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CUED President & CEO, 1986-2001
IEDC President & CEO, 2001-Present
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How has the economic development profession evolved over the course of your career?

I've been in the economic development realm for about thirty years. I worked for five years at the US Department of Housing and Urban Development, and that was a somewhat narrow range of economic development. We had the Community Development Block Grant Program and we had the Urban Development Action Grant Program. UDAG was a leveraging tool that financed a lot of business around the United States. Unfortunately, it eventually died in 1988 or 1989. I was intimately involved in the UDAG Program between 1981 and when I departed HUD in 1986.

Then I joined CUED, and I have been involved since. August 1 [of this year] will [mark] twenty-five years. The economic development community [and] industry has changed significantly in that thirty-year period. If one looks at the current [state of] economic development, one would say that we haven't fared so well as a community or industry during the recession. We're hopefully coming out of a recession where unemployment has been almost as bad as it [was during] the Great Recession. Our financing vehicles didn't work when it came to [the] housing market, which we have no control over. But our community leaders [and] our local businesses have not looked at economic development as being potentially countercyclical. This has been a tough awakening for the economic development business. A number of our members have lost jobs because of cutbacks at the municipal level and a lack of support for public-private partnerships.

But, at the same time, I think we are probably part of the way to the future. Our members will be the ones leading their communities as they deal with new businesses locating. We've all been transitioning to deal competitively with a monstrous China. We've also been changing to look at entrepreneurship as a more effective strategy. And, we also are looking at changes in the way we use energy. Over time, I don't think we're going to import as much carbon as we have in the past. I think we're going to generate wind, solar, and geothermal here in the United States. We're going to be smarter about our ability and willingness to make efficiencies to buildings, air conditioning, [and] equipment. Our cars are going to go further on a gallon of gas. With energy being forty percent of our balance-of-trade deficit, we can't afford to lose two or three million jobs to China in the manufacturing sector and another huge balance-of-trade deficit to the Arab countries, Canada, and Venezuela for buying carbon. So, there have been a significant number of changes in the economic development field around those issues.

We also have to acknowledge that our workforce has changed. We have an aging workforce. In the boom economy that we experienced eight or ten years ago, there were many cities that couldn't find new employees, so their job training systems had to deliver a better work product. Now that we've had a lot of people laid off, we have to think about ways to get those people retrained and back into the workforce. Those have been some of the major changes I've seen.

You mentioned being heavily involved with both the CDBG Program and the UDAG Program. How have you seen financing change within the economic development field?

Over the last few years of this recession, financing has been nearly impossible to get. We've got a fair number of new tools out there. Community development financial institutions and the New Markets Tax Credit [Program] didn't exist when I first got into the business. Industrial development bonds were capped at ten million [dollars]. SBA's CDC/504 Program was smaller than it is today. So, we've seen new types of tools that didn't exist when I first got into the business. The growth of venture capital helped create fancy incubators that helped the "dot com economy" and [brought in] the internet era. Financing has been somewhat easy to get at times, but in this most recent period it is not.

We don't see the federal government generating much new in terms of financial tools. In fact, the federal government, particularly with its great concern over the debt and deficit, is standing still in the water right now. But I will tell you that many of us thought that the attempt to put the stimulus package together did create an environment where the economy didn't tank further and get worse. That was absolutely necessary to stabilize the economy for where we are today.

How have you seen technology change within the economic development profession over the course of your career?

Technology has [seen] absolutely incredible changes. When I arrived at CUED on August 1, 1986, CUED did not have a fax machine. CUED had one computer. It was an IBM computer, it had virtually no memory on it, and I think it had two floppy drives. We had two IBM display writers that [we used for] all of our word processing. If we were creating a document, it was done on a display writer. You could make some changes on it. And it would print out a fancy document when you were done making all of the changes.

Today, I don't have any idea how many fax machines we have here. Fax machines, in many ways, are almost outmoded instruments, because anybody can scan their document, attach it to an email, and forward it to you. We have computers on every desk in the organization. We have two computers on the reception desk. We have a dedicated computer just to welcome people [to the office]. We use computers to host our certification exam. We've [purchased] forty or fifty laptops that we ship all around the country so that we manage our certification exam. We host our own website. We have a sizeable closet that hosts all of our technology equipment. On top of that, we have two new copiers that walk, talk, and do nearly everything <laughs>. They bind, they can produce in color, [and] none of that stuff existed thirty years ago.

Would you like to elaborate on your personal career path? How did you initially get involved in economic development?

At the end of the day, my career path was not planned. I went to college with great interest in political science. I ended up with a degree in communications. I was on the debate team, and the debate team was housed in the college of communications. I got to meet the professors there. Being on the debate team took an inordinate amount of hours. It was easier taking a college course than it was being on the debate team. So, at times I would just choose the professor I liked, and who I thought would be easy, so that I could spend most of my time preparing for debate tournaments.

I ended up playing around in practical politics for a couple of years after college. I ended up getting a job as a state legislative liaison for Jim Rhodes, the Governor of Ohio at the time.

In 1980, I moved to Washington. In 1981, a good friend of mine became an Assistant Secretary at HUD, and I joined him. That was my real immersion into economic development. In 1986, CUED had a vacancy in their executive directorship and [they] hired a headhunter. By hook or by crook, I became the person they hired <laughs>. I was thirty-two years old when I started the job in 1986. I was probably thirty-one years old when they interviewed me.

Before you got the job at CUED, had you heard of the organization?

I actually knew Jim Peterson who was the Executive Director. Several months before, I saw the ad they ran for the job in the *Wall Street Journal*, and I did not apply. They went through that process, [and] a friend of mine named Tom Black, who was the Research Director at the Urban Land Institute, was selected for the job. For one reason or another, he did not accept it. They weren't terribly happy with their other candidates, apparently, so they hired a headhunter, they started over, and they ended up with me. I was ready to leave HUD at that time, and I'm not sure I was the first time when I saw it advertised. I probably did not think that I had the skills to do the job. They convinced me that they liked my background, and the fact that I'm here twenty-five years later means [that] apparently I haven't screwed up too badly <laughs>.

After joining CUED in 1986, how did you see the organization evolve until 2001?

In 1986, CUED was an economic basket case. Unfortunately, the organization was not on a good financial footing. It was even worse than I thought it was when I arrived. I looked at the financial statements that were most readily available. I actually looked at the previous two audits. CUED at that time would make money one year [and] lose money the next. Unfortunately, the fiscal year ended on September 30, 1986, and CUED was on track to lose more money than ever before. So, we had to rebuild the organization. Fortunately, I had a great board [of directors]. I had great leadership. We tested things, and many of them worked. We put through a strong dues increase. We phased it in over two years. April Young helped me do that. Tom Blanchard, who was the CUED Chair who helped hire me, hosted an important conference in Norfolk, Virginia. Marilyn Swartz-Lloyd hosted a conference in Boston.

Those conferences were helpful in turning around the organization. John Claypoool, who later went on to become Chair, hosted the first Annual Conference outside of Washington, DC. We used to host our Annual Conference in Washington, DC every year. He said, "I think we would be willing to be a big sponsor if we were able to host the conference in Philadelphia." So, we prepared to move the Annual Conference to Philadelphia. We did it, it was very successful, and so we started moving around the country.

Between a number of those things, [and] some timely federal contracts, the organization made a little bit more money each year. We were able to get out of debt and grow the organization.

While I credit some Past Chairs, we had a number of staff [members] who were absolutely essential to the turnaround. There was a woman here when I arrived by the name of Mary McLean. She oversaw the accounting. She finished off many of the projects that had been left undone, and we couldn't collect the money until they were finished. Ken Pool brought in new dollars. He was delivering technical assistance for us and generated a fair amount of capital for the organization. We had Lori Gillen, Nancy McCrea, and Eric Dobson who all were conference directors in those early years. [They helped] us improve our conferences. We like to think that our conferences have gotten a little better each year. If you fast-forward a few years later, Kimberly Tilock, Cathy Katona, Swati Ghosh, and others helped us put together a training program and a certification program that were important in CUED's growth. And Earnestine Jones joined us in 1993 and has supported the growth of the organization the entire time!

How have you seen IEDC evolve since 2001?

We merged on May 8, 2001 in New York City. There was a signing ceremony in Jim Griffin's suite. Jim Griffin and Kurt Chilcott signed the final documents that created IEDC. We had some cultural growth, we had organizational growth, [and] we had financial growth. [They] all needed to occur as we moved the organization forward. We had organizations with two different personalities. We had to bridge that cultural divide. We had to merge [the two] staffs. Most of the AEDC stayed behind in Chicago, and they got a severance payment because they didn't choose to move.

We merged boards. CUED had forty-five board members and AEDC had thirty-five board members, so when we merged we had an eighty-person board. We created a bylaw that [stipulated] we would have fifty-five board members by 2005.

We set some financial targets for the organization. We wanted six months operating reserves. That had actually been in place, at least for CUED, for quite some period of time. We were on our way to making it before the merger, and at least as of now, we have reached that goal.

I would like to think that our delivery of services is better today. We merged all the training courses. We're now updating all the training course manuals. I think people know what they can expect out of IEDC—at the board level and the staff level—and I'd like to think we improve constantly.

Is your role with IEDC the same as it was with CUED?

IEDC is a bigger operation. CUED, at merger, was probably nineteen or twenty people. At any given time, we're closer to thirty people here at IEDC. Sure, my title is the same. I was [also] President and CEO of CUED. I think there's also something that you acquire with maturity. I've been in this new role for ten years, and I think people look to me individually, and maybe even collectively sometimes, for more guidance in terms of the direction of the organization. That is not in contrast with the [IEDC] Board, because the Board is the ultimate decision maker on the direction of this organization. But I've grown in skill and knowledge, [and] there are different things expected of me today than there were ten years ago.

What have been some of the most pressing economic development issues during your career?

During my twenty-five years, one pressing issue has been contrasting American workers with workers from the rest of the world. At some levels we are equal to the best in the world, but at other levels we are not. Even today, we still need to figure out where we can compete directly, and where we can't. We know that an American worker tends to cost more than other workers around the world. That gives us a disadvantage in maintaining and securing certain types of businesses here in the United States. That would be one issue.

An issue that we're working on today is the maintenance of manufacturing here in the United States. It is bogus to think that we can survive as an economy without manufacturing. We need to have things that we export. Otherwise we are just exporting dollars and becoming a poorer country. We have to reduce our imports, and we need to increase our exports, for us to be successful as a country. At times, [it has been difficult] to bring jobs closer to inner cities. In some cases, there is a lack of retail services in inner cities. There are a lot of inner cities that don't have good grocery stores. That's an economic development issues that we have had to deal with.

Our ability to be a country and an economic development community that can support technology-focused companies is particularly important to us. Having tools that allow us to finance business in a variety of ways [is also important]. We are competing against countries that have national strategies, and the United States has no national strategy in economic development or industrial policy. There are some who believe that we shouldn't pick winners or losers. I'm here to tell you that you need to pick winners and losers. We always have. Why do we have a robust aerospace business? That is because we have built a lot of military planes. That carries over to companies like Boeing and allows them to be a world leader in aircraft. But we need to decide what types of companies are going to employ lots of people and be investments for this country's future. We need to put them in a cocoon to allow them to grow. For instance, we cannot let countries steal the entire solar [energy] business like China has. They have state-owned enterprise. They have localities and government financing that will subsidize companies, and we need to figure out how we're going to deal with it.

How do influence elected officials to adapt a national strategy?

We do not lobby; we're a 501(c)(3). So, it's our goal to make sure that we educate our members, and hopefully they are educating their policymakers back home.

What exactly was your role in the merger between AEDC and CUED?

There were three merger attempts while I was at CUED. I can't give you precise dates of the various merger attempts, but there was a merger attempted by Ross Boyle. He had been on the CUED Board. He had also been on the AEDC Board, and he went on to become AEDC Chair. We had merger conversations at the Mayflower Hotel sometime between 1987 and 1989. Unfortunately, that merger conversation failed to get us anywhere.

Then, several years later Wayne Sterling was elected as the incoming AEDC Chair. Wayne called me—I remember I was in Riverside, CA when he called—and said he'd like to revisit merger conversations. We had merger conversations which included a meeting at the Fairmont West Hotel in Chicago. I think we also had a conversation here in Washington, DC about the merger. But that [attempt] failed.

It's interesting, [because] each time it was a leader of AEDC who carried the [merger proposal] message. Jim Griffin became AEDC Chair and he called David Krietor, who was a friend of his from New York State. Jim then called Kurt Chilcott, who had just been elected CUED Chair, and then he called me. We met at the Dallas-Ft. Worth airport. I believe it was the Monday after Thanksgiving in 2000. We started in September, and we merged the following May. We moved into this space, [our Washington, DC office], on July 1, 2001. Paul Lawler moved here from Chicago. He had been their CEO, and he became our CFO in August of 2001.

I essentially staffed the merger. I had all the notes from the two previous merger attempts. I put together a document and gave it to the merger design team. I showed them where there were problems and [told them] what the positions on issues were. Then, I worked with a couple of outsiders—a communications consultant [and] our lawyer—to staff the merger. The merger design team was composed of five members from CUED and five members from AEDC. We took lots of issues to them that they needed to make decisions about, and they made all of the decisions.

Who chose those five people from each organization?

Each of the respective boards.

What brought about initial discussions of the merger?

I think Jim Griffin was looking at the two organizations and he and their board said, "Why are we beating each other up on a regular basis when we're getting closer and closer in terms of our mission?" We were duplicating lots of things. We both had training programs. We both had certification programs. We both had executive directors and presidents. We both had an accounting department. We were spending more money on overhead than we were on delivery of services. I'd like to think that the reverse is true today…that we're getting far more information to our members and allowing them to be more productive, smart, [and] thoughtful as the result of the things that IEDC puts out for them.

You just mentioned many of positives that came out of the merger. Are there any negatives that you would like to address?

Change is difficult. I think there were some people that weren't happy with the change. I can't tell you any members who have left us for good. I'm sure there were some people who weren't excited about the merger, but we have far more members today than we had pre-merger. There was a twenty-three percent overlap in membership, [which] means that people were paying dues to both organizations. On balance, I think it was a net-positive for people in the field of economic development.

Can you explain the situation surrounding the Adams Mark incident and how it brought the organization together?

Well, you've probably heard that from Ed Nelson, Bill Best, and you may have even heard of it from Ronnie Bryant. As 2001 was percolating along, AEDC had a contract for a conference in 2002 at the Adams Mark Hotel in the spring. CUED had a contract for an Annual Conference in Oakland, California in the fall. It had been the original plan of the new organization to have two major conferences per year. But that ended up running into a problem, because the NAACP accused the Adams Mark Hotel chain of systematic discrimination against African-Americans. At our annual conference in Philadelphia in the fall of 2001…in fact I believe our Board meeting was the day after 9/11 occurred…we debated whether we should honor a boycott of the Adams Mark Hotel chain or continue [with our plans]. The question was posed to a group of our African-American board members. They said, "If this is going to hurt the organization economically, we should continue with our contract. But, we will not be there." That did not work for the organization. There were several people that said, "If Ed Nelson isn't going to be there…if Ronnie Bryant is going to be there…if Kevin Johnson isn't going to be there…then I'm not going to be there either."

After we left Philadelphia I called the NAACP and talked to their deputy general counsel. I arranged for him to talk to our general counsel. I arranged for some briefings for our members. We decided to cancel our contact with the Adams Mark Hotel chain and not go there. We then decided that we were going to put all of our effort into holding our annual conference in Oakland and potentially take our lumps. That could have significantly hurt the organization financially. The good news was that the NAACP settled with the Adams Mark Hotel chain. There were several organizations who, like IEDC, had cancelled their conferences. We were absolved of any financial responsibility in the settlement agreement.

You don't want to play that type of game of "chicken" very often. The economic repercussions of it can be very great. But, supporting our African-American members was an important thing for this organization's culture, and it was the right thing to do.

During you career was there anyone who inspired you? A mentor?

The person who was probably most important to me was a guy named Steve Bollinger. Unfortunately, Steve died in 1984. He wasn't the only mentor that I've had in my life, but he was one of the more important ones. Today, I still serve as the President of the Bollinger Foundation, which is an organization that helps families who have lost a breadwinner that worked in the field of community economic development or public housing. Steve was a very charismatic Assistant Secretary of Community Planning and Development at HUD when I was there. He gave me an important break at a fairly young age, and he had been a friend since 1976 when I first met him. I'm still close to his family. I talked to Lin Bollinger just the other day. Steve is probably the person I think most about when I think of a mentor.

Is there anyone who you mentored that you would like to name?

That’s an interesting question. I would like to think that I’ve had some influence on a great number of the interns that we’ve had [come] through this office. I was intern here in Washington, DC in 1975, and that internship altered my life. We had interns when I arrived at CUED, but I don’t know how well they were organized. Today, we have a pretty well organized internship program. I’d like to think that the support we give them along the way provides some direction, gives some motivation, [and] instills some enthusiasm into people’s lives about economic development and what they can do as individuals.

Where do you see IEDC now? Where do you see the organization going into the future? Do you see any emerging trends or have any predictions?

The predictions that you hear now will be wrong five years from now. The economy changes so rapidly, and the speed of technology changes so rapidly, that I have no clue what is going to be happening five years from now. Is climate change real? It appears to be from my perspective. How significant is that? How significant is China’s growth? Are we a lazy country now? Or are we going to get out of this recession and come back at amazing speed? Is Europe at lethargic as some analysts have said? I have questions, [but] I certainly don’t have answers. As long as I am here at IEDC, though, I want to help explore those answers and the economic developer’s role in answering them.

Do you see IEDC expanding more globally or staying focused on America?

First and foremost, over ninety percent of our members are American. The next largest member group is North American. We like the “I” in IEDC. That gives us a lot of room to operate in terms of teaching people best practices [and] sharing relationships. It’s a misnomer at times, as well, in that we’re still largely serving an American market. I don’t think we can take our eye off the ball of servicing the people who pay the sizable amount of dues, and that’s our American and North American partners. We’ll have to see.

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