

Excerpt from *A City Where Business and Philanthropy Flourish*

By Michael Barone

Looking for a city with a tradition of community involvement, creative local philanthropy, vibrant cultural institutions old and new? Try Grand Rapids. Civil society is alive and well here.

It is the headquarters of Meijer, whose 100-plus Thrifty Acres stores combine supermarkets with general merchandise stores. Grand Rapids is the headquarters of Universal Wood Products, the nation's largest fence producer. It is the home of Gordon Foods and Bissell carpet sweepers. It has one large General Motors plant and dozens of auto suppliers. Ada, a village six miles east, is the home of Amway, privately owned by the Van Andel and DeVos families, founded in a garage in 1959, now selling over \$7 billion of home care, housewares, and cosmetic products in 52 countries, most of them manufactured in Grand Rapids' Kent County. Most of Grand Rapids' successful companies are small: 80 percent of businesses employ fewer than 30 people, according to John Canepa, former chairman of Grand Rapids' Old Kent Bank. Firms that have grown bigger have done so through creative innovation and good employee relations. Local office furniture manufacturers pioneered modular units and electronic connectors. Amway took an old idea-direct sales-and made it work on a scale never seen before. Fred Meijer, to make shopping more pleasant for parents with kids, installed mechanical ponies in his stores which cost one cent per ride and personally hands out "Purple Cow" cards for free ice cream cones.

Nor is there an adversarial relationship between business and government. "The best thing government can do is to get out of the way," says Grand Rapids City Manager Kurt Kimball, "to try to create an environment that enables the private sector to achieve its ends. Prosperity for business means prosperity for residents. Then we'll have the resources for quality of life." Says GR magazine editor Carol Valade, "There is a very low tolerance for government here-the attitude is, I will do it myself. And there is a tremendous respect for the arts of the entrepreneur. It spills over into government. The city removed 98 percent of its effluents from its sewers, without federal funds-the only city in Michigan to do so."

Successful small businesses and small businesses that have grown large but have stayed headquartered here have helped build Grand Rapids' cultural institutions. Even the banks have remained local. Old Kent is still based in Grand Rapids, though it has spread outward; First Union sold out to Detroit-based NBD, but David Frey, whose grandfather founded the



bank, has kept the Frey Foundation here, and 85 percent of its grants are in western Michigan. "Giving money intelligently is hard work," Frey says. "A lot of due diligence is required. But there's the prospect of great satisfaction."

Anyone walking through downtown Grand Rapids can see some of the reasons for that satisfaction. Twenty-five years ago, downtown Grand Rapids looked dumpy, with aging and often empty commercial buildings, and a grubby convention center. Then Grand Rapids' business leaders decided to make it something special. "Always the private sector has taken the lead," says Frey, "and people are willing to put corporate money into projects." Phase one, in the mid-1970s, included a new Old Kent building and Vandenberg Center, which replaced abandoned warehouses. Phase two included the Amway Plaza Hotel and the Gerald Ford Museum. Phase three includes the recently opened Van Andel Arena for Grand Rapids' minor league hockey and basketball, a new convention center, and a downtown campus for Grand Valley State College. The secret is leadership and commitment. "We have people who give time and effort and support. They sit at the same table," says Pete Secchia, head of Universal Products, and also a leader of Michigan's Republican Party who served as Ambassador to Italy under Bush. "When we promise something," says Fred Meijer, sitting around a table with other Grand Rapids business leaders, "we don't do it lightly. Not one of us has ever reneged on a promise." If there are problems, someone jumps in and solves them." The Amway Plaza would be torn down or destitute if Amway hadn't picked it up," Meijer adds.

With no major university or medical school, Grand Rapids has missed out on the boom in biomedicine. But that's likely to change with the building of a Van Andel Institute for nutrition research at Grand Rapids' Butterworth Hospital. Steve Van Andel, who has succeeded his father Jay as co-head of Amway, describes the process. "We watched our fathers build the firm. The second generation got even more involved with the community. The building decision was also made by the second generation of the Van Andel and DeVos families. My dad and family have been discussing it for years. We decided to do something. Dad was always interested in nutrition, so we decided to build an institute that would work on nutrition research and education." He is thinking big. Peter Cook, who owns several big car dealerships and is on the board, says that it has five Nobel Prize winners as advisers and will have 200 to 300 doctors and scientists in a \$30 million building.

Grand Rapids' philanthropists are buttressed not by the liberalism of so many national foundations but by traditional virtues. It's an early-to-bed-early-to-rise town, where people eat at home with their families. "Everyone is doing well but restaurants," says Secchia, "but the breakfast joints are filled at 6:30 in the morning." The churches are busy on Sundays, filled with people from all economic levels; the billionaire Van Andels and DeVoses pray at a modest Reform church not far from downtown. Or as Peter Cook puts it, "A lot of our people



have done more than their share in giving. We grew up in a Christian home and tithed, and after that you gave more. We give 30 to 40 percent of our income. That type of thing is very influential. This is a good place to work and live."

Entrepreneurial and religious impulses also inform Grand Rapids' programs to help the poor. Gene Pratt, now retired, tells of raising \$1 million in less than two hours to renovate his community center, and how a kids' gardening project produced City Kids Barbecue sauce, got it stocked in Meijer's and other local supermarkets, and got 5 percent of the market. Verne Barry, head of the Downtown Development Agency, came to Grand Rapids in 1985 after living homeless in New York. With ministries and social service agencies he founded Faith Inc., which won competitive contracts with 25 local manufacturers. Hiring people from close-in neighborhoods, his group got commitments for 10 percent of the jobs on projects like the Van Andel Arena. He claims that more than 50 percent of those with little work experience are now in permanent employment.

Grand Rapids has low crime, low unemployment, and scandal-free local government. But statistics tell only part of the story. For Grand Rapids' leaders have put the imprint of their own personalities on the civic institutions they've built. The Grand Rapids Museum hosted an exhibit of the artist Perugino in 1997-1998; Secchia helped set it up using his Italian contacts and the fact that Perugia is a sister city. Fred Meijer took over a 20-acre parcel of industrial property and built the Frederik Meijer Gardens, one of the nation's largest conservatories. Amid the plants and the gardens outside he placed 70 bronze sculptures he has collected over the years. You can see him there some days, smiling and enjoying himself as he leads kids around, explaining the plants and sculptures, and handing out Purple Cow cards for free ice cream cones-the spirit of Grand Rapids in person.

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