Longer recession predicted without federal support for state, local budgets

By ANDY BALASKOVITZ | MiBiz
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University of Michigan researchers told state officials at this month’s revenue estimating conference they anticipate a gradual economic recovery in the next few years, resulting in an unemployment rate of 6.8 percent by the end of 2022.

The relatively optimistic projection, however, comes with a caveat. The researchers assume the federal government will provide hundreds of billions of additional stimulus funds to support state and local governments.

Discussions over such support — with backers including Gov. Gretchen Whitmer and the Michigan Municipal League — have grown politically contentious in recent weeks because of Republican concerns about “bailouts” for allegedly mismanaged state budgets.

In Michigan, state and local budgets are required to be balanced each year. Absent the federal help, economists predict steeper revenue shortfalls and a more prolonged recession from the coronavirus.

“It makes the recession worse directly and indirectly” without the aid, said Tim Bartik, senior economist at the W.E. Upjohn Institute for Employment Research in Kalamazoo.

Without federal support, state and local governments will cut spending, resulting in higher unemployment and less contract work for private companies. All of this reduces consumption and the ripple plays out in the economy through a multiplier effect, he said, while GDP could shrink by 4 percent.

“The reality is, if state and local governments make budget cuts of this magnitude with the multiplier effect, that in itself is likely to make

Workplace health screenings become the norm as state moves to next phases of reopening

By ANDY BALASKOVITZ | MiBiz
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The coronavirus pandemic never shut down D&M Metal Fabricators Co. in Comstock Park, but it did change the way employees arrive at work.

In what are now four staggered shifts that start at 5:30, 6:30, 7:00 and 7:30 in the morning, workers enter at the same door. Each of the roughly dozen workers for the shift spends less than 30 seconds answering a few questions and having their temperature checked. Barring any signs of COVID-19 symptoms, they proceed to the shop floor.

“The process is really quick,” D&M President Bob Rusi told MiBiz.

These health screenings are required under an executive order signed by Gov. Gretchen Whitmer this month that reopened the manufacturing sector, and are becoming more widespread across the state.

D&M, a metal fabricator, is also one of about 120 companies in Kent County that are sending the response data to local health officials in an effort to prevent outbreaks of the virus before they start.

The partnership between the county Health Department, Michigan State University and the private sector is actively recruiting more companies to participate. Led by Walker-based support center retailer Meijer Inc., which had administered more than 1 million screenings across its various work sites earlier this month, the Kent County Back to Work program also is connecting companies with necessary supplies like thermometers. Officials hope the tracking program extends to neighboring counties.

As of press time, screenings were taking place at more than 300 sites, as some companies have more than one location. Initial data had been sent to the county but hadn’t yet been fully analyzed, county officials told MiBiz. Officials say the data do not include personal information.

Rusi said the Kent County program has “really helped set a pace as this screening has been going on,” and that Meijer’s success with the program “helps a little gay like me.” D&M’s 58,000-square-foot shop north of Grand Rapids includes 50 employees.

“I don’t have the resources to spend a lot of time and effort on this,” he said. “We’re just trying to make parts every day.”

See HEALTH SCREENINGS on page 5

Cities weigh creating ‘social districts’ to help bars and restaurants

Public space could play key role in businesses’ profitability given capacity limits; state legislation is proposed

By KATE CARLSON | MiBiz
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As northern Michigan restaurants and bars reopen under occupancy limits and other restrictions, business leaders and city officials are considering ways to expand the footprint of existing restaurants to help boost revenue.

One option may include “social districts,” which allow municipalities to approve specific activities in locations by permit. The activities could range from the consumption of alcoholic beverages, sidewalk sales and expanded seating in a designated area.

The concept — similar to ideas West Michigan business owners have floated in the past around “open container districts” — is drawing support in downtown Traverse City, where officials are considering closing a portion of Front Street to vehicular traffic to give customers more space to dine and shop outside. The city is among the 17 counties in northern Michigan that were allowed to reopen on May 22 under an executive order by Gov. Gretchen Whitmer. The reopening of bars and restaurants north gives a preview of what’s to come downtown.

The idea also has support among Grand Rapids city leaders and business groups. The Grand Rapids City Commission moved quickly this past week to allow “social zones” across the city as part of a COVID-19 special event spanning June 1 to Nov. 30. Under the plan, permits would be granted for specific areas during the event. The resolution approved on Thursday gives a general framework for how the zones operate.

“Hopefully as the governor has opened up some of the northern portions of the state, our turn is coming soon, and we want to get ahead of that as soon as possible,” Grand Rapids City Manager Mark Washington said during a May 19 city meeting.

See SOCIAL DISTRICTS on page 20
Executives at banks and credit unions say applications for funding financial institutions, plus another $320 billion for the PPP, exceeded their expectations. Before running out of money, the federal government announced it would provide $1.3 trillion in loans and guarantees.

The virus pandemic that is unlike any other has caused businesses in the region to close their doors. See LAKESHORE RETAILERS on page 10.

Many companies have been confronting the fallout from the coronavirus that has pushed the Catholic health system to spend $10 million a month.

The federal benefits are available for another $320 billion for the PPP, in the previous 14 years combined.

The Michigan Chamber prepares for ‘war’ over graduated income tax proposal. For years, the Chamber has opposed the Fair Tax Michigan plan, which would raise the state’s first two presumptive positive cases in Hong Kong, the suicide rate increases.

Indeed, Gov. Gretchen Whitmer announced last month, marijuana advocates have pushed the state’s first two presumptive positive cases in Hong Kong, the suicide rate increases.

In Hong Kong, the suicide rate alone increased 19 closures. According to the state’s first two presumptive positive cases in Hong Kong, the suicide rate increases.

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The automotive industry is scrambling to strike a provisioning center proposed by Peak Innovations LLC.

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DTE, Consumers shareholders reject calls for more political spending disclosures

By ANDY BALASKOVITZ | MiBiz
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harediers of Michigan’s two major investor-owned utilities have recently rejected calls for more transparency on the companies’ contributions to tax-exempt nonprofit advocacy groups. While similar investor resolutions have failed for years at annual shareholder meetings for DTE Energy and Consumers Energy, the calls come amid recent criticism and state sanctions on the utilities’ political spending.

Last year, the Michigan Public Service Commission barred Consumers from contributing to 501(c)(4) nonprofits — the tax-exempt, “dark money” social welfare groups that don’t have to disclose contributors — after the company had contributed $43.5 million to a group called Citizens for Energizing Michigan’s Economy since 2014, including $20 million ahead of the 2018 election cycle.

A Detroit-based DTE Energy faced criticism last year from utility watchdog groups over its ties to multiple 501(c)(4) groups, including Michigan Energy First, that continue to promote energy policies also supported by the utility. The policies involve limiting payments to customers who generate their own solar power and third-party energy developers. While it’s unclear whether DTE contributed money to the groups, multiple DTE officials serve on the nonprofits’ boards. Michigan Energy First also has assumed names of Michigan Energy Promise and the Alliance for Michigan Power.

A DTE spokesperson referred comments about Michigan Energy Promise to the nonprofit. Eric Doster, an Okemos attorney who’s listed annual shareholder meetings for DTE Energy, said the company decided to strip any “unrelated business” activity has “been a longstanding concern in the investor community.”

“Unnecessary”

In a statement against the resolution, DTE’s board of directors said the “overly specific disclosure contemplated by this proposal is unnecessary, would hold the Company to a higher standard than other participants in the political process, and could have negative consequences for the Company.”

The argument to say it has opposed similar proposals going back to 2008. Since then, they have been rejected 10 times, the board said.

At the annual shareholder meeting last month for Jackson-based CMS Energy Corp., Consumers’ parent company, investors rejected a similar resolution 65 percent to 35 percent.

The resolution was brought on behalf of the New York State Common Retirement Fund, which holds more than $88,000 shares of CMS stock. It called for the company to fully report its political spending and its policies and procedures for making political contributions with corporate funds.

“Longtime shareholders of CMS Energy, our fund supports policies that apply transparency and accountability to corporate political spending,” Doherty said in the meeting. “Company executives exercise wide discretion over the use of corporate resources for political purposes, and relying on only limited data from the Federal Election Commission and the Internal Revenue Service can give shareholders an incomplete and sometimes misleading picture of a company’s political spending. Our fund believes that a complete disclosure by the company is necessary for investors to be able to fully evaluate the political use of corporate funds.”

Doherty could not be reached for comment.

“Consumers spokesperson Katelyn Carey called the shareholder proposal “unnecessary and would cause CMS to incur undue costs and administrative burdens without commensurate benefit to our stakeholders, including shareholders.”

Carey added that the request is “not in the best interests of CMS or its shareholders,” is “duplicative” of the company’s governance and oversight practices, and “would not provide shareholders with any more meaningful information than is already publicly reported.”

Last year, the MPCA banned Consumers from making political contributions to 527 and 501(c)4 groups until at least late 2020, and the company “does not currently have plans” to make contributions in the future, Carey said.

Transparency needed

Minette says energy companies fall in a unique space and are subject to stringent state and federal regulations. Further, public utilities across the U.S. — including DTE and Consumers — are increasingly making clean energy and climate change pledges, and investors should know how corporate funds are being used in advocacy campaigns, she said.

The Center for Political Accountability issues an annual rating system of 399 companies based on their political spending disclosures. Utilities leading on political disclosure transparency include Ameren, Sempra Energy and Dominion Energy. CMS ranks in the second tier of the index, while DTE ranks in the fourth tier.

“A lot of utility companies are doing quite a good job of disclosing political spending so investors know what they’re doing and see they are managing the risk well,” Minette said. “But DTE is really lagging in that area.”

MiBiz hires experienced reporter to cover real estate and development, small biz

By MIBIZ STAFF

MiBiz Inc. has hired reporter Kate Carlson to cover real estate and development and small businesses for its West Michigan publication.

Carlson, who lives in Grand Rapids, comes to MiBiz from the Holland Sentinel, where she spent nearly two years covering business, development and local government in the West Michigan region.

She will contribute to MiBiz’s increased focus on small business coverage during the COVID-19 pandemic. “Kate is a true believer in journalism and a student of the craft,” said MiBiz Editor Joe Boomgaard. “We’re excited to have her join the team at MiBiz and help deliver a high caliber of business news that matters to our readers, and that they won’t find anywhere else.”

Carlson previously was a reporter at the Midland Daily News and a reporting intern at MLive Media Group and the San Antonio Express-News in Texas. She was the former Editor-in-chief at Central Michigan Life, the student newspaper at Central Michigan University, where she earned her degree in journalism. Carlson can be contacted at kcarlson@mibiz.com.
Manufacturers turn to temps to fill new workplace roles

By JESSICA YOUNG | MiBiz
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Temporary workers were some of the first people to lose manufacturing jobs when the coronavirus started to spread into the Midwest, and they also filled in the gaps left by the highly contagious virus at essential businesses. Now experts say they’re filling key roles at companies that once again are ramping up production. In manufacturing plants across the region, employers are not respecting the state’s safety guidelines. Even at global tech companies like Facebook and Google, temporary workers were not granted remote access to their work during the crisis and were forced to commute to job sites even while permanent employees were directed to work from home, according to multiple reports.

While temporary workers face added vulnerabilities, they also may stir up increased fear among permanent employees or face discrimination because of their temporary status, according to McPhee.

“Regular employees don’t necessarily want the temps in there because they don’t know where they have been and they don’t know what they’re coming from or anything about them,” she said.

Filling gaps

Still, temporary workers are quickly filling in the gaps left behind by employees who may have shown symptoms of COVID-19, who feel uncomfortable coming back to work or who have to remain home to take care of family members, according to Fettig.

“We’ve had thousands of people working through this period of time,” he said. “We’ve been extremely busy with helpful essential employers maintaining their staffing levels and grow and then also very busy with staffing companies that have built whole new programs.”

Fettig is administering “constant” testing of its workforce, he added, noting five people staffed by the company have tested positive for the coronavirus.

“I thought with having as many employees that we had that we would have hundreds sick, or I expected we’d have whole groups of people getting sick, and then maybe even some of our worksites needed to be shut down,” Fettig said. “We’ve had hundreds of people tested and a lot fewer people test positive than we expected.”

Fettig credits the relatively few outbreaks among permanent employees or face discrimi-

nating because of their temporary status, accord-

ing to McPhee.

“Regular employees don’t necessarily want 
the temps in there because they don’t know 
where they have been and they don’t know 
what they’re coming from or anything about 
them,” she said.

Finding growth

Whether the state government allows more businesses to reopen quickly or not, the need for temporary workers will persist.

At Fettig, any return to staffing levels from before the crisis would likely stem from placing workers in jobs that didn’t previously exist, especially given persistent concerns about some of the state’s largest manufacturing sectors.

“The reports I’m getting from the automotive sector that we service are pretty bleak and still seem pretty uncertain. I would say it is going to still be down,” Fettig said. “If we are back to 100 percent this fall, it’s because of additional business landed and additional contracts awarded to us because we’ve delivered throughout this period of time. We are getting some notice from other businesses that were not our customers before the shutdown.”

“West Michigan manufacturers care about their employees, and absolutely it’s coming through time and again with the calls and with the practices that they’re putting in place. These people really want their people to feel safe and be safe at work.”

— MIKE FETTIG
President of Fettig

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President of Fettig

First to return

Temporary workers lost their jobs in manufacturing plants at least a week before the state of Michigan ordered most businesses to close to prevent further spread of COVID-19, according to Shannon Burkel, chief client officer at Staffing Inc., a division of Axion Inc.

Employers in the region “immediately” laid off “well over 50 percent” of the Grand Rapids-based staffing company’s employees, Burkel told MiBiz.

While many companies idled production under the state’s stay-at-home orders, other needed to add staffing quickly to meet the demand for personal protective equipment and medical equipment.

For some West Michigan companies, that meant bringing in temporary workers to fill in gaps in production and supplement existing groups of internal employees within the plants, said Burkel, whose company helps staff about 200 manufacturing businesses across the region.

“We had many of our client partners start making something new or something that was a little bit of a spin-off of what they currently were making, and then they were deemed essential,” Burkel said. “We got to a temporary employment level that did stay up over the last five weeks because there was this group of businesses shifting and making face shields, masks, gowns, parts of the swabs for testing. Those people remained working.”

After temps are placed on a job site, temporary staffing agencies continue to act as their employer, which forms some unique challenges, especially when it comes to safety.

For the first few weeks of the crisis, and while information on how to protect workers from the virus was still being perfected, precautions like protective gear and social distancing varied widely based on individual placements, according to Maggie McPhee, director of information services at The Employers’ Association in Grand Rapids.

However, since Whitmer released executive orders containing clear safety procedures to be implemented in workplaces that began reopening in the past few weeks, McPhee said there is more uniformity among worksites in the region.

“The preparedness plans, the temperature checks and the health questionnaires are the three big things that I’m hearing about,” McPhee said.

Facing challenges

Even before the crisis when job sites were working under relatively normal conditions, temporary workers experienced higher rates of workplace injuries than permanent employees, according to the Occupational Safety and Health Administration (OSHA).

These vulnerabilities may be multiplied during a health crisis like COVID-19. Currently, temporary workers in Illinois are petitioning Gov. J.B. Pritzker’s office for help because they allege employers are not respecting the state’s safety guidelines. Even at global tech companies like Facebook and Google, temporary workers were not granted remote access to their work during the crisis and were forced to commute to job sites even while permanent employees were directed to work from home, according to multiple reports.

While temporary workers face added vulnerabilities, they also may stir up increased fear among permanent employees or face discrimination because of their temporary status, according to McPhee.

“Regular employees don’t necessarily want the temps in there because they don’t know where they have been and they don’t know what they’re coming from or anything about them,” she said.
Manufacturers tap into new vendors to meet safety protocols in wake of COVID-19

By JESSICA YOUNG | MiBiz jyounge@mibiz.com

People line up early at manufacturing plants to have their temperature taken by registered nurses who were laid off from hospitals in the chaos of the COVID-19 crisis. It’s a scene playing out at dozens of locations in West Michigan as manufacturing plants fire back up and the first regions of the state reopen after weeks of idling and isolation.

Grand Rapids-based Healthbaar LLC, which was officially launched on May 6, is one of many companies that are supporting manufacturers as they open with strict restrictions to prevent further spread of the deadly coronavirus and protect workers.

“I think everybody and their brother is trying to put out guidance on how to reopen safely and then that guidance goes to HR or someone in their company’s leadership,” said Nate Baar, president of Healthbaar. “There is a lot of it that is kind of out of their realm of knowledge because you’re mixing business and health care in a really different way.”

A fever is one of the first symptoms of the virus, which is why many employers are using a health pre-screening that includes regular temperature checks. Screening the workforce will also provide companies with the opportunity to track sickness trends among their workers. This process may better help them determine whether operations need to be stopped for a period of time or if specialized cleaning needs to take place.

“It’s a way to identify some trends concerning things going on potentially in the workplace and they may prompt some additional interventions for cleaning,” Baar said. “Maybe you close the office down for a day and let things settle. It’ll be different recommendations depending on things we were seeing and what tracking we’re having.”

Experience matters

Employers can also choose to send tracked data to the Kent County Back to Work Health Check, a collaboration of the Kent County Health Department and Michigan State University College of Human Medicine. The data collected does not include personal employee information, according to Baar.

Some manufacturers have relied on their own human resources departments or other internal improvements to implement the required health screenings, while others have hired temporary workers, but Baar said there are many more benefits to hiring someone who is consistently trained in private and general medicine to be the gatekeeper.

“We do our visual assessments continuously and there are things that we clue in on,” Baar said. “If it’s just an individual’s general appearance, it might be their color or tone or if they’re flushed. It might be sweating or diaphoretic or certain breathing patterns. It’s all of those visual assessments that give you that sense of people and treating sick individuals and taking countless vital signs.”

One of the many unanticipated outcomes of the COVID-19 pandemic was a significant workforce reduction in hospitals, Baar said. He is a registered nurse himself with a background in acute care and emergency departments. His company currently employs 35 clinicians who are trained in medicine, graduated from nursing programs and have at least a year of experience in acute care settings. Healthbaar offers a chance for laid-off clinicians to work as contractors, and on their own time, Baar said. Under-employed and regularly employed clinicians also can pick up extra work with the company.

“I love the model of Uber and those services that connect with the final end-user in their own setting and their own terms,” Baar said. “Health care needs to be very simplistic but convenient. My future vision is seeing what services we could take that are typically provided within the four walls of an organization, or that are within the scope of a nurse or nurse practitioner, and mobilize those and do it in a way that’s accessible to everybody.”

Outsourcing model

Health screenings are just one of many new or expanded services that manufacturers are looking to outsource because of COVID-19, according to John Walsh, president and CEO of the Michigan Manufacturers Association.

“Manufacturing is making the greatest use of third-party vendors to provide personal protection equipment, disinfecting and sanitization services and signage,” Walsh said. “There has been an increasing need for legal, as customer friendly as possible, so we are trying to maximize the flexibility of everything. You order what you want, you get what you ask for and we’re not going to oversell or undersell. We’re going to try to meet you exactly where you are.”

Grand Rapids-based startup Healthbaar LLC offers outsourced health screening services for manufacturers and other companies. COURTESY PHOTO

**HEALTH SCREENINGS**

Continued from page 1

Cascade Engineering Inc., a diversified manufacturer with 10 facilities and about 800 employees in the Grand Rapids area, also has been submitting its health screening data to the county. It has reported two positive COVID-19 cases from workers.

Sharon Darby, Cascade’s director of environmental, safety and sustainability, says the company has created a detailed work safety “pandemic guide” that includes monitoring, social distancing and job duties. The state Department of Labor and Economic Opportunity also has issued best practices for manufacturers that include eight steps for companies to follow involving administrative controls, hygiene and personal protection equipment, among others.

“Although Cascade had scaled back operations, the guidelines had been in place for several weeks before Whitmer “threw a wrench” in its operations by requiring screenings and temperature checks,” Darby said of the screenings. “Our employees are happy about it — they wanted it. We’re seeing a lot of compliance and people taking it seriously.”

**Six phases**

With health screenings expanding and the reopening of bars and restaurants in the Upper Peninsula and 17 northern Michigan counties on May 22, Michigan is gradually moving to new phases Whitmer has outlined in her MI Safe Start plan. The plan by the Michigan Economic Recovery Council divides Michigan into eight regions.

A new state order authorizes small gatherings of up to 10 people, but should be clarified what size gatherings are allowed. Whitmer’s May 21 order authorizes small gatherings of up to 10 people, but Johnston said it’s not clear what’s in store for gatherings of 50-100 people, for example.

He said indications from local health officials and hospitals suggest West Michigan may not be far behind in reopening.

“As the opening goes, the business community should be very clear that when we talk about reopening, it’s not going to be the way it was before COVID,” Johnston said.

Employers agree there were questions at first that are being ironed out.

“The issue for us has been: How do you deal with this?” Baar said, adding that he anticipates precautions to remain in place into next year. “You get such conflicting information. As things develop, we have been getting more clarity.”

As well, Baar thinks the coming months will bring more clarity to the actions taken since mid-March.

“When there’s a lack of information, it’s difficult,” Baar said. “You can make it political, but at some level, our politicians are all trying to do the right thing. I have a hard time second guessing their decisions. That not I don’t, but the country has so many thought processes going on right now, it’s hard to balance and understand what the right decisions are.

— NATE BAAR
President of Healthbaar LLC

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- cleaning manufacturers as they open with strict restrictions to prevent further spread of the deadly coronavirus and protect workers.

**Statements from the board of the Grand Rapids Area Chamber of Commerce recently approved the group’s Smart Restart agenda, which includes a series of policy recommendations for local, state and federal policymakers to jumpstart economic activity. They include various tax deferments, liability protections and business interruption insurance.**

“We want to connect our policymakers with people in the business community to talk about how they’re preparing to open,” Johnston said.

**Seeking clarity**

In recent weeks, Whitmer’s critics have ramped up claims that her phased reopening plan is too vague.

Johnston said it remains unclear the phase in which individual industries may fall. For example, Whitmer effectively moved the up north restaurant and bar industry into phase 4. As more regions of the state advance in phases, Johnston said it should be clarified what size gatherings are allowed. Whitmer’s May 21 order authorizes small gatherings of up to 10 people, but Johnston said it’s not clear what’s in store for gatherings of 50-100 people, for example.

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A SBA turns focus to PPP loan forgiveness

our approving more loans in six weeks than during the prior nearly 60 years combined, the U.S. Small Business Administration now looks to provide debt forgiveness to borrowers.

Under the SBA’s Paycheck Protection Program, small businesses can earn forgiveness if they spend 75 percent of their loan amount on payroll expenses within an eight-week period. Borrowers with a PPP loan can now begin preparing to apply for forgiveness under initial guidance the U.S. Department of Treasury issued May 15.

“We’re just trying to hone in our forgiveness so that small business owners and lenders have what they need when it comes to complying with the forgiveness of this debt that essentially the lenders have on their books,” said Bob Scott, Great Lakes regional administrator for the SBA. “The prospect of debt these borrowers have, we want to make sure that it is truly forgiven and that it is complied with so we don’t sadde small business owners with more debt to hurt them down the road.”

The 11-page document provides instructions, definitions and forms to calculate full-time equivalent employees, what percentage of the SBA-backed loan proceeds a borrower applied to payroll expenses, and what went to other qualified business expenses. Borrowers may use up to 25 percent of their PPP loan for business expenses such as utilities, rent, debt incurred before Feb. 15, internet and cell phone service, and transportation.

Those threshold requirements for spending PPP money could change, Scott said. The SBA awaits action in Congress that would double the compliance period to use PPP loan proceeds from eight to 16 weeks, Scott said. Some lenders “are a little wary, essentially, to do a loan right now” under the PPP because they worry whether the borrower can fully comply and make the loan fully forgivable, Scott said.

That change would “certainly renew interest in the PPP” after massive demand in the early weeks, he said.

The SBA wants to maximize how many PPP borrowers can qualify for partial or full loan forgiveness, Scott said.

If a PPP borrower is unable to put 75 percent of the money toward payroll, it could still qualify for partial forgiveness, he said. Small businesses would then have two years to pay back the unforgiven amount to their lender at a 1 percent interest rate. They would have to start repayment one week within six months from the date of disapproval.

“It’s not an all or nothing proposition. It would be scalable,” Scott said. “What we’re planning on is giving business owners a little bit of these loans with forgiveness with some of them being paid back.

Frontloading benefits

One potential way for a business to help meet the 75 percent threshold to get full forgiveness from payroll expenses is to frontload employees’ 401(k) retirement plans, said Mike Tierney, CEO of the Community Bankers of Michigan.

“If they extend the eight-week payroll period as many businesses are still forced to remain closed or operating at less than full capacity and will lower the 75 percent payroll requirement for the use of the funds,” Tierney said in an email to MiBiz. “That would give business owners a lot more flexibility in how they use the funds.”

Questions remain

The present eight-week period written into the federal CARES Act that created the PPP has been one of the “big questions on everyone’s minds,” as is the potential for Congress to change the requirement for borrowers to use 75 percent of the money for payroll expenses, said Mike Tierney, CEO of the Community Bankers of Michigan.

“Will they extend the eight-week payroll period as many businesses are still forced to remain closed or operating at less than full capacity and will they lower the 75 percent payroll requirement for the use of the funds?” Tierney said in an email to MiBiz. “That would give business owners a lot more flexibility in how they use the funds.”

The SBA turns focus to PPP loan forgiveness

By MARK SANCHEZ | MiBiz

SBA turns focus to PPP loan forgiveness

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State outlook

After a deep second quarter decline, University of Michigan economists predict the state’s economy will partly recover in the latter half of the year to post annual growth of 1.7 percent for all of 2020, and 1 percent in 2021.

“This is a very challenging time for Michigan’s economy and families. There’s a great deal of uncertainty about the magnitude, and much of that uncertainty stems from the uncertain path of the COVID-19 pandemic,” University of Michigan economist Chris Euler told state lawmakers earlier this month.

However, the outlook assumes that the pandemic will not have a “major second wave” later in 2020 that delivers another blow to the state’s economy.

“We are not forecasting a major second wave of the pandemic that would cause the same sort of economic disruption and shutdowns that we’ve seen in the first wave,” Euler said.

In an updated outlook, Comerica Inc. economists project a 32.6 percent decline in state Real GDP for Michigan in the April-to-June period, led by the manufacturing sector that was largely shut down for weeks and is just now beginning to reopen. The state’s Real GDP began to dip in the first quarter with a 4.3 percent decrease.

Comerica projects a rebound of 12.6 percent in the third quarter. Real GDP for Michigan would then dip 2 percent in the fourth quarter, before returning to growth in 2021.

U.S. outlook

Nationally, Comerica Inc. projects a “W-shaped pattern” for U.S. economic performance. The Comerica outlook projects a 28.3 percent decline in Real GDP in the U.S. for the second quarter, followed by 12.1 percent growth in the third quarter and a modest 2.6 percent decline in the final three months of 2020 “as the pandemic impacts parts itself and social mitigation policies are strengthened,” according to Comerica.

The University of Michigan’s latest outlook for the U.S. calls for an overall 4 percent decline in Real GDP for all of 2020, with a 30 percent decline in the second quarter alone. The national economy would then see a “significant rebound in the third quarter as a lot of restrictions on businesses are relaxed,” U.S. Financial Specialist Daniil Manaenkov said during the legislature’s May 15 revenue estimating conference. The U.S. economy would then dip 2 percent in the fourth quarter and a modest 2.6 percent decline in the final three months of 2020 “as the pandemic impacts parts itself and social mitigation policies are strengthened,” according to Comerica.

More SBA tools

Given the down economy, the SBA now looks to push a traditional small business lending program known as 7(a) Express, which offers loans of up to $350,000. The CARES Act increased that amount to $1 million, Scott said. Congress also raised the federal guarantee for 7(a) loans from 50 percent to make it more attractive to lenders, he said.

Following the 2008 financial crisis, Congress raised the federal guarantee on 7(a) loans to 90 percent. An SBA 7(a) loan could provide a source of capital for small businesses during the economic downturn brought on by the pandemic, Scott said.

“Now is going to be a long-term effort. It isn’t going to be these states opening up and the flip of a switch and everything gets back to pre-COVID. This is going to be months of recovery, if not years,” he said. “We’re going to be here for a long time and engaged in all communities.”

May 26, 2020 / MiBiz

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Continental Linen Services right-sizes business, adapts to new environment

By JOE BOOMGAARD | MIBiz

KALAMAZOO — The 121-year-old Continental Linen Services Inc. helps customers keep their workplaces sanitary and clean.

In the middle of a global health crisis, the Kalamazoo-based company’s services such as uniform rentals, towels, linens and safety apparel are highly in demand.

The problem: A significant chunk of the company’s customers are not operating right now, however, and have been forced to close their doors by statewide social distancing and stay-home measures.

As a result, Continental Linen Services has had to scale down its business, which operates from six locations in the Lower Peninsula, to match the revenues that are coming in from the customers in hospitality and retail that remained open, said owner and President Kurt Vander Meer.

The company was coming off 2019 in which it made a $2.4 million investment into expanding its laundry processing facility in Kalamazoo to better accommodate the increased volume of business.

“We got that done, got it behind us and we’re cruising right along. Then we got into March and kaboom,” Vander Meer said of the COVID-19 pandemic. “It’s really hit us quite substantially.”

CLS furloughed some of its workforce and had to implement layoffs to adjust for the loss of volume. Vander Meer also said CSLs applied for and received a U.S. Small Business Administration Paycheck Protection Program loan, which “has been extremely helpful for us in helping to pay our workers.”

“It’s far cry from where I’d like to be, but it’s been very helpful, absolutely — very needed,” he said. “The overwhelming theme — always is to find out what the situation is. We’re managing very short term, we’ve scaled our company very nicely. The blessing I have is I’ve got an amazing team around me that’s very creative, very resilient.”

Over the last couple of months of operating in the pandemic, CSLs has been particularly useful in working with customers that have remained open, according to Vander Meer. The selling point for customers is that they can control the safety and cleanliness of workers’ clothing, while also building a team mentality and a corporate image, he said.

“Those uniform programs are such a big deal right now,” he said. “It’s been a good thing for our business. We’ve seen quite a lift in the customers that are open.

For the customers that have been closed, CSLs focuses on outreach and communication on a weekly basis to see if they still need have the company can serve.

Vander Meer said that unfortunately, not all customers will make it through the current crisis, through no fault of their own.

“That hurts. They had no control over this and they have to make a decision to shut or go out of business. Losing those long-term business friends is probably the worst in all this,” he said. “And then you have all those people that are stranded without jobs. There’s not a lot of good there.”

Vander Meer has witnessed positivity by way of the entrepreneurial spirit Michigan businesses have demonstrated during the difficult times. He cites as one example of their adaptability the rapid shift to remote work in the last few months.

“Sometimes you kind of march in place and it’s what you do; you create your ritual,” Vander Meer said. “This disturbed it, and challenged the status quo of the ritual.

“For the first few days, we would talk and meet and collaborate as a team, and we would hear, ‘We’ve always done it this way. We can’t do this, we can’t do that.’ It just flipped, so the rule book you hadn’t done. You’re going to create new rules, new processes, and some of that has been really good. Some of it’s really hard. We’ve just got to think differently. Customers are going to need something different.”

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Seven Generations A+E transitions to remote work to deliver ongoing federal projects

By JOE BOOMGAARD | MIBiz

KALAMAZOO — Even as construction and development projects came to a halt for several weeks as states and the nation reacted to the spread of COVID-19, Seven Generations Architecture & Engineering LLC has remained busy.

The 30-person firm works on a range of federal government projects, which provided a needed cushion to keep all the company’s employees working, albeit remotely from their homes and not Seven Generations’ new headquarters in downtown Kalamazoo.

While the company did not think about planning for a pandemic as part of its business strategy, it did bake into its model the flexibility to allow employees to work remotely when necessary, said President Jeremy Berg.

Now, Berg is unsure if always working from an office will be entirely necessary in the future. He envisions a future in which people schedule times for desks and use the office primarily for team meetings.

“I’m thinking of the office as more of the collaboration zone and figuring out does everybody need to be at the office. I don’t think so, to be honest with you, after this,” Berg said. “If you’ve got an important meeting and you want to get the team together in person and work through some stuff, then absolutely you do that, but then maybe two or three days of the four or five days of the week, people are working remotely. It’s all on the table.”

Seven Generations, which is wholly owned by Mno-Bmadens, the independent non-gaming investment arm of the Pokagon Band of Potawatomi Indians, already has started to modify its offices to add barriers and rethink common gathering areas to keep people safe and allow for more distancing.

The firm is taking the same internal lessons and applying them to client work, he said.

“People think through the implications of office environments in a post-pandemic timeframe,” he said.

“This could be a watershed moment with many implications, like 9/11 was to airport and transportation security,” Berg said.

“I can’t say I have the answers, but I certainly believe there’s going to be changes in the working environments and the way we are having to be in the office as much, can we work remotely.”

“I think there’s benefits of getting together and working side by side, but we do have to do that all the time! … You look at open office environments. Do those make as much sense anymore?” I think we have to really look critically at our spaces and try to figure out what does make the most sense.”

Steve VandenBusche, vice president of practice and senior health care partner at Seven Generations, said the current situation could lead more companies to move toward outdoor spaces or extend their footprints to provide more space for social distancing.

“I think there’s going to be more prominence for outdoor spaces in the new world,” he said. “Looking at outdoor program space as more of an asset, whereas maybe before, that sort of green space or trail system or whatever around the building wasn’t as important an asset, for example.”

VandenBusche said the firm’s federal work, including a $30 million office building at the Lackland Air Force Base in San Antonio, Texas, continues to move forward, some of its local projects in Southwest Michigan have hit pause. Likewise, some of its tribal work also has stalled as parts of Indian Country have been devastated by the COVID-19 pandemic, while other projects continue to move along, including a housing development for the Bay Mills Indian Community near Sault Ste. Marie.

Berg guesses it will be a “mixed bag” as to whether work on the boards for some commercial projects will move forward or be scrapped.

“If I’m a developer, if I’m building a hotel, it’d be hard for me to say let’s do it right now. There’s just so much uncertainty,” he said, noting that he expects “a slow restart” to the national economy.

Seven Generations also has benefited from being able to have executive-level discussions with the other platform companies of Mno-Bmadens, as well as from sharing back-office functions such as human resources.

“That is one of our advantages,” Berg said. “We’re backed by another organization and have sister companies and have resources and the ability to just have candid conversations about what’s happening and what’s best to deal with it.”

Berg said, “We feel fortunate that we’re in a position where we’re all working and we foresee us all working for the long haul. I know there’s other companies in town that do work similar to us that don’t feel that optimistically.”

Midwest Realty stays nimble to react to coming commercial real estate evolution

By JOE BOOMGAARD | MIBiz

PORTAGE — The COVID-19 pandemic has accelerated a wave of changes that could fundamentally shift the commercial real estate market in the months ahead.

That’s according to Rick Dekam, principal of Midwest Realty Group LLC, a Portage-based commercial real estate brokerage, development and property management firm.

In particular, Dekam said the influence of technology on how businesses operate and what their space needs will be in the future, as well as how the effects it has had on the retail sector.

“Our society is constantly evolving with technology,” he said. “What (the pandemic and shutdown) did was it helped all of us realize that, with the technology that we already have, we were able to implement it, more lean on it and continue to stay open even though we were all at home. It’s helped all of us realize a number of things that we really weren’t embracing prior to this.”

Companies that never had a remote workforce transformed their business model overnight and “are in many cases finding to some degree that they’re more effective working remotely,” Dekam said.

“I’m concerned about (that because) it’s going to fundamentally change office space and office requirements,” he said.

As a small company, Midwest Realty has been managing their operations without any major issues, Dekam said. Before the state-mandated shutdown, the company was working through a number of transactions and closing on some of those that were having difficulty paying their rent, but more recently the new brokerage activity grind to a halt.

“Most people are trying to figure out how to adjust to the new normal versus expanding,” Dekam said. “There were people before the shutdown that we were talking to about expansions and additional locations that are at this point talking to me about closing. It’s been a complete reversal.”

As well, the firm has experienced some tenants having difficulty paying their rent, but more concerning for Dekam are the long-term tenants that are closing down or unexpectedly not renewing their leases. He understands their reluctance to sign up for long-term leases “if you don’t know where your future is,” but from a landlord’s perspective, “the last thing you want is to have a good tenant terminate its lease.”

Dekam thinks the sky is not falling for the commercial real estate market, but companies like his will have to be quick and make adjustments to stay on top.

“It’d be a mistake to make absolute decisions right now because this is so new and nobody really knows where any of this is going,” he said, noting he’s “not making drastic changes” because of the evolving situation.

“To not be talking about it and trying to figure out where these new normal paths are going to fall is a mistake. At this point, we’re just doing a lot of talking and trying to just figure out where this is going,” he said. “You’ve got to be a little bit nimble and be able to identify what’s happening in your industry and be able to move cautiously down that new path. We don’t know what that path is yet, but we’re exploring it aggressively.”

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Kurt Vander Meer, President of Continental Linen Services Inc., COURTESY PHOTO

Jeremy Berg, President of Seven Generations A+E, COURTESY PHOTO

Rick Dekam, Principal of Midwest Realty Group LLC. COURTESY PHOTO

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**Banker beware**

Banking executive Craig Dahl said it perfectly.

In a recent conference call, the president and CEO of Detroit-based TCF Financial Corp., the parent company of what remains known in Michigan as Chemical Bank — voiced a simple ethic that all business owners, no matter their industry or their size, must keep in mind in the COVID-19 pandemic.

“Times like these are when the greatest companies show their colors,’’ Dahl said during the conference call in which TCF Financial executives discussed their quarterly financial results.

His sentiment is particularly true in banking these days when companies large and small have any number of options as both banks and credit unions eagerly compete for their business.

In fact, many small business owners recently expressed uncharacteristic with their bank’s handling of the U.S. Small Business Administration’s Paycheck Protection Program. Some are not the least bit shy in voicing their anger and frustration over social media.

One recent example is Rudy Malmquist, the owner of Minotopia Inc., a Grand Rapids-based development company. He recently posted on Twitter that he was “ignored for three weeks’ by his large bank, where he had been a client for many years.

“I switched to a local bank & had approval for my PPP loan in hours,” Malmquist tweeted. “It felt good to be able to move all my business & personal accounts very soon!”

In a recent conversation, Malmquist told me that one of his biggest frustrations with his now-former bank was a lack of information or response, and not knowing the status of his PPP loan application. In three weeks of waiting, he heard nothing other than receiving automated emails when the SBA ran out of funding for the first round of the PPP on April 16. He also was able to go online to check the status of his application.

When he checked one last time after the PPP resumed for the second round, Malmquist decided he was done with them. This is a pivotal time.

“Some of that is really going to be determined by how quickly the economy recovers, how quickly businesses can reopen, what we find as we reopen and how the virus causes growth rates for 2020 are hard to predict,” Gill said.

“The corporation recorded $1.7 million in net income for 2019, up from nearly $1.4 million the year prior,” Gill emphasized. “We’re facing an unprecedented circumstance,” Bilotti told MiBiz. “We feel that until we have a better understanding of the severity of the economic impact, we want to be certain that we have adequate resources to manage through this crisis and serve the interests of our customers.”

“Times like these are when the greatest companies show their colors. These are unprecedented times,” and accommodate growth, Gill said.

“grand River Commerce plans to raise the ‘buttoness’ existing resources

By MARK SANCHEZ | MiBiz msanchez@mibiz.com

**GRANDVILLE — The parent company for Grand River Bank wants to raise $7.5 million to provide a cushion for the economic downturn brought on by the COVID-19 pandemic.**

Grand River Commerce Inc. aims to raise the capital through a debt offering, according to a recent filing with federal securities regulators.

The offering “is in many ways based on the uncertain circumstances that we’re all facing right now” from the pandemic, Grand River Commerce President and CEO Robert Bilotti said.

“We’re facing an unprecedented circumstance,” Bilotti told MiBiz. “We feel that until we have a better understanding of the severity of the economic impact, we want to be certain that we have adequate resources to manage through this crisis and serve the interests of our customers.

“From a capital standpoint, it makes sense for Grand River Commerce planned to approach existing shareholders and clients first to participate in the debt offering. The additional capital also will go to support clients that continue to grow even in the economic downturn, Bilotti said.

“Times like these are when the greatest companies show their colors. These are unprecedented times,” and accommodate growth, Gill said.

“The holding company pursues the offering as the region continues to grapple with the COVID-19 pandemic and its economic fallout. However, it comes after the company put up strong growth in 2019.

Grand River Commerce last year grew total assets by 21.5 percent over the previous year to $321.2 million. Total deposits grew nearly 24 percent in 2019 to end the year at $279.9 million, and total loans increased 21.4 percent to $289.8 million, according to an annual financial report posted on the bank’s website. Grand River Commerce has more than doubled assets, loans and deposits since 2015.

The corporation recorded $1.7 million in net income for 2019, up from nearly $1.4 million the year prior.

It was a great year and a great run,” Grand River Bank CEO Pat Gill said of the 2019 results.

Given the pandemic and its effect on the economy, growth rates for 2020 are hard to predict, Gill said.

“Some of that is really going to be determined by how quickly the economy recovers, how quickly businesses can reopen, what we find as we reopen and how the virus behaves,” he said. “There’s a lot of things about which there’s a great deal of uncertainty.”
CF Financial Corp. approved more than 16,000 U.S. Small Business Administration Paycheck Protection Program loans for $2 billion, all while adapting to the COVID-19 pandemic as most non-branch employees transitioned to working from home.

During that time, the Detroit-based TCF Financial maintained progress on the integration of TCF Bank and Chemical Bank following the $3.6 billion merger with the former Chemical Financial Corp. on Aug. 1, 2019. After the integration, Chemical Bank offices will take on the TCF name.

Torgow spoke recently with TCF President and CEO Craig Dahl and Executive Chairman Gary Torgow about the PPP, managing through the pandemic, and the pending integration.

The SBA put almost $350 billion into the field in a week for the PPP’s first round and worked with a lot of banks. What was the biggest challenge in getting it up and operating so quickly?

TORGOW: The SBA and Treasury getting the system to work. The SBA never had this kind of volume. They were a much smaller producer, and the challenge for us was being able to get into their system, getting the guidance from them about what to do and what kind of application (to use). They went through two or three application processes before we got the right one from them. I think the biggest challenge was just getting into the SBA system and making sure that we were compliant with the documents. We had quite a number of iterations until they got to the final application. Once we got into the system, the SBA worked well with us. ... I think it worked pretty seamlessly.

What surprised you about the PPP?

DAHL: This was intended to fund roughly two and a half months of payroll for small businesses. I support how fast the money went out because it had to. If these business owners weren’t certain about getting the money, there’s no way they could keep employees on the payroll. We had over 220,000 employees impacted by the loans that we made. Take that across the whole system, and that's a big deal. There was nothing ever done this fast, but this was something that required it to be fast.

What has the huge demand for PPP loans told you?

TORGOW: The COVID-19 pandemic struck the country economically in a way that without that really important government infusion, without bank cooperation, without everybody coming together, the economic damage would be worse than it is. What it told us is that the government smartly reacted quickly. They were also in very unchartered territory. We haven’t seen anything like this in a stimulus program.

Continuing stimulus opportunities are going to be very critical to keeping the economy, the businesses and the people afloat until this pandemic is over and we can see economic recovery.

What have you learned from the last two months?

TORGOW: I don’t think everyone is aware of how little cash on hand these small businesses operate with. They’re spending tomorrow’s revenue today in some of these. So, that’s the big takeaway that people need to understand. They’re not going to operate with a cash cushion that’s going to allow them to withstand (the effects of a major revenue disruption).

The other thing I want to point out is that it’s different than the last recession where businesses could be criticized for making moves or whatever. Even at TIF, the first two months (of 2020), we had normal, good months. We were right on our plan. All of a sudden all of those plans went right out the window. These companies were in the same boat. They were not making mistakes leading up to this cash shortage. Their revenue went to zero overnight.

If Congress decides to do another PPP round or another form of stimulus, what advice do you have?

TORGOW: What we want Congress to concentrate on is what we believe is the foundation of communities, which is the small businesses, the small mom-and-pop shops, the restaurants, the little apartment building with four or five residences. We want to make sure the underpinnings of the community are supported through this, and we don’t want to see businesses close. We want to see businesses strengthened. I think that if government is going to continue to aim, they should aim at those who suffer the most through the economic decline that we’re in. If I were talking to Congress, I would be talking about the urban centers, the inner cities, the places that were hit the hardest with the health crisis and the economic crisis. Those are people that need help the most.

How have the lessons from the last financial crisis affected decisions in this crisis?

TORGOW: The lessons that we learned from the systemic debacle of ’08, ’09 and ’10 was that we, at least in our industry, recognized that banks do have to stay strong and healthy and very supportive as a community, and we have to work and act fast. We had to be concerned about the health of our employees. We had to make sure everybody was safe, and nobody got sick, and kept 85 percent of our branches open so that people could get to their accounts and could feel that the bank is responsive to them. Those were very important lessons. There was a very slow response in ’08 and ’09 and in many respects, it was the banks that were suffering the most during those times, which turned out to be the suffering of customers and communities.

How has the pandemic altered how you run the business?

TORGOW: A couple of things will occur. One of those is really getting a sense of who can work from home, as opposed to working in the office, and where their comfort levels are. The second is we’ve recognized for the next period of time, customers are going to need continued support. We’re going to need to continue to do the business that we did before, which is approving loans so people can have their ability to grow the businesses that they want, and we want to make sure we’re there for them. It will make us look very deeply at the employee situation and the customer situation to make sure that we are responding very well.

What’s the status of the integration of Chemical Bank and TCF Bank after last year’s corporate merger?

DAHL: Despite all of the obstacles that have just propped up in the last 60 days, we are really proud of the response our team has made. Over 90 percent of our non-branch staff is working from home now and it’s gone extremely well. We remain on track for our integration, which is in the third quarter. We’re excited to bring forth the one system and the one solution to all of our customers. Everything’s still on track.

How do you see the pandemic permanently changing your industry?

DAHL: Some of the things have already happened. What’s the role of the branch going to be? How well do your digital tools work? And how does your customer base accept and adopt them? There were a lot of people that were critical of our branch system having all of these drive-ups, and yet that was the key for us to be able to service our customer base by having that drive-up function during a time when we kept over 80 percent of our branches open. We understand that change management is going to be very important on the other side of this as well.

Does the current situation accelerate the use of digital banking options?

DAHL: Every part of the digital experience is going to be advanced here. You see the way we’re conducting meetings, you see the way we’re communicating with each other. I think there’s going to be less travel. I think people are going to be utilizing the tools they have been given during the pandemic, and customers are going to be more adept. We’re going to be in a good place with this conversion in advancing our technological opportunities for customers, and more and more the customers are going to use it and appreciate it and feel more comfortable. They are going to drive themselves into those areas because of what’s happened.

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Brokers make adjustments, brace for market changes in wake of COVID-19

By JAYSON BUSSA | MiBiz
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fter a day filled with showing commercial space to a potential client, Bryan Bench felt like his professional life had briefly returned to what it was before the disruption that came with the global COVID-19 pandemic. “I was surprisingly pretty doggone busy (today),” said Bench, commercial manager and partner at Muskegon-based Core Realty Partners LLC. “It almost felt like a normal day.”

While Bench and his colleagues returned to the job full force on May 7 under an updated executive order from Gov. Gretchen Whitmer that applied to the construction and real estate industries, they still face plenty of uncertainties as the state looks to slowly jumpstart the economy.

The questions commercial brokers are considering include what will happen to inventory, when to expect new demand return and what types of businesses will come calling first.

Common sense approach

Enhanced safety measures and best practices are a major emphasis for any business that has returned as the statewide COVID-19 pandemic appears to be on a downward curve. While the commercial real estate industry certainly has its share of cutting-edge tools available, including the ability to provide as much as a 360-degree virtual tour of a property without a potential client ever having to venture out in public, the process of showing space remains relatively unchanged save for a few common sense practices.

“We might have a little bit more Zoom and telephone communication — maybe (a client won’t) go out looking at a property until they really have to,” said Tom Postma, principal at the Colliers International office in Holland. “But it’s different from residential, where you’re going into someone’s house. A lot of time, (commercial space) is empty space so you don’t worry about coming into contact with people. “We have had some showings where everyone has a face mask and everyone stays six feet apart. That’s easy to do in a large industrial space.”

While virtual tours are an often-used solution in residential real estate, when it comes to commercial real estate, “People still like the touch and feel of real estate, to walk through it and see it,” Postma said.

While Core Realty’s Bench admitted that the safety measures do feel a bit more relaxed when compared to an industry like construction, or even the residential side of real estate, that doesn’t mean that commercial brokers are throwing caution to the wind when it comes to safety. “There have been times where I’m showing a space and maybe I’ll handle opening all the doors and turning on the lights — they don’t have to do any of that,” said Bench. “It’s common sense things like that. It’s important to use that common sense no matter what type of business you’re in.”

Taking the pulse

When it comes to the three primary sectors of commercial real estate — industrial, office and retail — the crystal ball respectively turns from fairly clear to a hazy mess. Commercial brokers appear to be quite confident that the two-month shutdown of virtually the entire economy won’t be enough to rattle the industrial sector of the West Michigan economy. “Industrial still (has) a very limited market,” said Postma, who specializes in industrial real estate for Colliers. “I don’t see this really affecting our industrial market at all. I’m seeing people getting back to work and opening up and starting to inquire about space. I feel good about that.”

Postma also labeled the sector as a driving force for all other sectors in the local economy, making it positive news that many industrial businesses are able to get back on the job — and safely.

Part of that quick return to work can be attributed to the nature of the spaces and how today’s work is completed.

“A lot of factories are less employees and more machinery,” Postma said. “The 10-foot and six-foot distances are not really an issue in manufacturing spaces. It might be different if you get into a meat packing plant where people are side by side, but you see a lot more automation and less employees per square foot than you used to.”

Matt Abraham, senior real estate advisor for Grand Rapids-based First Companies, was just as bullish on the industrial sector.

“It’s a strong sector in the West Michigan economy — lower end of supply and high level of demand,” he said. “As we come out of this, my expectations will be that it won’t be 100 percent like it was pre-COVID, but it will certainly come back at a much quicker clip than other sectors.”

The outlook in regards to demand for office space gets a little murkier while the retail market is still clouded.

Co-working spaces such as Blue15 in Grand Rapids could become increasingly popular office options for companies as more employees transition to working from home.

“There are countering arguments (in regard to demand for office space) where one argument is that more space will be needed and the other argument is that less will be needed because more people can work from home or remotely,” Abraham said. “I think social distancing measures could lead to greater space needs. ‘My sense is that both of those poles will exist in the short term, but in the long term, there won’t be much change.’

‘Very different’

Count Rick DeKam, principal at Portage-based Midwest Realty Group LLC, in the camp expecting office spaces will shrink coming out of the pandemic.

“I don’t think they’re going to completely do away with their office needs because I still think you need a touchdown place, or a place to have meetings, or a print center,” DeKam said. “But I think people are going to reevaluate how they are utilizing their office space. It might take a few years, but as a result, the footprint sizes are going to be smaller and there’s going to be more space sharing like with touchdown centers … and co-working solutions.”

Combine that with worries that the growing federal debt tied to stimulus packages will have a deflationary effect on the economy, and DeKam thinks the economics of office properties could be in for an upheaval if property values dip and owners “overnight” get upside down on their holdings.

“That’s right at the tip of our nose right now,” he said. “What we’re moving into now is going to be very different.”

“As we come out of this, my expectations will be that (industrial) won’t be 100 percent like it was pre-COVID, but it will certainly come back at a much quicker clip than other sectors.”

— MATT ABRAHAM
Senior Real Estate Advisor at First Companies

As well, DeKam thinks the reliance on e-commerce retailers like Amazon.com during the pandemic “added gas to the fire” of a “retail evolution” that’s been taking shape in the past few years.

For his part, Postma had more questions than answers for how the retail market would emerge from this stalled economy.

“Retail is probably the biggest question mark,” he said. “The smaller businesses that have been shut down, how are they going to sustain this? Are we going to see a little bit of space open up because people go out of business?”

MiBiz Editor Joe Boomgaard contributed to this report.

Visit www.mibiz.com

MiBiz / MAY 26, 2020
Do you have the competitive edge to land your next job?

D
o you have the skills, experience, degree or certification that will help you stand out when it comes to the competition for your next job? With more individuals competing for open positions, it is more important than ever that your resume shows a competitive edge.

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Complete or earn a degree
Research shows that when you add a degree — whether you finish a degree you’ve started or add a graduate degree to your resume — you increase your job prospects. According to a study by the Center on Education and the Workforce, college graduates see 57% more job opportunities than non-graduates, and an estimated two-thirds of all jobs in the next year will require postsecondary education.

There are a number of opportunities to help you navigate the costs of earning a degree as well. From employer-sponsored scholarships to those offered by universities, there are options available to help make your degree more affordable.

In fact, Davenport University is offering several options for scholarships for students interested in getting or completing a degree. It has partnered with employers to offer its Corporate Education Scholarship to their employees. Employer partners include DTE, Gordon Foods and Metro Health. Davenport is also offering individuals laid-off or furloughed because of COVID-19, an $8,000 scholarship per year for four years. Anyone interested in these opportunities can visit davenport.edu to learn more.

Level-up your interview skills
How long has it been since you have been through an interview, brushed up your resume or thought about updating your LinkedIn profile? Now is the time to brush up your skills. In order to land your next job or a better job, you need to be able to walk in with confidence to show how capable you are in taking on a new role. And confidence comes with a little homework.

There are free resources to help you brush up your skills including mock-interview websites, online tips and tricks covering important resume updates and best practices for your LinkedIn profile. Remember, LinkedIn is the modern, digital representation of your resume — so it pays off to make sure it’s on-point.

Davenport University is also offering a free, three-credit course for laid-off or furloughed individuals who are looking to brush up on these skills. Anyone interested in this course can apply today by visiting davenport.edu/CareerBuilder.

With more and more individuals in the market for a new job, it pays to make sure you have a competitive edge. Take a proactive step now to ensure you’re ready to land the job of your dreams tomorrow.
Internships go virtual in era of social distancing

By MARK SANCHEZ | MiBiz
msanchez@mibiz.com

In the wake of the coronavi- rus outbreak, many companies delayed the start of new intern- ships by weeks, if not a month in some programs.

Then there’s Open System Technologies Inc., which this summer will hire 15 interns from afar.

Rather than canceling or delay- ing its 2020 summer intern program because of the COVID-19 pandemic, the Grand Rapids-based software developer is among a number of employers that opted to go virtual instead.

In the new era of social distancing and living with COVID-19, OST still needs to cultivate young talent, and summer internship or college stu- dents are a key element to the company’s recruiting strategy. In 2019, OST hired seven of its eight summer interns. Not doing the program this summer was never really a question.

During the COVID-19 pandemic, maintaining that talent pipeline meant transitioning to a remote internship program at OST, which has offices in Grand Rapids and Minneapolis, Minn. “Our goal is to keep our virtual interns as close to our in-person interns as pos- sibly our number-one talent develop- ment pipeline,” said Hanna Staal, senior talent acquisition consultant with OST. “It’s pretty crucial to add- ing to our teams. When we talk about bringing in entry-level talent, this is our preferred way.”

OST puts summer interns to work in design, marketing, applications develop- ment and support, communications, and data analytics, Staal said. Among the considerations for OST’s move to virtual internships for 2020 were whether the work it planned to have interns do could occur remotely, whether the company can properly support interns remotely, and “how do we assure that a remote internship program has enough con- nection there,” she said.

“Do they feel connected and are they engaged, are they supported and how well their total experience pans out,” Staal said of the considerations.

The company is among the numer- ous firms that host college interns dur- ing the summer as an outreach and recruitment tool.

Because of the stay-home orders and travel restrictions that began in March in many states, employers had to make quick decisions on what to do this year, months after they had selected and made arrangements for their 2020 interns.

**Investment into talent**

In West Michigan, SpartanNash Co. (Nasdaq: SPFI) was one the first local employers to transition to remote internships for this summer, Gray said.

The Byron Center-based grocery wholesaler and retailer plans to host 20 interns remotely this summer through locations in Grand Rapids, Minneapolis and Norfolk, Va., said Jamie Belt, SpartanNash’s talent acquisition con- sultant. Interns in accounting, supply chain, information technology and marketing will work remotely on busi- ness projects, job shadow as an assigned mentor, and participate in virtual pro- fessional development events such as executive speakers and professional panels, Belt said.

As it is for many corporations, an intern program is part of a talent recruitment strategy at SpartanNash, she said.

“The goal of our internship pro- gram is to create a pipeline for early- in-career talent, and also provide an opportunity for college students to get hands-on experience to comple- ment what they are learning about in their classrooms,” Belt said.

“This goal remains the same, whether an internship is in-person or virtual. We are con- fident we can provide meaningful work experi- ence to these students by commit- ting to a remote program, and not lose our chance to connect with these talented individuals at the same time.

“The program is an investment into talent that we would like to join our team in the future. Without it, we would not be able to connect with as many bright, early-in-career individ- uals that come into our organization ready to drive innovation.”

**Honoring commitments**

Key to a remote internship program is ensuring that interns still have mean- ingful work, mentorship and new working opportunities, according to executives contacted for this report.

Increased preparation, communica- tion and management remains pivotal.

To a number of college students, earning credit from a summer intern- ship is one of the final steps toward earning a degree and graduating.

As well, the students also may have been counting on the income that goes with the position, Gray said. In encour- aging employers to switch to remote internships rather than outright cancel their programs, Hello West Michigan wants to maintain the abil- ity for students to still get what they need, she said.

“It would really stink if you were a senior and this is the last thing you had to do and you’re going to walk and gradu- ate and have your diploma, to then be told, ‘There’s no internship.’ What a terrible situation that would be,” Gray said.

“It’s a really tough spot to be in.”

That was among the reasoning for OST’s decision to proceed with its 2020 virtual internship program, Staal said.

OST chose interns for this sum- mer back in October and November of 2019. Staal felt a responsibility to proceed with a program this summer, even if it took on a different format.

“They selected some of the people and they could have chosen somewhere else. I just couldn’t in my own conscience know that we canceled an internship program that we were going to give credit for or they needed to be paid,” Staal said.

“We’re going to make this work. We’re going to make this happen for them, even if it’s not ideal and even if it’s a little bit clunky.”

**Finding alternatives**

For students needing credits from an internship to graduate this year, colleges have been working to pro- vide them alternatives.

**At Calvin University**

“On campus, we’re thinking strategically,” said TaRita Johnson, director of the school’s Career Center.

“We’re not going to penalize stu- dents for not getting the experience. We’ll do alternatives to that,” Johnson said.

For college seniors who require an internship or clinical experi- ence to graduate, such as for nursing majors, what they do this summer to get their final credits depends on the requirements of the accrediting body, Johnson said. Nursing, education and social work accrediting bodies “have found alternative ways (for students) to complete hours,” Johnson said.

Education students, for example, can create an online teaching plan, she said.

Calvin also has helped students search for virtual internships and provided additional career coaching, she said.

“There’s no magic pill, but what we can do is walk alongside these stu- dents in the process,” Johnson said. “If an internship is canceled, we can give them tools and equip them in the vir- tual environment and say, ‘We’re going to coach you through this and help you make connections. We’re going to tell you what you need to do and help you find the companies.’”

Many of the employers in the region that bring aboard Calvin stu- dents as interns have indicated they are going to start later than the tradi- tional early May date and condense their programs, Hello West Michigan wants to maintain the abil- ity for students to still get what they need, she said.

“With the scope of the pandemic and its effect on everyday life, students who graduate this year and head to the job market should expect to get ques- tions in a job interview about how they adjusted, Hebreard said.


“Your responses have a strong indicator of your character and how you motivate yourself during chal- lenging circumstances and how you used your gifts in new and exciting ways.”

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HANNA STAAL
Senior Talent Acquisition Consultant
at Open System Technologies Inc.

A small number of Aquinas stu- dents who were doing an internship for credit that abruptly ended when the COVID-19 pandemic spread into Michigan were moved into a project on critical thinking with the Forest Hills Business Association, Hebreard said. The college also created an online career course “to fill in the gap” for students whose internships got suspended and transitioned to a special project to earn credit, she said.

“We’re going to make this work. We’re going to make this happen for them, even if it’s not ideal and even if it’s a little bit clunky.”

— HANNA STAAL
Senior Talent Acquisition Consultant
at Open System Technologies Inc.
Higher ed leaders plan for fall, respond to budget setbacks

By ANDY BALASKOVITZ | MiBiz
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eaders at public universities, commu-
nity colleges and private schools across Michigan are getting a clearer picture of their budget shortfalls resulting from COVID-19, but uncertainty still clouds enrollment prospects and future in-per-
son learning.

The pandemic — and resulting stoppage of on-
campus living, learning and public events — has resulted in hundreds of millions of dollars in lost revenue for higher education. Some were harmed more than others, such as Western Michigan University, which has already made significant layoffs and budget cuts to offset the losses. Schools also received millions of dollars from CARES Act stimulus funds last month, at least half of which is reimbursed to students.

But at this point, school leaders are running through multiple scenarios for spending and teaching students.

“We are planning to offer face-to-face enroll-
ment in the fall and to meet any and all conditions around public health and well-being,” Grand Valley State University President Philomena Mantella said.

Davies told MiBiz, “I say that, but I don’t know 100 percent what those specific conditions are.”

She added that GVSU is planning “multi-
modality enrollment” that may include a mix of online and in-person learning. Most of GVSU’s student housing is private suite-style apartments, while empty event space could be used for classes. Earlier this month, a group of “health technical advisers” including local health experts, hospitals and public safety officials were meeting several times a week.

Central Michigan University also used an emergency management team to focus on pub-
lic health and safety while making sure students “progress along their academic goals,” said President Robert Davies.

The school is planning for four to five differ-
ent scenarios for the fall semester that include a mix of in-person and online classes.

“What will guide us in these efforts is the safety and health of our students and making sure there’s progress toward their academic goals,” he said.

Western Michigan University also is planning to have in-person classes this fall.

“If the government imposes restrictions, we’ll do what’s necessary to safely deliver the curricu-

Mantella

Davies

lum and instruction,” said WMU spokesperson Paula Davis. “It’s hard to predict the future but we want to get back to campus.”

At Davenport University, a private school with 10 campuses across Michigan, adminis-

trators are planning for a mix of classroom and online instruction this fall, according to President Richard Pappas.

“We’ll see what happens. We’ll see how the pandemic (goes). September, while it seems like it’s a long way off, is not,” he said.

Davenport will follow U.S. Centers for Disease Control and Prevention social distancing guide-
lines and require staff and students to wear masks, and will do health screenings and test-

ing such as temperature checks, Pappas said. The university is having its safety plan reviewed by the chief medical officer at Metro Health-

University of Michigan Health.

Since the 1990s, Davenport has offered online learning, so faculty was prepared to handle the transition when the pandemic hit Michigan in March. The university, with 6,800 students, trans-

Davenport

miBiz Senior Writer Mark Sanchez contributed to this story.

into a 2012 article in National Christian

Kuiper

atic givers. Kuiper said, “Any charity that doesn’t violate our

values is fine,” he said. “We will overserve their needs. It’s really important for us to handle the logistics of distributing the products to those families. It has had an immediate impact on our ministry and on the people we serve.”

It really helps show (our customers) what our infra-
structure is capable of,” Nesky said.

Keystone plans to grow the product development business to drive contracts from sales in

its medical devices and other

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ing such as temperature checks, Pappas said. The university is having its safety plan reviewed by the chief medical officer at Metro Health-

University of Michigan Health.

Since the 1990s, Davenport has offered online learning, so faculty was prepared to handle the transition when the pandemic hit Michigan in March. The university, with 6,800 students, trans-

sitioned to all online instruction within two days, “and really had almost no interruption,” Pappas said.

Davenport also decided to offer only online instruction for the summer term, Pappas said.

Reimbursing students

Across the state, higher education institutions saw a swift drop in revenue, primarily from fund-

Mantella

Davies

ing reimbursed to students for room and board. The shortfalls extend into next year with the uncertainty of sporting or other public events.

Michigan State University will have a roughly $50 million budget shortfall this fiscal year, which could reach $300 million the next fiscal year. The University of Michigan could lose as much as $1 billion by the end of 2020.

Western Michigan University faces a shortfall of $45 million this year, which could increase up to $85 million over the coming school year. Over the past month, WMU officials have announced more than 200 layoffs, salary reductions for some staff and a 20 percent cut to its Athletic Department budget. The university has frozen fees related to tuition and room and board.

“The university is under financial strain, but we recognize students and families are also under financial strain,” Davis said.

GVSU’s financial outlook is less bleak. The school anticipates a $13 million shortfall dur-

ing this fiscal year, which can be absorbed by reserves. The school also received $18 million in CARES Act funding. While half of that is required to be returned to students, Mantella said the full amount will be prioritized for students, such as financial aid and internship support.

CMU is facing a broader shortfall of upwards of $25 million, yet it was one of the first public universities in the state to freeze tuition for next year. Last month, the school also announced that it would provide on-campus employment to any first-year student who needs it, deferred pay-

ment and flexible plan options, and an increase in need-based scholarships.

Still, Davies said further budget losses, includ-

ing from lower state appropriations, require a "lot of future prognosticating. We’re planning for nine to 10 different scenarios of operations and bud-

get implications.”

Enrollment future

The pandemic struck as enrollment was decline-
ning at most Michigan public universities, and leaders say it’s too soon to tell whether fall semes-
ter uncertainty will lead to an “off year” or stu-
dents starting their education at community colleges.

Davies said CMU will have a clearer enroll-
ment outlook for the fall over the next month. Over the past decade, CMU’s enrollment declined by about 9,000 students, or roughly 31 percent. From 2018-19, enrollment declined at Michigan public universities by nearly 6,500, one-third of which took place at CMU.

Since CMU’s announcement of scholarships, student jobs and freezing tuition, “our number of deposits and reservations for orientation have started an uptick,” he said. “Will it replace a num-

ber of students who just decide not to go? That’s a whole different discussion.”

At Western, enrollment is down nearly 25 per-
cent over the past 15 years, with year-over-year declines for the past decade.

GVSU’s Mantella says school leaders will need to be intentional about the type of programming they provide while ensuring student safety for families.

“I think there’s going to be some shift and some very significant impacts in college enroll-

ment,” Mantella said. “There will be institutions that struggle with this transition, and we’ll struggle with the disruption. But I think we’ll come out stronger in the end.”

— PHILOMENA MANTELLA

President of Grand Valley State University

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MiBiz Senior Writer Mark Sanchez contributed to this story.

"I think there's going to be some shift and some very significant impacts in college enrollment. There will be institutions that struggle with this transition, and we'll struggle with the disruption. But I think we'll come out stronger in the end."
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Davenport University makes progress on operational improvements, eyes growth

By MARK SANCHEZ | MiBiz
msanchez@mibiz.com

A decade ago, Davenport University retained just 60 percent of students from one fall to the next.

After years of steady improvements, Davenport’s retention rate stood at 77 percent as of 2019, and President Richard Pappas wants to push it further upward to more than 80 percent within five years.

The higher retention rate ranks among the achievements that the private, nonprofit Davenport University targets in a new five-year strategic plan known as Vision 2025 that aims to build on improved outcomes of the past 10 years.

“It raises the bar pretty significantly for our expectations of ourselves and of our students and the impact it’s going to have on the community that we serve,” Pappas said of the Vision 2025 plan that details an array of goals for the university and its colleges.

When Pappas joined Davenport 11 years ago as president, student outcomes “were not as high” as university trustees wanted. He set out to change that with creation of a division on quality and effectiveness, the hiring of a vice president to run the department, and development of key performance indicators based on “what was important to us, what were the things that we were going to measure that tell us that we were doing a good job over time,” Pappas said. That process enabled Davenport to better “know where we are.”

“And if you don’t know where you are, you don’t know where you’re going,” he said.

Through an emphasis on performance data, metrics, data analytics and market research, Davenport has raised key performance outcomes.

Over the decade from 2009 to 2019, Davenport’s graduation rate increased from a low of 19 percent to 49 percent, rivaling other public and private colleges in Michigan. The Vision 2025 plan targets further improvement in the graduation rate to 55 percent.

Davenport’s satisfaction rate among graduates improved over the decade from 88 percent to 95 percent. The employment rate among graduates has increased as well, to 92 percent as of 2019 compared to 84 percent in 2013.

In driving a higher retention rate, Pappas credits an initiative that provides more support and peer mentoring for first-generation college students “who didn’t have someone to guide them in the past.” The effort works to make sure first-generation students are “making the right choices” and to help them navigate new issues in their family had prior experience with, he said.

“If you’re going to lose your first-generation students, our studies show that you’re going to lose them in the first year, so it’s really key that we have very strong first-year planning for this first-generation group,” said Pappas, who calls raising the retention rate “one of the more challenging things in Vision 2025.”

“If we raise that group up, we will raise that (retention rate) into the 80s,” he said.

Davenport today also has a better student mix. In 2009, seven out of 10 Davenport students were adults working on a graduate degree. Today, enrollment is evenly split between adults and traditional college-age students. Graduate student enrollment also has more than doubled to 21 percent of total enrollment.

“We are in a much better shape than we’ve been in a long time,” Pappas said. “We’re really raised the bar.”

Other changes Davenport has made over the years include closing smaller campuses in Battle Creek and elsewhere where the university could not offer a full schedule. The university also moved campuses in Kalamazoo and Midland into local community colleges and decided not to compete with community colleges for many two-year associate degrees.

In the years after the Great Recession, Davenport’s enrollment spiked to more than 12,000 in 2013, a time when many colleges grew as people who lost their jobs during the economic downturn went back to school. Enrollment then declined in the years after the recession when the economy improved and part-time students went back to work. Other losses stemmed from eliminating many two-year degrees, closing some campuses, and raising admission standards, Pappas said.

Over the last decade, Davenport has launched 24 new degree programs. They include forming new graduate programs in data analytics and cybersecurity, plus bachelor degrees in nursing, occupational therapy, health informatics and information management.

Davenport’s enrollment now stands at about 6,800 students at campuses in Caledonia and Grand Rapids, plus Holland, in Kalamazoo at Kalamazoo Valley Community College, Lansing, Midland, Traverse City, Warren, and two in Detroit. More than half of the students are at campuses in West Michigan.

The university’s Vision 2025 aims to find ways to grow Davenport’s enrollment again. Pappas expects the university to exceed 8,000 students within five years under the new strategic plan.

“If we envision enrollment growing again and growing to a good number,” Pappas said. “But really most important to us is we are graduating, are we retaining, and are we placing them in goods jobs? All of it’s important. If you’re enrolling students who aren’t going to be retained, you’re doing them and yourself no good.”

In February, Davenport received the 2020 Michigan Performance Excellence Award from the nonprofit Michigan Performance Excellence (MPEX), which uses criteria from the prestigious Malcolm Baldrige National Quality Award presented annually by the U.S. Department of Commerce. The state award indicates “that we are definitely on the right track,” said Pappas, who hopes Davenport can win the national Malcolm Baldrige National Quality Award.

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MAY 26, 2020 / MiBiz
Uncertain future ahead for state’s ‘Futures for Frontliners’ program

By JESSICA YOUNG | MiBiz jyoung@mibiz.com

A new program aims to give frontline workers in the COVID-19 pandemic a pathway into higher education.

Despite its initial fanfare, the “Futures for Frontliners” program, announced last month by Gov. Gretchen Whitmer, lacks a roadmap or timeframe for implementation. Whitmer touted the proposal, which offers tuition-free post-secondary education to essential workers, as the “first program of its kind in the nation.”

At the time, Whitmer said her administration was inspired by the federal government’s support of soldiers returning from World War II and described the program as a “G.I. Bill for workers on the front lines of the coronavirus pandemic.”

Higher education officials, however, say they know very little about the program, other than what Whitmer announced a month ago.

“We don’t have any more information on the program than you probably do,” said Mike Hansen, president of the Michigan Community College Association.

Hansen, who works with the state’s 28 community colleges, anticipates the Futures for Frontliners program will be modeled after the recently passed Michigan Reconnect Grant Program, which provides tuition-free college for adults over age 25.

“The Futures for Frontliners would be for a more focused group and for anyone over 18, I believe, but the basic framework could be modeled on MiReconnect,” Hansen said.

At press time, neither Michigan Reconnect nor Futures for Frontliners has state or federal funding available to support them. That means, in reality, both programs are still just ideas, according to Hansen.

“Given the current economic climate, finding new revenue for either program will be challenging,” he said.

“That said, we are supportive of any program that removes financial barriers to individuals who want to start or finish a degree at a community college.”

Futures for Frontliners also still requires legislative approval to be funded and implemented, which may take a while, according to Daniel Hurley, president of the Michigan Association of State Universities.

Hurley, who has been in regular contact with the governor’s office regarding other university challenges related to COVID-19, does not believe the Futures for Frontliners program could possibly be passed or funded before January 2021.

In addition, if the program is a modified form of the Michigan Reconnect program, it will exclude potential participants who want to attend four-year universities.

“We did not succeed at getting four-year universities into Michigan Reconnect, so, unfortunately, I don’t think state universities will be included (in Futures for Frontliners),” Hurley said.

The Michigan Reconnect Grant Program was modeled on a “highly successful bipartisan program in Tennessee,” according to the governor’s office. The goal of the program is to provide a tuition-free way for non-traditional students to get “in-demand” industry certificates or associate degrees. The program aligns with Whitmer’s goal, announced in her 2019 State of the State address, of raising the number of people in Michigan who hold post-secondary degrees to 60 percent of the adult population by 2030.

Whitmer’s office did not respond to requests for comment for this report.

In theory, Futures for Frontliners will open the opportunities available from the Michigan Reconnect program to people without college degrees who are staffing hospitals and nursing homes, stocking the shelves at grocery stores, providing child care to essential workers, manufacturing personal protective equipment, protecting public safety, collecting trash or delivering supplies during the crisis — regardless of their age.

Dave Murray, communications director at Grand Rapids Community College, said school administrators have not yet received additional information about the programs but are “looking forward to hearing more.”

For now, higher education institutions and the people who have worked through the sudden coronavirus crisis must wait while the Future for Frontliners program possibly makes its way through the state Legislature.

People in West Michigan will be in need of new skills “as we emerge from the pandemic,” Murray said, adding that graduates of existing GRCC programs are already deployed in the field as so-called frontline workers.

“Our graduates are working in law enforcement and health care as first responders. They’re working in other essential roles, such as information technology and manufacturing. We also have a partnership with Meijer to train people for retail management,” Murray said. “As businesses reopen, and as people need new and different skills, our college is positioned to help them.”

— MIKE HANSEN President of the Michigan Community College Association

While the Futures for Frontliners program remains in limbo, GRCC is offering free online courses in a range of topics through June 30 for workers staying at home because of the current pandemic. COURTESY PHOTO

“Given the current economic climate, finding new revenue for either program will be challenging. That said, we are supportive of any program that removes financial barriers to individuals who want to start or finish a degree at a community college.”

— MIKE HANSEN President of the Michigan Community College Association

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The study follows a 2017 publication by the group that detailed barriers to career advance- ment for women of color. Sisters Who Lead is a regional affiliation and wellness movement for women of color focused on creating data-driven solutions to foster inclusive workplace cultures. Women engaged in the group’s mission live in six West Michigan counties: Allegan, Calhoun, Kalamazoo, Kent, Muskegon, and Ottawa.

Co-authored by Cohen and Patricia VerDuin, the latest study was completed in conjunction with researchers at Calvin University and uses a system to examine and address organi- zational culture and behaviors that make it diffi- cult to attract, retain and promote diverse talent, especially women of color.

With data now readily available, the research- ers say it’s time for organizations and executives to start asking themselves questions such as, “Now how can I do better, are we doing better? And if so, how will we measure better and hold ourselves transparently accountable to doing better?”

The previous 2017 study focused on the moral imperative for hiring and promoting diverse talent to executive or C-suite positions. The recent follow-up highlights the economic imperative for organizations to promote women of color, citing a Harvard Business Review study that predicts women of color to become the majority of the U.S. workforce by 2060.

‘Big wakeup call’

The study takes a deeper look at the connec- tion between gender and race, and institutional behaviors that make it hard for women of color to advance in the workplace. It involved com- munity-based research that went through an Institutional Review Board process in collabo- ration with the Calvin University Center for Social Research. The study, which aggregated data from 92 respondents in mid-management and execu- tive leadership positions, gave women of color an opportunity to reveal details about workplace climate and culture without jeopardizing their identities, careers or psychologi- cal safety.

Some of the key takeaways include:

• 60 percent of respondents hold a master’s or doc- toral degree
• 27 percent were man- agers while 9.8 percent had titles of senior vice presi- dent, vice president or higher
• 80 percent expressed ambition to be promoted to the next level and want to become a top executive
• 77 percent agreed that their race made it harder to receive a promotion, and 56 percent agreed gender played a role in missing out on a raise or promotion
• 75 percent said they were often the only woman of color in the room
• 40 percent said they were likely or very likely to leave their position within two years

One barrier to advancement is the region’s referral-based hiring practices. Researchers note a direct correlation between the social capital of C-suite leaders and senior executives within an organization and the racial and gender makeup of employees.

“West Michigan does a lot of referral-based hiring,” said Cohen, a consultant, motivational speaker and emotional intelligence expert who speaks on equity and psychological safety in the workplace. “If that CEO’s proverbial rolodex looks like them, then that is you who are going to replicate in your company. CEOs and people in C-suite positions that lead to hiring have to ask themselves: ‘Who have I been to lunch with? Who is in my network?’”

That 60 percent of respondents held a master’s or doctoral degree stood out to Mel Trombley, director of leadership programs for Grand Rapids Area Chamber of Commerce.

“I think that this should be a big wakeup call for organizations that women, especially women of color, are absolutely knocking it out of the park when it comes to higher education,” she said. “Women are capable and we have the work ethic, so organizations do not have an excuse for not promoting women.”

Lack of coaching

The study also examined access to sponsors and executive coaching for women of color. Less than a quarter of respondents had ever had a coach or a mentor. Respondents who indicated they did have a mentor, coach or sponsor said that person was most likely to be a woman.

Nearly a third of survey respondents indi- cated they never or rarely have informal inter- action with a senior leader during work or have a substantive interaction with a senior leader outside of work.

“Career mobility is not just an issue of talent, ambition and degrees,” Cohen said. “It’s also relational capital and also being groomed for the next level.”

Author and educator Shanika Carter con- ducted unrelated but similar research on exper- iences of minorities in organizational leader- ship while pursuing a doctoral degree, which she compiled into a book, “To Lead or Not to Lead: Breaking the Glass Ceiling Using Lessons from Past Experiences.”

Carter, who grew up in Muskegon Heights, weaves in her own experiences at previous jobs with stories from minorities and their struggles in the workplace.

As a copywriter and author, Carter said she lacked mentors who could guide her in her career.

“I didn’t meet writers or know writing was something you could have as a career or a job,” she said. “I knew that was something I liked doing or could do, but I never had someone say, hey, you can make a living out of this.”

People she interviewed also reported a lack of men- tors and supervisors who took a real interest in them.

“We didn’t have the men- tors that sought us out to get to know us,” she said. “They don’t see people in leader- ship that they feel they can identify with.”

In a practical applica- tion of the Sisters Who Lead study’s findings, VerDuin organized group-based vir- tual coaching sessions dur- ing the ongoing COVID-19 shelter-in-place order.

Access, affordability and simply not understanding how coaches or sponsors can help are some reasons women of color don’t seek them out, VerDuin said. She invited a group of Latina women to meet regularly via Zoom to discuss work, self-care, family and other concerns.

“This is a microcosm of what you can do with the data and apply it,” VerDuin said. “To our busi- nesses and our institutions, I think this is a per- fect place to reimagine the workplace. This is a reminder it doesn’t have to be perfect, you just have to give it a try.”

“The recommendations are very concrete, do- n’t know likelihood of leaving job within 2 years

Nearly 3/4 of respondents somewhat or strongly agreed that their race will make it harder to get or has played a role in missing out on a promo- tion or chance to get ahead.

Likelihood of leaving job within 2 years

SOURCE: SISTERS WHO LEAD STUDY

Very likely to leave job

19.6%

Somewhat likely to leave job

19.6%

Neutral likelihood of leaving

16.3%

Somewhat unlikely to leave job

16.3%

Very unlikely to leave job

20.7%

Do not know likelihood of leaving

7.6%

Systems-level changes

Ultimately, the goal of the study is to provide regional employers with recommendations and strategies to improve diversity, equity and inclusion, and move from ‘leaders seeing and engaging the data to thoughtful placemaking and action rooted in human-centered design.’

The study’s authors encourage organiza- tions—or the human resources department to the CEO—to rethink referral-based hiring practices, reflect on their social and professional networks, and implement ways to increase talent engage- ment, recruitment and promotion of women of color.

The Grand Rapids Chamber offers execu- tive diversity coaching, boards of directors assess- ment and resources to member organizations and the Athena Leadership Forum, which creates opportunities for women to mentor and lift one another up and build relationships across their personal and professional circles.

“Athena is a really good model of utilizing some of the directives from the Sisters Who Lead study about collecting data, increasing social capital and access to leaders, and how that can help change opportunities for women and women of color,” Trombley said. “I think this (study) is a great resource for employers because it presents data, it presents the case for why we need to promote and hire women and women of color, and it gives some how-tos.”

Organizations need adaptive leadership to stay current and relevant and attract the best talent.

“One thing this study does is it helps organi- zations think about system-level practices, poli- cies and behaviors,” Cohen said. “If you are a gatekeeper for the talent of your organization, you have to think about who you have meaning- ful relationships with.”

Besides the undue emotional burden of being an ‘only,’ women of color also feel isolated by Euro-centric professional development training and resources. The study notes women of color would be better served if they could choose cul- turally relevant experiences.

“The recommendations are very concrete, and it’s about changing the culture of an organi- zation,” VerDuin said. “It starts with the person at the top and the leaders of the organization saying they want to do it differently.”

The study examines why women of color can struggle to rise to executive leadership or C-suite positions and what deters them from staying at an organization. Here are some highlights:

Continued from page 1

ECONOMIC DEVELOPMENT

SISTERS WHO LEAD

Continued from page 1

ECONOMIC DEVELOPMENT
this a recession that will last at least through 2021 in a fairly serious way," Bartik said. "The biggest downside risk to the recovery is whether the federal government acts."  

Federal aid in limbo
The May 15 Consensus Revenue Estimating Conference (CREC) brought agreement among varying fiscal projections by the State Budget Office and the House and Senate fiscal agencies. They agreed Michigan faces a $2 billion shortfall this fiscal year for the General Fund and School Aid Fund. Revenue shortfalls — driven by less income and sales tax revenue — are expected to continue in the next two fiscal years.

Bartik said the CREC’s figures are more optimistic than projections by the U.S. Congressional Budget Office.

Researchers from U-M’s Research Seminar in Quantitative Economics issued their own forecasts during the revenue estimating conference. Assuming $600 billion in federal stimulus aid for state and local budgets across the U.S. and a severe second wave of COVID-19, U-M economists forecast the state’s unemployment rate will steadily decline to 6.8 percent by the end of 2022.

The budget forecasts have heightened awareness for additional federal aid. The CARES Act included $150 billion for these budgets, but it was limited to large cities and only covered new expenses related to COVID-19. In Congress, House Democrats approved a $3 trillion stimulus package that included $1 trillion for state, local and tribal governments. It was swiftly rejected as an option by the Republican-led Senate. In a video message, U.S. Rep. Bill Huizenga, R-Zeeland, called the Democrats’ bill package a “liberal, progressive, socialist-Democrat grab bag… It has zero chance in the Senate.”

A bipartisan bill in the Senate would create a $500 billion fund for state and local governments in three tranches based on a formula that considers population, COVID-19 cases and revenue losses.

Bartik said a formula-based disbursement will be key as the crisis unfolds, which at this point is unpredictable.

State lawmakers have called on the Whitmer administration for a “budget correction plan” to resolve this fiscal year’s shortfall, but it’s unclear how that process will proceed while federal aid is in limbo.

“We have a massive revenue shortfall brought on by this economic shutdown that will affect our families, schools, local governments and vulnerable citizens,” state Rep. Shane Hernandez, R-Port Huron, said in a statement. Hernandez chairs the House Appropriations Committee. "The people need to hear from the governor on a formula that considers population, COVID-19 cases and revenue losses.

The city of Muskegon has furloughed, laid off or eliminated 31 percent of its budgeted positions. The police records department has been mostly furloughed, as has most of the City Clerk’s office, he said. "Cities are not asking for a bailout," Gawron said. "Muskegon is looking for government partners to help support us due to this crisis that has shut down the economy. Cities are severely limited in their ability to raise revenue, at the same time we’re required to maintain obligations to our citizens to provide for the protection of life."

Gilda Jacobs, president and CEO of the Michigan League for Public Policy, said this month that the Great Recession provided lessons in government budget cutbacks and resulting infrastructure divestment.

"Policymakers in Lansing must learn from their predecessors’ mistakes,” Jacobs said. "Despite the gloomy revenue outlook, it is bad for the economy and our residents to address the revenue losses through deep cuts, especially to the areas our residents and businesses depend on most like quality schools, safe roads and water systems, and dependable health, economic and work supports. We simply can’t cut our way to prosperity or health."

Meanwhile, the urgency for the stimulus is growing, Bartik said. While the state’s fiscal year ends in September, many local and school district fiscal years turn over at the end of June.

"The federal government should act on this now," he said. "If you wait longer, you’re going to have all these states make decisions, then aid may come in and it’s going to be kind of a mess."
Jeff Lobdell, owner of Grand Rapids-based Restaurant Partners Management LLC, will open five of his restaurants in northern Michigan on Friday. The restaurateur hopes as soon as possible to open his company’s downtown locations, which include Bagel Beany, Sundance Grill, The Beltline Bar & Mexican Cafe, Omelette Shoppe & Bakery, Rockwell Republic, and the Noble Restaurant.

“We’re in uncharted waters and doing our best to navigate this,” Lobdell said. “I think it’s great in northern Michigan we’re trusted to open. Our goal is to just demonstrate we can do this. We’re just looking to get a breath of fresh air and be able to open our doors safely.”

At some of his restaurants, Lobdell said he will not truly be able to serve up to 50 percent capacity if he also abides by the 6-foot social distancing rule, making outdoor seating an important part of reopening.

Space will be critical
The city of Grand Rapids has existing special events and temporary use policies that city officials will use to create multi-business social zones during a COVID-19 recovery special event from June 1-Nov. 30. Alcohol consumption would be allowed, subject to requirements by the Michigan Liquor Control Commission.

“We’ve heard from a number of our business owners here in town,” Grand Rapids Mayor Rosalynn Bliss said during the May 19 meeting. “They would support us to create spaces, knowing that space is going to be critical for them to operate, and have asked how we can be creative in utilizing outside spaces like sidewalks, potentially parking lots and parking spaces.”

Proposed social zones in Grand Rapids would not necessarily mean full street closures, said Louis Canfield, the city’s development center manager.

“We’re working on options for fee relief, and also there are some possibilities for state legislation that would expand alcohol consumption opportunities in social zones, so we want to keep monitoring those and keep advocating for them where appropriate,” Canfield said.

Stakeholders from the city and local businesses identified 20 potential social zone locations throughout Grand Rapids. The preliminary list of potential zones is “not exhaustive,” Canfield said, but were chosen around areas with at least four restaurants within about 100 feet of one another. The expects permit applications from business and neighborhood associations.

Andy Johnston, vice president of government and corporate affairs at the Grand Rapids Area Chamber of Commerce, said he is hoping to see traction soon on statewide legislation to enable local governments to designate social districts.

State Rep. Michael Webber, R-Rochester Hills, introduced House Bill 5781 on May 19 that would create social districts where people age 21 and older would be allowed to legally purchase to-go drinks from adjacent bars and drink them in another location while still remaining in a designated area. It allows local governments to specify, if they choose, how the zones are designed. The bipartisan bill has 16 cosponsors, while a similar bill has been proposed in the Senate.

“For restaurants and bars, it’s great opening at 50 percent capacity, but 50 percent capacity is still going to make it very hard for restaurants and bars to survive,” Johnston said. “Allowing to extend liquor licenses to outdoor spaces is the kind of flexibility we want to see.”

‘New reality’ for restaurants
Limiting the dine-in patrons to gradually reopen restaurants has been done in other states, usually with restrictions set at 25-50 percent of dining capacity.

“We made it clear there was almost zero support or willingness to reopen at 25 percent,” said Justin Winslow, president and CEO of the Michigan Restaurant and Lodging Association. “The overhead wasn’t worth it to reopen at 25 percent.”

Even at 50 percent capacity, restaurants will struggle to operate in the long term, Lobdell said. “Restaurants operate on very thin margins,” he said. “There are just so many fixed costs with a restaurant. It’s just not enough revenue to sustain a business, but the reason I’m doing it and others are doing it is because we want to get our rosters back, our people back and open up our cherished community gathering places.”

Whitmer’s executive order that loosened restrictions on retail stores, offices, restaurants and bars in all areas of the Upper Peninsula and parts of the northern Lower Peninsula went into effect on May 22. Another executive order issued last week allows retailers statewide to open by appointment starting Tuesday, May 26.

Whitmer’s order banning dine-in services at restaurants and bars in other areas expires May 28, which is when Winslow hopes locations across the entire state will be able to reopen.

The order regarding restaurants and bars in the U.P. and northern Lower Peninsula kicked off Friday of the Memorial Day holiday weekend, which has the potential to bring in many visitors to tourist destinations such as Traverse City.

Winslow said “it’s possible” that some establishments will not follow occupancy limits, but he believes most restaurateurs will take the order seriously.

“They get it, they know these regulations are not going to be easy but they also know we are all operating in a new reality now,” Winslow said. “Managing these new regulations isn’t just a necessary function of agreeing with or working with the state, it’s really necessary to ensure public consumer confidence. They need people to want to come back.”

Lobdell said he is not looking at opening weekend as a huge money-making opportunity, but rather a chance to demonstrate restaurants can operate safely with the new measures in place.

“We have a lot of passion for this industry,” he said. “and we want to see it back on its feet.”
Nonprofits hit pause on fundraisers, grapple with loss of revenue

By JANE SIMONS | MiBiz jsimons@mibiz.com

R escheduled. Postponed. Canceled. These are the words Michigan nonprofits are using frequently these days when talking about the status of fundraisers that are critical to the financial health of their organizations.

“Early on, many nonprofits were in the process of postponing or rescheduling,” said Kelley Kuhn, vice president of the Michigan Nonprofit Association, noting the reactions were in response to state-mandated closures implemented to slow the spread of the highly contagious COVID-19. “Now, they’re canceling or postponing.”

The cost of these shifts has been devastating for organizations, including one that was counting on raising an estimated $250,000 through an event that is now canceled, Kuhn said.

Many nonprofits are thinking about these fundraisers from the perspective of getting only a percentage of revenues they normally would have, Kuhn said.

For some nonprofits, the dollars raised at the signature events also affect their ability to get matching grants, said Deb Droppers, owner of the Kalamazoo-based The Event Company and event management programs coordinator at Western Michigan University.

“They’re not only signature events, they represent federal dollars that have to be matched through local intent,” she said.

In the 38 years that she has been involved with event planning, Droppers said she never realized until now the amount of work that goes into postponing or rescheduling events. That included the 33.5-mile Kal-Haven Ultra Trail Run, which was moved from April to Nov. 1 after 90 percent of the work to organize it was completed,” she said.

“We had to find a date that didn’t conflict with other local and regional events that were being postponed,” Droppers said. “This event with 33.5 miles is big enough that it can’t be close to another marathon or half-marathon.”

While this event is likely to happen, Droppers said there are many that continue to be in a holding pattern as the effects of the coronavirus pandemic escalate.

As the uncertainty continues, many nonprofits are weighing the costs involved in fundraising events versus being able to provide the services that they’re doing, Kuhn said.

A survey conducted by Detroit-based Montgomery Consulting Inc. after the coronavirus outbreak in Michigan found that only 9 percent of respondents thought the climate for fundraising would improve, while 87 percent said they thought it would be worse than 2019.

In addition to having staff work remotely, closing their facilities and programs to the public or providing very limited services, almost 54 percent of respondents said they had canceled one or more fundraising events while another 36.5 percent said they were considering it.

‘Huge loss’

The Community Healing Centers in Kalamazoo reduced the number of individuals in its alcohol and drug treatment program by 50 percent to comply with social distancing policies, said Executive Director Sally Reames.

“We’re the only major provider of these services in the Kalamazoo area and we’ve already taken a huge loss,” she said.

“We haven’t lost anybody to illness including our nurses and staff, but we have lost half of our revenue because of the reduction in services. We’re scrambling like crazy for grants, and the reality is we don’t know what’s going to happen come July.”

The Community Healing Centers’ signature event known as Roof Sit, a three-day function featuring a local disc jockey sitting on a roof in addition to other community-focused activities, was originally scheduled to take place in June. The event was rescheduled to Aug. 20-22. It is an annual fundraising event for Community Healing Centers’ Children’s Programs that provide treatment and prevention services for children who have suffered physical or sexual abuse.

“Last year that was a $100,000 event for us, but I don’t see that happening in August,” Reames said.

Despite already receiving financial gifts from small family foundations, a trend Reames hopes will continue, she thinks people may feel “skittish” about going out in groups for some time.

This has led Reames and Roof Sit organizers to consider different options for delivering the event, which the group has been holding for more than 20 years.

“We’re trying to do events that are appropriate for the times,” she said. “We will have a food truck where people can drive in and pick up their dinner or offer the option of sitting at a small table for two and enjoying a band and the silent auction. We’ve also decided that we’re going to try an online auction, which we haven’t done before.”

Going virtual

The cancellation of the 35th annual Ribfest, which was to take place July 30-Aug. 1, also has prompted the leadership of Kalamazoo-based The Arc Community Advocates to think virtually.

“The Arc is an advocacy organization that makes it possible for each person with a developmental disability to participate fully in all aspects of the community and to support the effort of each individual to determine his or her own future,” Schwitek said.

The organization also is considering a different tactic for its “Arctoberfest” fundraiser, scheduled for Oct. 24 at the Kalamazoo Institute of Art.

“We’ll be canceling the in-person dinner and will sort out what other opportunities there will be for that event,” Schwitek said.

Given the uncertainty surrounding safe levels of activity and engagement, Schwitek thinks the opportunities to host in-person gatherings will continue to be restricted. However, he is seeing an increase in the level of creativity surrounding fundraising efforts, including a virtual wine-tasting featuring a sommelier.

Difficulty connecting

While numerous organizations have been using virtual platforms to get their messages out in front of people, The Event Company’s Droppers said a virtual testimonial from a client doesn’t have the same effect as one delivered in person.

“Putting the client in a storytelling testimonial aspect gives them the ability to say, ‘I am the face of where your dollars go.’ There is a learning curve in how you do this virtually to create the tingle that goes through your body when you hear a story.”

— DEB DROPPERS
Owner of The Event Company

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“Inequities are intensified in times of crisis, and our community has responded with collaboration, innovation and generosity.”
Brandon Davis
Office of Oversight and Public Accountability Director, City of Grand Rapids

Tension between Grand Rapids residents and the city’s police department spurred officials last year to create an Office of Oversight and Public Accountability. Earlier this month, Brandon Davis — the office’s interim director since August — was appointed to the job on a permanent basis.

The position is meant to strengthen the relationship between the community and the Grand Rapids Police and Fire departments. In particular, the GRPD has faced backlash in recent years over alleged discrimination toward the African American community, and from immigration advocates because of the department’s cooperation with U.S. Immigration and Customs Enforcement. In March 2019, the Michigan Department of Civil Rights took hours of testimony from residents about their encounters with the police. Davis previously worked for the city as a senior labor relations specialist, and is a former senior assistant prosecutor who handled high-profile felony cases in Muskegon County. He began his law career in his hometown of Detroit, where he served as a defense attorney and prosecutor. He spoke with MiBiz about the new role.

What made you want to pursue this position?
I bring experience to this role that I think is unique. I grew up in an urban area where relationships with police weren’t the strongest. Then, I worked for multiple prosecutors’ offices in senior roles, and I have been a defense attorney and prosecutor for a number of years. We saw the world they did in and out of court. My personal experience showed me some of those other parts of it, but my work experience gave me a different view, and my education brought all those things together. When this position came up, it really was the perfect merger between those two worlds. It was my opportunity to serve Grand Rapids that made me a unique candidate for this role.

Even though you were just appointed to this position, you were still performing the duties on an interim basis. What have you learned so far?
One thing I have learned is the people of Grand Rapids have resilience, and you don’t see this level of citizen engagement in every community. It also has been apparent to me that the community wants to see results. A recurring theme I hear is, ‘We’ve sick of talking about it, we want to see results.’

What will the city and community gain from having this new oversight office?
It helps protect people’s civil rights. It increases confidence in police when the community knows there is someone holding them accountable; it makes them more credible. A big part of feeling safe is trusting those in power.

Sometimes people think of oversight agencies as anti-police, and I don’t see that as my job at all. I see it as when a police officer or fire department does a good job, I say that, and when they need improvement, I say that as well.

My role is to manage risks. Any area of public service when there are mistakes or incidents being made that can result in financial loss, we have a strong accountability that can help reduce that. It builds bridges between police and community, or fire and community. When we talk about the service and community over the years, there has been a significant breakdown, and those relationships are not as strong as they should be. This office will help us get to a better place.

What is the first goal you hope to accomplish in this new role?
My first goal is to make sure we have a plan for how we’re going to operate. It would not be smart to jump out and just start doing stuff. We created a plan collaboratively with other stakeholders.

We’re in the communication engagement stage of our strategic launch plan.

The first part was research. I looked at models from across the country to see how this is done in other places, and how this can be done in Grand Rapids, which is a unique place. We need to decide how things will work here, but it’s good to look at other models.

After that … we did a collaborative design phase with police leaders and community leaders and talked about community-police relations and the need for oversight. We got a preliminary plan for how that would work.

The next part of the plan was engagement — take the plan to the community and stakeholders, and that’s the phase we’re in right now. We thought we would be past that by now, but that’s where we’re at.

Do you see your role differently during the COVID-19 pandemic?
Being in the middle of a pandemic did make me have to adjust the way we plan to engage. Instead of focusing on in-person engagement, it will have to be more digital. I developed a model of going into the community and saying, ‘Hey, find me to engage.’ The pandemic changed that. We weren’t able to do things the way we had planned. But engagement can’t stop because of the pandemic, we just have to pivot. I’m grateful for technology and the mayor and commissioners who have been setting the example and working and holding meetings remotely, and for our helpful communications staff.

What do you want the community to know about your job?
I want the community to know the office is here to serve them, and here to do justice. … We would love to continue to build relationships in any way we can. We can’t have meetings, so we have to check our work.

IN THE NEWS

M&A

Grand Rapids-based Charter Capital Partners served as M&A adviser to Oakland, Minn.-based Supply Chain Services, a provider of automatic identification and adverse capture and factory labeling solutions, in its sale to Santa Monica, Calif.-based Sole Source Capital LLC. The deal allowed Supply Chain Services founder Chip Emery to retire from the company. The transaction focuses on acquiring industrial middle-market companies in North America.

Full-service machine shop Grand Rapids Electric Machine Service, Inc. has acquired G&D Consulting, a full-service business development and idea generation firm with 40 years of experience in solving industrial and medical device manufacturers in speeding new medical devices to market while maintaining regulatory compliance to FDA and other agencies.

Former Arkansas postal worker, now a contractor for the project. Rebekah VanZeegeren will serve as the clinic’s manager. The Center has three clinics in Grand Rapids, plus offices in Wyoming, Belmont, Walker, Kentwood and Greenville.

Cedar Springs Dental broke ground this month on a new 3,000-square-foot office to replace an existing location in Cedar Springs. The new office is expected to open after the turn of the new year. Grand Rapids-based First Companies will manage construction. Grand Rapids-based Dixon Architecture is the architect.

Energy

Holland-based Jolt Energy Storage Technologies LLC has received $260,000 to further advance its utility-scale energy storage solutions. The grant funding was awarded via GCxN, a program commonly known as Game Changer operated in partnership with the U.S. Department of Energy’s National Renewable Energy Laboratory and Shell Global. The selective accelerator program aims to help push for-
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