchange socio-emotional goods. Networks based on learned traits are more likely to share linking social capital and are more likely to exchange physical goods and services. Economies in which networks are mostly based on bonding and bridging social capital will likely forfeit many of the advantages of specialization and trade. Modern economies must develop linking social capital

around earned traits that are generally shared. Socio-emotional goods involved in exchanges alter the terms and levels of trade that favor potential buyers in the seller’s social capital connected network.

Mr. Robison summarized by reviewing the several types of capital: financial, human, natural resources, social, and cultural. The financial sector, he said, is comprised of financial capital. Human capital is the domain of education and skills; and natural resource capital consists of the assets of mother nature. Cultural capital includes the norms and values that regulate the function of family and community. These types of capital are complementary, not competitive, and they interact in many different ways.

Finally, Mr. Robison introduced the concept of latent social capital. Every community has latent social capital, which is not evident until it is brought forth. A clear example is 9-11. How many people would have responded to Mayor Giuliani calling for a massive blood drive on September 5 or 6, 2001? After 9-11, people responded immediately. Latent social capital is ignited when unity is realized.

Mr. Robison and Mr. Siles concluded by discussing non-traditional forms of funding that are based on social capital concepts, including:

- The Rotating Savings and Credit Associations (ROSCUS)
- The Cross Guarantee Loans
- Revolving funds in poor communities
- Micro-Credit Programs.

Laury Hammel began his presentation by recalling the story of The Wizard of Oz. In that story, Dorothy and her dog Toto were whisked away from their Kansas home by a tornado. Due to this unexpected disaster, she found herself challenged in a seemingly different world with completely different rules. Following the yellow brick road for Dorothy and her companions was a journey into the unknown in search of the Wizard of Oz. Her attempt to find a way home led Dorothy to discover her own courage, heart, and mind, and in the end she learned that the Wizard did not have any actual power – the power she sought was actually found within herself. Mr. Hammel offered the story as a metaphor of self-discovery where so much has changed and yet there is a great journey of discovery ahead for all of us. In the end, Mr. Hammel suggested, the power to change the world is within.

“I want to be like Dorothy,” said Mr. Hammel, introducing the concept of value-based business. He emphasized that with so much turbulence in our world today we are discovering the importance of balance in all aspects of life, including business. New business standards are reflecting an integration of the mind, body, and spirit as essential components of success, where sustainable business involves balance on all levels, including capital. Mr. Hammel cited natural capital as an example of balance, where re-

sources are conserved to benefit both the planet and business. “Natural capital is concerned with the environment, where business can play a positive role. It is where we can make sure the world is not becoming worse due to business.”

Social capital is essential to the development of local living economies. Local living economies will involve entrepreneurship and new businesses. This is a challenging and difficult task that creates many demands. In order to be sustainable, we need to be creative. Mr. Hammel calls this “creative capital,” whereby the service we provide in business has value for today as well as tomorrow. However, the competitive reality that “there’s no chance to rest in the business world” creates a serious challenge to creative capital. According to Mr. Hammel, we need to learn to balance these demands while looking for ways to add value to our communities and businesses.

Mr. Hammel argued that we need more qualified companies that are socially responsible, viable, and that actually practice what they preach. We also need more small, independent, local community-based businesses with multiple stakeholders. This creates strong local economies. “We need to create a market for long-term community business that is going to work.” A part of building businesses that are going to work, according to Hammel involves the heart and soul of business: people. “Love energy needs to be in the programming,” said Hammel. Re-

Laury Hammel promoted the concept of value-based businesses.

Georgia Peterson demonstrated an interactive group voting technique called Option Finder.

ferring to the caring for what you do and for the people that help you do it. “Without people, there would be no business.” At the heart of the new business understanding, for Mr. Hammel, is the living wage.

Sustainable business does not follow the business models that have prevailed in recent history such as the “dot-coms” that have come and gone. The measure of sustainable business is how well it endures over time in a way that contributes to the community – whether it is meaningful and lasting. “We’re looking for new vehicles to get money from people that want to contribute to the community in socially responsible ways.”

In America today, Mr. Hammel concluded, we have been whisked away on a whirlwind of change. We are struggling through our own journey of the unknown, and discovering new realms of courage, heart, and mind. Like Dorothy, we have discovered, on our own yellow brick road toward recovery, the importance of balance, community, and the people around us. This, says Mr. Hammel, is a deeper understanding of social capital. While Dorothy found magic in the phrase “there’s no place like home,” we are looking within ourselves, our relationships, and our communities for deeper and more meaningful ways to create healthy, balanced and sustainable business with courage, heart, and mind.

– by Deanna Rivers Rozdilsky

8. Planning

Georgia Peterson demonstrated an interactive group voting technique called *Option Finder*. This tool, recently used in the Tri County Transit Forum, is useful for providing instantaneous results to predetermined questions within a group setting. The tool accommodates groups from five to 500.

Participants using *Option Finder* are given a keypad with numbers from one to ten that correlate with answers to questions displayed by projector to all participants. When all participants have responded, the facilitator may display the results in graphic form immediately, or after additional questions have been asked and answered. This tool is often used to identify priorities of a group. Data gathered from the questions can be extracted and analyzed based on the way in which certain groups of people answered certain questions.

In the demonstration, Ms. Peterson asked the audience whether they lived in a rural, a suburban, or an urban community. Another question asked about the importance to participants of a certain issue, and Ms. Peterson was then able to display the responses of only those participants who had previously indicated they lived a suburban area. Ms. Peterson explained that the tool is expensive and can be complicated to use effectively, and that it requires careful up-front preparation. While *Option Finder* does require work on the part of the facili-

Pictures named “The Ghost of GM”, “Abandoned House” and “School Steps” depicted places in Flint that the photographers felt told part of the story of their community. Mr. Lee explained that this project opened the eyes of many people, since it was not until they received the camera that they started to actually see the displeasing as well as the remarkable things that had been around them.

Michael Thomas demonstrated a Decision Support System that tries to answer the questions “What if?” and “What then?” by pairing data and local participation to help make informed decisions. Mr. Thomas explained that the concept behind the tool is to “make these programs interactive so we end up with a *living* plan, a plan we can live with.” The framework presented for decision making involves four steps: identify objectives; address constraints; understand assumptions; and compare alternatives. This tool allows the user to anticipate changes and decisions instead of reacting to them after they are made.

Mr. Thomas demonstrated a specific tool called *CommunityVis* that uses the Arc View 3.2 GIS program (GIS stands for Geographic Information Systems, or computer programs that enable the display of spatially related data in graphic form as maps). *CommunityVis* allows the user to see the effects of developing a parcel of land by showing open land and using a scenario indicator that would estimate

Susan Morel-Samuels and Lee Bell described the Photvoice method for providing community members a voice in the policy making process.

Michael Thomas demonstrated a computerized decision support tool that aids in evaluating land use planning alternatives.

the cost to install sewers or roads on that open space, among other cost-benefit situations. It incorporates local zoning ordinances and can be updated as parcels are developed and decisions are made. When a decision is entered into the program, warnings pop up on the screen to call attention to potential issues of concern, such as “this population is greater than 15% over the age of 65.” Such warnings can be useful when determining an acceptable or desirable use for a parcel of land. Most importantly, according to Mr. Thomas, these types of programs attempt to combine investment in data with the local participation process and facilitate the use of strategy that will positively reflect local priorities.

– by Lindsay Joslin

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Day Agenda

- 8:00 – 8:30 **Registration**
- 8:30 – 8:45 **Welcoming Remarks**
Dozier Thornton, Acting Dean of Urban Affairs Programs,
Michigan State University
Rex LaMore, Project Director, Michigan Partnership for
Economic Development Assistance (MP/EDA), MSU
- 8:45 – 9:30 **Morning Keynote Address**
Peter Edelman
Georgetown University Law School
- 9:45 – 11:45 **Morning Concurrent Sessions**
- Session 1**
 People
 Presenter Ron Jimmerson with facilitator Dewey Lawrence and
 recorder Lindsay Joslin
- Session 2**
 Place
 Presenters Jon Coleman, Carol Townsend, and Kendra Wills with
 facilitator Celeste Starks and recorder Phyllis Ball
- Session 3**
 Financial Resources
 Presenters Alonzo Vincent, Carol DiMarcello, and Melody Taylor
 with facilitator Susan Cocciarelli and recorder Patricia Wood
- Session 4**
 Planning
 Presenters Bettie Landauer-Menchik and Mark Wilson with
 facilitator Jose Gomez and recorder Karan Singh
- 12:00 **Luncheon**
- 12:30 **2002 MP/EDA Award Presentation**
 Presentation by Faron Supanich-Goldner,
 Community Development Specialist, MP/EDA

- 12:45 – 1:30 **Afternoon Keynote Address: “Building Community-Based Businesses that Serve the Common Good”**
Laury Hammel
Business Alliance for Local Living Economies
- 1:30 – 1:50 **Discussion Panel: “In These Turbulent Times”**
Peter Edelman, Professor of Law, Georgetown University
Ron Jimmerson, Human Resources Director, Cascade Engineering
Janice Joseph, Community Organizer, MOSES
- 2:00 – 4:00 **Afternoon Concurrent Sessions**
- Session 1**
 People
Presenters Erin Black, Rebecca Ross, Beverly Weiner, and Frank McCauley with facilitator John Duley and recorder Cathy Stauffer
- Session 2**
 Place
Presenters John Czarnecki and Bill O’Brien with facilitator Linda Patrick and recorder Karan Singh
- Session 3**
 Financial Resources
Presenters Rene Rosenbaum, Lindon Robison, Marcelo Siles, and Laury Hammel with facilitator Bill Rustem and recorder Deanna Rivers Rozdilsky
- Session 4**
 Planning
Presenters Georgia Peterson, Susan Morel-Samuels, Lee Bell, and Michael Thomas with facilitator John Revitte and recorder Lindsay Joslin
- 4:00 – 5:00 **Networking and Patio Gathering**
Sponsored by the Michigan Economic Development Corporation

Speakers and Presenters

Lee Bell is Director of the Youth Violence Prevention Center in Flint.

Erin Black is Fiscal Analyst for the House Fiscal Agency in Lansing.

Jon Coleman is Executive Director of the Tri-County Regional Planning Commission in Lansing.

John Czarnecki is Vice President of Community Service for the Michigan Economic Development Corporation in Lansing.

Carol DiMarcello is Coordinator of Alternative Investments for the Adrian Dominican Sisters in Adrian.

Peter Edelman is Professor of Law at Georgetown University in Washington, DC, and author of *Searching for America's Heart: RFK and the Renewal of Hope*.

Laury Hammel is President of the Longfellow Clubs in Wayland, Massachusetts, and a co-founder of the New England Businesses for Social Responsibility and of the Business Alliance for Local Living Economies (BALLE).

Ron Jimmerson is Human Resources Director for Cascade Engineering in Grand Rapids.

Janice Joseph is a Community Organizer for Metropolitan Organizing Strategy Enabling Strength (MOSES) in Detroit.

Bettie Landauer-Menchik is Senior Policy Analyst for the Education Policy Center at Michigan State University in East Lansing.

Frank McCauley is Co-Chairperson of the Greater Lansing Association for Development and Empowerment (GLADE).

Susan Morel-Samuels is Managing Director for Prevention Research at the University of Michigan in Ann Arbor.

Bill O'Brien is Executive Director of Metropolitan Organizing Strategy Enabling Strength (MOSES) in Detroit.

Georgia Peterson is a Natural Resources and Forestry Extension Agent for MSU Extension in Lansing.

Lindon Robison is Professor Assistant Professor with the Social Capital Initiative of the Center for Advanced Study of International Development at Michigan State University in East Lansing.

Rene Rosenbaum is Associate Professor of Resource Development at Michigan State University in East Lansing.

Rebecca Ross is Senior Economist for the House Fiscal Agency in Lansing.

Marcelo Siles is a Visiting Assistant Professor with the Social Capital Initiative of the Center for Advanced Study of International Development at Michigan State University in East Lansing.

Melody Taylor is CEO of the Westshore Community Credit Union in Muskegon Heights.

Michael Thomas is an Outreach Specialist in Resource Development at Michigan State University in East Lansing.

Carol Townsend is the Kent County Community and Economic Development Agent for MSU Extension and the MSU Center for Urban Affairs, and Director of the United Growth for Kent County Project in Grand Rapids.

Alonzo Vincent is Co-Director of the Mission of Peace program in Flint.

Beverly Weiner is the Director of Haven House in East Lansing.

Kendra Wills is the Coordinator of the United Growth for Kent County Project in Grand Rapids.

Mark Wilson is Associate Professor in Geography and Urban Planning at Michigan State University in East Lansing.

2002 MP/EDA Awards Presentation

Each year at the Summer Institute, the Michigan Partnership for Economic Development Assistance (MP/EDA) presents awards for notable achievement in community and economic development.

The purpose of this award is to recognize excellence in scholarship and action in community and economic development in Michigan. Applications are welcomed from practitioners in community settings at any level, as well as from students, faculty and research staffs of Michigan colleges, universities, and research institutes.

At the 2002 Summer Institute, awards were presented in both the Best Practice and Best Scholarship categories. For Best Practice, MOSES (the Metropolitan Organizing Strategy Enabling Strength) of Detroit received the award for its community organizing and policy advocacy efforts in Southeast Michigan. Founded in 1997, MOSES is an ecumenical and interfaith community organization composed of 53 churches, two hospitals, and one university that operate in Detroit and seven suburbs.

Through its numerous activities and programs, MOSES helps congregations and citizens gain greater influence in public policy debates. In particular, MOSES actively supports increasing funds for public transit,

encouraging economic renewal, combating urban sprawl, and promoting affordable housing.

In the Best Scholarship category, Professors Susan Hoffman and Mark Cassell were awarded the 2002 award, for their research and writing on the potential for Federal Home Loan Banks to assist in achieving community development goals. In particular, two recent publications on FHL Banks have helped to improve the understanding among community development practitioners. Ms. Hoffman is Assistant Professor of Political Science at Western Michigan University; Mr. Cassell is Assistant Professor of Political Science at Kent State University.



Reverend Joseph B. Barlow, Jr. receives the 2002 Best Practice award on behalf of MOSES.

Past Winners of the MP/EDA Community and Economic Development Award:

1997 Steve Gold
Lindon Robison
and Marcelo Siles

1998 Susan Turner

2000 Doug Lynott
Joe Rahn

2001 John Duley



Susan Hoffman accepts the 2002 Best Scholarship Award.

To suggest a nominee for a future MP/EDA Community and Economic Development Award, contact the MSU Center for Urban Affairs at cua@msu.edu or (517) 353-9555.

Tribute to Lillian Randolph



Phillip Randolph and Rex LaMore pay tribute to Lillian Randolph.

During the 2002 Summer Institute luncheon, organizers and participants joined in celebrating the life and work of Lillian Randolph. Ms. Randolph, who served as a community development specialist for Michigan State University in Detroit, passed away on June 16, 2002. Rex LaMore, State Director of the MSU Center for Urban Affairs, Community and Economic Development Program, remembered Lillian this way:

No words can ever express the true depth of loss and sorrow that those of us who had the great pleasure to be with her in her all-too-short life now feel.

Lillian was the best a community developer could ever hope to become. She was a dedicated and capable professional whose heart was in her work. She was an untiring supporter and advocate for neighborhoods and community organizations that worked to improve their communities. One of the things she did best was to inspire us with her enthusiasm. She encouraged all of us, by example, to do our best for our communities and ourselves.

It is through the lives of dedicated and caring people like Lillian that we realize the true nature and meaning of community. Our community was strengthened by her presence, and we grieve in her loss.



Lillian Randolph, 1950-2002

List of Participants

Wanda Acevedo-Ferrer Grand Rapids Community College	Ben Fedewa MSHDA
Diana Algra MI FIA	Elizabeth Forbes The Delta Strategy
Bryan Armstrong MDOT	Dana Foster City Of Brighton
Phyllis Ball MSU	Judy Gardi MSU Extension / City of Lansing
Thomas Begin Consumers Energy	Bryan Gillett Huntington National Bank
Lee Bell Youth Violence Prevention Center	David Gillis CUPPAD Regional Commission
Louis Berra HUD	Stephanie Gingerich City Of East Lansing
Erin Black MI House Fiscal Agency	Jose Gomez MSU
Aleshia Brooks CEDAM	James Gordon South Central Michigan Planning & Dev.
Geraldine Sue Campbell	Philip Grimaldi East Central MI Planning & Development
Yong Cheol Choi	John Gussenbauer Grand Rapids Urban League
Susan Cociarelli MSU	Laury Hammel The Longfellow Clubs
Jon Coleman Tri-County Regional Planning Commission	Sue Harter Western UP Regional Planning & Development
Gwendolyn Coney	Tina Hartley-Malivuk Goodwill Industries of Greater Grand Rapids
Kenneth Corey MSU	James Haslinger Northwest Michigan Council Of Governments
Mary Cotton MSU	Roy Hayes MSU Extension, Southeast Region
Pat Crane Region 2 Planning Commission	Steven Hayward HNTB Architects Engineers Planners
Carolyn Cunningham MSHDA	Chris Hnatiw Tri-County Regional Planning Commission
John Czarnecki MEDC	Susan Hoffman Western Michigan University
Tommie Dennie Muskegon Housing Commission	Rory Hopkemiah MSU
Carol DiMarcelo Adrian Dominican Sisters	Thelma Hoggard
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Cris Doby Charles Stewart Mott Foundation	Patrick Hudson South Central MI Planning & Dev Council
John Duley Closing the Digital Gap	Marshall Hunt Accounting Aid Society
Mike Eberlein MDOT	Elizabeth Jablonski Delta Township
Peter Edelman Georgetown University Law School	Maxie Jackson MSU
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Janice Joseph
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Lindsay Joslin
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Nancy Kagen
Southwestern MI Planning Commission

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Janis Kellogg
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Tony Lentych
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Maryellen Lewis
MSU Center for Urban Affairs

Amy Lipset
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Harvey Liss
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Dawn Mackety
Kingman Museum

Frank McCauley
GLADE

Paul McConaughy
Capital Area United Way

Bob McMahan
SEMCOG

Kathleen Mechem
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John Melcher
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Steve Mills
Central UP Regional Planning and Development

Kim Milton
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Lewis Morrissey
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Belinda Moses
Family Empowerment Institute

Abbugail Mueller
West Michigan Regional Planning Commission

Lisa Neelis
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James Netter
Hickory Hollow Cooperative

Gene Niewoehner
US DHHS

Bill O'Brien
MOSES

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East Central MI Planning and Development

Marilyn Owca
Southwestern Michigan Commission

Pat Pangborn
South Central MI Planning and Development

Linda Patrick
MSU Extension

Patricia Patrick
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Georgia Peterson
MSU Extension

Susan Pigg
Eaton County Comm Development

David Plank
MSU Education Policy Center

Phillip Randolph

Kassandra Ray-Smith
MSU

Suzanne Reid
Catholic Social Services Of Wayne County

Charles Reisdorf
Region 2 Planning Commission

John Revitte
MSU

Michelle Richards
CEED

Lindon Robison MSU	Toni Townshend Advent House Ministries
Rene Rosenbaum MSU	Duane Trombly Montague City Planning Commission
Rebecca Ross MI House Fiscal Agency	Joseph Turner Michigan Property Consultants
Deanna Rivers Rozdilsky MSU Center for Urban Affairs	Ronald Uken Ingham Human Services Advisory Committee
Bill Rustem Public Sector Consultants	Alonzo Vincent Mission of Peace
Charlene Schlueter Northwest Michigan Council of Governments	Beverly Weiner Haven House
Donald Schumacher HUD	Brandon Westcott
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Karen Shirer MSU Extension	Katherine Willis Cyber-State
Marcelo Siles MSU	Kendra Wills MSU West
Karan Singh MSU	Mark Wilson MSU
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Mark Spykerman MDOT	Patricia Wood MSU
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Catherine Stauffer MSU	
Barry E Stern Michigan Department of Career Development	
Faron Supanich-Goldner MSU	
Adam Szlachetka	
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Ann Tabor Community Foundation For Muskegon County	
Melody Taylor Westshore Community Credit Union	
Chris Thelen Consumers Energy	
Michael Thomas MSU	
Dozier Thornton MSU Urban Affairs Programs	
Pearline Townsend-Diggs Muskegon Heights Housing Commission	
Carol Townsend MSU	

Topics of Previous MP/EDA Summer Institutes

- 2001 Working Wired: Empowering Workforce Development in an Information Society
- 2000 Discovering the Digital Frontier: Opportunities for CBOs and Low Income Communities
- 1999 Creating Sustainable Communities: The Role of Community Based Organizations
- 1998 Building Community Capital: Achieving Community Economic Well-Being
- 1997 Building a Civil Society: Community Problem Solving in an Age of Welfare Reform
- 1996 Harnessing Community Assets: Toward More Self-Reliant Local Economies
- 1995 Faith-Based Community and Economic Development: A Spiritual Mandate
- 1994 Faith-Based Community and Economic Development: Restructuring Communities Physically... and Spiritually
- 1993 Public Policy on Jobs and the Economy: Rebuilding our Community Infrastructure
- 1992 Multi-Community Cooperation for Economic Development
- 1991 Local Empowerment for Economic Development
- 1990 Stimulating Economic Development in Distressed Communities Through Improving Educational Effectiveness
- 1989 Strategic Approaches for Community and Economic Development
- 1988 Partnerships in Economic Development Assistance: Creating Jobs in Distressed Communities

Recent Publications of the MSU Center for Urban Affairs

- Susan Cocciarelli. (November 2002). *The Michigan Credit Union - Individual Development Accounts Initiative, Final Project Report.*
- The People's House: Reflections from Public Housing Residents and Partners.* (Fall 2002), Vol. 2, No. 1.
- Community News and Views: Turbulent Times .* (Summer 2002), Vol. 14, No. 3.
- Susan Cocciarelli, Mary Corser-Carlson, Dewey Lawrence, and Patricia Wood (June 2002). *Individual Development Accounts and Credit Unions: A Program Design Manual.*
- Community News and Views: Regionalism.* (Spring 2002), Vol. 14, No. 2.
- Kenneth E. Corey (May 2002). *Electronic Commerce and Digital Opportunity for Local, Urban and Regional Development Planning.*
- Sustainable Community Handbook.* (January 2002).
- Community News and Views: Capacity Building.* (Winter 2001), Vol. 14, No. 1.
- Organizational Capacity and Housing Production: A Study of Nonprofit Organizations in Michigan* (October 2001).
- The People's House: Reflections from Public Housing Residents and Partners.* (Fall 2001), Vol. 1, No. 1.
- Christine Hall, Justin Linker, and Chris Shay (October 2001). *Prospects for an Affordable Housing Trust Fund in Michigan.* Community and Economic Development Briefs, No. 3.
- Community Development Credit Unions, Microenterprise, and Individual Development Accounts* (September 2001).
- John T. Metzger (September 2001). *Michigan's Affordable Housing Crisis.* Community and Economic Development Briefs, No. 2.
- Matt Syal and Chris Shay (August 2001). *Implementing a Building Rehabilitation Code in Michigan.* Community and Economic Development Briefs, No. 1.
- Community News and Views: Working Wired.* (Summer 2001), Vol. 13, No. 1.
- Community News and Views: Housing.* (Spring 2001), Vol. 12, No. 3.
- Discovering the Digital Frontier: Opportunities for Community Based Organizations and Low Income Communities* (2000). Summer Institute Report.
- Community News and Views: University and Community.* (Summer 2000), Vol. 12, No. 2.

- Proceedings of the Urban Vision 2 Summit* (2000). Prepared for the State of Michigan House of Representatives Bipartisan Urban Caucus.
- Community News and Views: Information Technology*. (Spring 2000), Vol. 12, No. 1.
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CEDP Mission

Our Mission at CEDP . . .

Michigan State University is the nation's premier land-grant university, and in that tradition the MSU Center for Urban Affairs Community and Economic Development Program is committed to developing and applying knowledge to address the needs of society – primarily urban communities. Specifically, our mission is “to facilitate the use of university and community resources to address urban issues that enhance the quality of life.”

In carrying out the CEDP mission, we . . .

- Provide training and direct assistance designed to increase the capabilities of community-based organizations.
- Assist community-based organizations with identifying concerns in the community and developing adequate responses to urban problems.
- Conduct research that assists in the development and implementation of innovative problem-solving strategies.
- Promote and expand MSU's capacity to provide needed training, direct assistance, and research to address issues in urban communities.

How we reach out to the community at CEDP . . .

The CEDP was established in 1970 in downtown Lansing, Michigan. Since that time, the CEDP has expanded its outreach office to additional cities in Michigan and has a statewide capacity to initiate and support innovative problem-solving strategies to improve the quality of life in Michigan communities.

The Community and Economic Development Program also maintains a full-time presence in targeted communities. Each targeted city has a resident community development professional who lives there and works with various community advisory committees. This university outreach faculty member fosters programmatic relationships with local development groups and organizations to facilitate the flow of new innovations and information between the university and the community.

To contact the MSU CEDP . . .

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***Visit us online at
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ADA Compliant, June 13, 2018