

Auto Communities and the Next Economy – Remarks by Bruce Katz

May 18, 2010

Thank you all for coming...it's great that so many people who care about the Great Lakes region and the auto-impacted and other older industrial metros within them could gather here today.

We are honored and pleased to be co-hosting this important topic with the White House Council on Auto Communities and Workers, the Department of Labor, and the Funders Network for Smart Growth, a consortium of foundations dedicated to just, sustainable and prosperous regions.

As the title of this conference implies, we are gathered to talk about the future of auto-based communities and their transition to the next economy.

Our perspective is fairly simple: there will be no return to normal after this recession because the economy that preceded the recession was anything but normal.

We need to purposefully build a different kind of economy and a different kind of growth from the rubble of this recession

To borrow from Dr. Summers, who will speak this morning:

- One that is export oriented rather than consumption oriented
- One where the U.S. leads the transition to clean energy and low carbon
- One that that is fuelled by innovation
- One that is opportunity rich

An economy, in short, where we export more, waste less, innovate in what matters, produce and deploy more of what we invent and finally works for working families.

This is also an economy that will be led by metropolitan areas ...given the concentration of critical institutions and infrastructure and innovative firms and talented workers in these places.

Now some will say that auto-impacted and other older industrial metros of the Great Lakes region and beyond cannot play in the next economy.

They will point to the headlines over the past few years that paint a distressing portrait of the region and its communities:

*“Dead-End in Detroit for White Collar Workers”... “Recession Hitting Ohio’s Former Steel Towns Hard”...
“How Will Elkhart, Indiana Survive the Recession?”*

These headlines ignore the possibilities that exist in these communities and fail to recognize the partnerships that are being forged among federal, state, and local government, philanthropic, business, university and civic leaders to retool and renew its economy.

These metros possess strong, existing global trade networks, developed in large part by the auto industry that are critical to an export-oriented economy.

They have the research capacity and manufacturing prowess needed to build a clean energy, low-carbon economy.

They have the industrial might, science and engineering base to create the new technologies necessary to power an innovation economy.

And they have a robust set of educational assets that can be leveraged to create an economy rich in opportunity.

The bottom line is this: with the right policies and partnerships, this next economy could play very well to these metros' existing and budding strengths:

The Brookings Metro Program is, and will continue to be, deeply invested in this effort. For the past five years, we have been committed to this region and its older industrial metros through our Great Lakes Economic Initiative, and focused work in Ohio, Michigan, Upstate New York and cities and metros throughout America's industrial heartland. This Summit is a catalyst for that work moving forward.

Our engagement in the region would not be possible without the generous support of the funders who have supported us, and this Summit: Mott, Joyce, Ford, Kresge, Surdna, Gund, Skillman Foundation, New Economy Initiative, and the Fund for New Economic Future.

We have an exciting program for you today.

- To start, you will hear a key philanthropic leader, Luis Ubinas, the head of the Ford Foundation
- You will then hear from the co-chairs of the White House Council on Automotive Communities – Larry Summers and Hilda Solis. They will discuss the administration's vision, agenda, and progress to date in helping leaders in auto communities grapple with the most immediate and fundamental challenges facing their economy.
- Following that, you will hear from Governor Granholm, some members of Congress and other national leaders about their innovative partnerships to advance the next economy and what additional reforms are needed to continue those innovations.

- Over lunch and continuing through the afternoon break out sessions, we will officially transition to a discussion about how auto communities, from Detroit, Youngstown, Flint, Cleveland, and Kokomo, IN are, themselves, adopting innovative approaches, to fundamentally transform the economies and opportunities within auto communities.

- We will wrap the day with a focus on how federal leaders, philanthropy, and nonprofits will build on the ideas that emerge from this conference to continue the great work out in the communities.

Now, I'd like to introduce one foundation which has a long and rich history to building communities from the ground up – the Ford Foundation. Luis A. Ubiñas, President of the Ford Foundation....

Thank you again—I'm looking forward to a day of energized discussion.