

Ep.3.14 - Lisa Katz

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SPEAKERS

Ed Clemente, Announcer, Lisa Katz

A Announcer 00:01

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:29

Hello, I'm Ed Clemente, your host. Today we're very fortunate to have a friend actually that I've known a while, but Lisa Katz, she's the senior program officer for economic vitality and entrepreneurship for the William Davidson Foundation. Thanks for being on the show today, Lisa.

L Lisa Katz 00:47

I'm really happy to be here, Ed. It's good to see you.

E Ed Clemente 00:49

I'm happier than you probably because I know you've done great things in your career. And I know you're doing a lot with the William Davidson Foundation, and we kind of want to hear it. Let's start out with that a little bit. You know, there's a lot of things I know the Foundation does, but you could mention a broad stroke. But then your specifics, kind of what you tell people you do.

L Lisa Katz 01:13

Yeah, so the William Davidson Foundation is a Jewish Family Foundation, right here in Southeast Michigan. And the work that we do collectively is threefold really, a lot of focus on Jewish life and culture here in Southeast Michigan, nationally, and even in places like Israel. Mr. Davidson was Jewish and a strong supporter of the community and really wanting people to be able to explore their faith and a big advocate in all respects there. And we also do a lot here, right in Detroit, around public spaces and the arts, so trying to make sure that we have a real quality place for people to live and play. And my area that I focus on is our economic vitality and entrepreneurship work. So I really think about jobs all the time. So where are the jobs coming from, who's starting them, who's growing companies? How do we connect people to those jobs? And even in the entrepreneurship space, there's a huge quality of life elements as we think about all the coffee shops and places to shop or places to eat, or just those conveniences of everyday life that you really do want in a community. So that's our work all together with me focusing on the jobs component.

E Ed Clemente 02:32

And, I mean, you just didn't get there by accident. Let's talk a little bit because I mentioned I do probably originally not super well, but when I think I was either in the legislature, I might have known you before that when I ran a chamber of commerce right before that. [I think so, yeah.] I think that's maybe back, way back.

L Lisa Katz 02:51

That was like last year, right.

E Ed Clemente 02:53

Yeah, for some of us, yes. I just remember that your name has always been on the radar, on different things and projects that I've worked on. But that's not officially, you were somewhere before the Detroit Regional Chamber, right?

L Lisa Katz 03:09

Yeah, you're making me go back, too. So, I worked at Public Sector Consultants. [Oh, that's right. Yeah, yeah, yeah.] And then I spent my one whole year away, studying overseas, and then I came back and started my job in Southeast Michigan here at the chamber. Yep. And then hit a couple a couple other gigs after that, too.

E Ed Clemente 03:34

Where did you spend overseas by the way? I'm always curious.

L Lisa Katz 03:38

I lived in Argentina. [Oh, really?] Yeah. Yeah. Again, jobs, right? I'm always thinking about jobs. I'm thinking about the economy. And I was a Latin American and Caribbean studies specialist and studied Spanish for eons. But I never practiced it. And that's really immersive language is you have to go somewhere to really learn it well. So I had an opportunity to study anywhere in the world. I chose Argentina, just in time for them to go through five presidents in a row and for their economy to completely tank. So for an economic development perspective, it was a fascinating time, culturally, always amazing. But it was just one more thing that I got to do that helped me learn and bring some context back to the work I do here in Southeast Michigan.

E Ed Clemente 04:29

Were you in Buenos Aires or no?

L Lisa Katz 04:31

I was, yeah, yep. I was there. I was studying international economic development, but honestly, it was a cultural scholarship that I had, I spent a lot of time with musicians actually. We actually brought a group together and recorded a music CD, which is one of the highlights of my life. Actually. It was a lot of fun. Yeah.

E Ed Clemente 04:52

I was down there for a short time but I spent a lot of time in La Boca because my family spoke Italian growing up and you know, that's where all the Italians are. And I think the Pope is from that area actually.

L Lisa Katz 05:04

Yeah, I don't know exactly where, but yeah, he is from Argentina.

E Ed Clemente 05:08

So let's step back a little bit to the Foundation, because you also worked for WIN, which was also jobs related. So you're right, you've really stayed focused in this sort of spectrum of workforce, talent. Can you tell people a little bit about WIN too because I think that was an interesting organization as well.

L Lisa Katz 05:31

Yeah. So I mean, going back from the Detroit regional team, where my next stint was at Corporation for a Skilled Workforce. And then there, I was a consultant all over the country. And I really worked in communities that were experiencing some kind of economic transition. So

maybe they were losing their major employer, and they needed to figure out now what, how do we repurpose all these talented people that we have for the next big thing? Like, what else can we do? Or sometimes they were gaining a new employer. And they had to figure out like, okay, what do the opportunities mean for our community? So actually, I worked with Guam, when they were absorbing the marine base from Okinawa, and it was this question of, you know, there's going to be new construction, and there are going to be new military personnel here. What are the shops and amenities that they're going to want to buy from? And what are the contracting opportunities for us locally? What are the really high-end jobs that we can participate in now that we have a military base? What does all of this mean for our community? So it's always been thinking that through, so I really had the luxury of doing that work all around the country, a lot of times, helping communities that were manufacturing communities, say, okay, we just lost a ton of jobs because of trade, or because the technology is shifting. It was always really fascinating work. And I never really appreciated how much it would apply to life here in Southeast Michigan. Like I said, I don't know if I mentioned I studied international trade and economic development. That's why I was in Argentina. And I always thought, well, I'll be overseas. And here I am, to this day, lifelong Michigander still in Michigan. So, after Corporation for a Skilled Workforce, I was the first and founding executive director of Workforce Intelligence Network. And the purpose there was to really understand it was like, kind of during the very beginning of the Great Recession, and trying to understand, in the midst of this turmoil and the change that we're experiencing, what did that mean for jobs here? You know, we've always had this I'll say love and challenging relationship with the automotive industry, you know, as they they've undergone change, that's meant change for our workers. And, of course, during that time period, while I was there in 2011, there was quite a bit of turmoil. And so we were losing engineers to other states, there was a huge narrative that there just aren't jobs in Michigan, and we used a lot of data information to say you know what, there are actually a lot of jobs here, there is opportunity in the state. Our skills are not necessarily matched up where the opportunities are. And so we did a lot of work to try to raise awareness of what's happening in the job market, and to try to use that intelligence to create programs to get people trained in, say, software development. Who knew that the number one job in manufacturing would be software developer? And so that's the kind of change that we're seeing, and that we really need to be able to prepare people for. And I just have this natural, again, thinking about jobs in every respect. It's the people side of it, and what are the occupations that people should be thinking about that they should be working on? But then where do those jobs come from? And that's where the entrepreneurship side really comes in. There are folks who do economic development, you know, they want to attract a big company, and get those jobs here in just a matter of time. Entrepreneurship strategy is more of a long play. And some of it, like I said, can be neighborhood stabilization. And some of it is what's that next big unicorn that's going to create a lot of jobs - unicorns - like a really successful company that exits at a very high level, they make a lot of money, but they can also create a lot of jobs in a community. So at one point, Amazon was a unicorn, Facebook, all of those happening out on the coasts. How do we make that happen here so that we can transform where our economy is going while leveraging what we have already?

A

Announcer 09:53

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E

Ed Clemente 10:09

How does a foundation work? We hear them on every sort of commercial, they're sponsoring things or we hear about foundations. But how does the process actually work? And how does that, like, why did the Davidson Foundation want to get into it specifically?

L

Lisa Katz 10:26

Yeah. So interestingly, Mr. Davidson was very interested, he was an entrepreneur himself, right? He built a large business that did work all over the world.

E

Ed Clemente 10:38

Guardian Glass, right? Back then.

L

Lisa Katz 10:40

Yeah. And even as he was having his operations in all different marketplaces, sometimes they were in Eastern European marketplaces. And this was during the Cold War. And so, one of the questions that he asked was, how do we help these countries, their economies, as they transition from communism to capitalism, and he, in his lifetime founded the William Davidson Institute, which I actually studied at when I was at U of M, to try to understand, what does it take to move an economy from one place to another, and so that's a way that a person in his lifetime was able to say, okay, I'm going to set up the shop, I'm going to help contribute to helping different countries make this transition. I met somebody who works there now who's supporting some communities in Mexico, they're asking the same questions that we are. We're going from internal combustion engine to electric vehicles, there's a lot of that supply chain in Mexico. What does that mean there? So in his lifetime, he set up the William Davidson Institute, that's one way he could be a player in that space. For us, we're not a name that people hear necessarily every day. But in the space that I work in, I'm really thinking through what are the opportunities, again, for job creation? And what are the organizations that are out there that can help those founders and those entrepreneurs be successful in the work that they do? And importantly, in that space, a lot of times people will think about entrepreneurs, and they immediately think of Mark Zuckerberg, young white guy in a hoodie who lives out California. You know, we have a lot more diversity in the people that live here. I'm not saying that California is not diverse, but I'm saying there are a lot of people who could be entrepreneurs, they don't all look like Mark Zuckerberg, and in fact, very often, they're in their middle 40s. They've been around the block a few times, they've seen some problems, and they have some insight in how do I address this? How can I start? How can I create a solution to this problem? We have the city of Detroit is one of the Blackest cities in America, there's so much talent in that space, but what we find is that all of the tools and instruments that are there to help entrepreneurs succeed aren't necessarily helping them. So when we think about venture capital, only 3% of that goes to women. Maybe less than that for people of color. They're not getting those resources. So as a foundation, we can ask those big questions like why not? Why are certain people not getting access to those resources? And for businesses that we do want to see, grow and thrive. What are the resources that they need to be successful? So sometimes, foundations are filling a role that, maybe government sometimes plays, but maybe

they can't In our case, we've had a lot of economic turmoil, our cities have been strapped, or our state government has been strapped. So as foundations can come in and say, okay, we can create some breathing space, we can provide some thought leadership, we can fund some programs, see if they work. And if they go well, and they serve the right populations in the right places, that serves a charitable purpose, then we can continue to support that work.

E

Ed Clemente 14:13

So I know you've actually supported other organizations to help you do that work too, right? So, what is your ecosystem that you guys work with to help support? Because I mean, a foundation I think, is more to not give people fish, it's to teach them how to fish, right? So how are you doing that?

L

Lisa Katz 14:36

So we have, just like any good investor, we have a portfolio, right? Like we make different bets that align with the funding, the mission and purpose that we have as an organization. We don't have infinite dollars, we have to make choices. And so we try to find those organizations that we think are going to be most effective at helping us achieve that mission. And every foundation is a little different. Some might focus very much on just the city of Detroit, we focus in Southeast Michigan. And sometimes if that touches all of Michigan, it's okay, as long as there's a good benefit that comes to our region. So, when we think about that, we have friends, right, we have other people in different foundations that care about some of the same things we do. And sometimes we'll partner with them on different initiatives that we all agree can help move the needle. So a great example of that is something that many of your listeners have probably heard of, which is the New Economy Initiative, which was started way back in 2007, when a big group of funders came together, and they said, okay, yet another automotive crisis in our community, another major economic crisis, we need to shake things up, we need to do things differently, we need to diversify. And so they came together. And at that time, a bunch of organizations, and we were not even a foundation yet, put in \$100 million to help with innovation, talent, and entrepreneurship. Those were the three big goals of NEI. Fast forward, NEI is still around today. Its role has shifted. It's very much focused just in the city of Detroit. And it's focused on small business, what we call micro enterprise, which are very small businesses, maybe 10 or fewer employees. It's very place-based. They're looking at helping to support entrepreneurs directly in neighborhoods. And the beauty of that is that now you can see true impact. And we've invested in NEI in that formation and a slightly earlier formation, really to try to help stabilize neighborhoods and create different job opportunities they're partnering with several others in the community to do that work. But because we have a strong partner like NEI that's focused in neighborhoods, that has allowed us to invest in them, while we say okay, what's the next big thing? What are the next big things really, that could happen in Southeast Michigan? The next Duo Security, the next Rivians. So we've been really heavily thinking through, what about those high-growth, high-tech businesses, like Starbucks isn't necessarily high tech. But they were transformative, right? They were high growth, they change the way we think about coffee. So what are those opportunities here in our region, that can really create jobs at scale, create opportunity at scale and our community. And so that's a big chunk of what we do today.

E**Ed Clemente 17:48**

Yeah, and just so you know, a while back we interviewed Wafa Dinero. i Yeah, yes. And she's been a friend of mine since my legislative days. And I should also mention, I was on the Banking and Finance Committee during the crash of 2007 and 2008 in the legislature. And I know exactly everything you were talking about, because I actually brought in Dave Egner, back then, to testify in one of my committees, to talk about the New Economy Initiative when it was just starting out. It's kind of interesting, even then, because it was such a novel idea back then to think about that. So, a couple more questions just to you. You sort of touched on this a couple times. But is there any other trends or even partners that you want to work with beyond what you've already mentioned? A couple other things you want to bring up?

L**Lisa Katz 18:46**

Yeah, there are a couple of things we've done in the last year. First of all, it came as a surprise to almost everyone, when a global organization called Startup Genome came out and said, Hey, Detroit, did you know, Detroit being kind of like a 50- or 60-mile area around the city, including Ann Arbor, did you know that you're the number one emerging entrepreneurship ecosystem in the world? So that means we're not established, we're not a Silicon Valley. We're not in New York or not in Boston. There are a lot of communities that are outperforming us, but of the ones that are really growing quickly, we were top on their list of 100. And we looked at that, and we said, Wow, we didn't really realize that was a thing, that we were in that space. And so we worked with them, we commissioned them to say, Okay, what will what would it take to get us off from that emerging list and onto that established list? And so they talked to a bunch of our founders, they did roundtables, they did surveys, they did data analysis, and they put together a report that basically said, we have different strengths and weaknesses in our community. When it comes to our startups we need more early stage funding. Our startups are in the Midwest, they tend to be a little conservative, they need to think bigger, they need to think globally. Our startups, our founders are really connected to one another, they help each other a lot. But partly that is because they don't rely on our institutions as much. Because our institutions are really set up for small business, for those smaller entrepreneurs or community-based entrepreneurs that I mentioned for the big growth companies. So that's part of the work that we've been thinking through. And what we found is that there's a lot of stuff that the state, from a policy perspective, could take on to move the needle, not just for the Detroit area, but for the entire state, for Traverse City, Marquette, Grand Rapids, all of which are really interested in positioning in different ways as tech hubs around the state, we've seen Ohio just double down time and time again, on that type of strategy. And really, their major metropolitan areas are seeing massive benefits from that. So part of that is how can we invest differently in an economic development strategy that's more grassroots, but high impact, then the other thing that we've been really keeping an eye on is federal funding. So one of the things I was able to do is partner with a Detroit Regional Partnership, and many, many, many others on the Build Back Better Grant, we were able to secure 52 million for the region to support new opportunities and mobility, talent, entrepreneurship, supply chain transition, site development, several different strategies in that space. Well, that was a tip of the iceberg. We know that there's a lot more federal funding coming our way, not necessarily Michigan's way. But in general through competition, that could mean hundreds of millions of dollars, if not more for our state all-around technology change. And the need to be more innovative and to support more diverse businesses. And so that's something that I've been really following. And I think is really thematic with the work that we've been doing over the years. And I think will be a huge opportunity. And I think the real threat in both of those spaces, whether you're talking about

the startups, those companies that are talked about for these federal funding opportunities. The number one thing is technology change. That's why I will never stop thinking about jobs, because technology is always affecting the world of work and what we do, and the companies that we'll need or the solutions that we'll need, or the solutions that could just help us. So for me, I'm always thinking about technology. And what does that mean, when it comes to business growth and development, and when it comes to the work that people do?

E

Ed Clemente 23:01

Yeah, I always tell people, jobs, roads, and just the economy, I think you're never going to solve. They're things that are going to always be evolving and improving and getting worse, so you constantly have to monitor it all the time, like a patient almost. The last couple of questions. One is, what would you give yourself if you could talk to your 17-year-old self before she went down to Argentina? Like, what would you tell yourself career-wise, or somebody today? Would you think they should get into?

L

Lisa Katz 23:38

Yeah, I mean, that's always a challenging question. Because we're all so different. We all have different interests and passions and those of us who are really lucky, find those things that we're both good at, and that align with our passions and that are in demand. There aren't that many jobs in innovation strategy, right? I just got really lucky. But I also happen to love that space. And so there's that. But I think in general, almost every job that I can imagine going forward is going to require some level of digital literacy. We talk about reading and writing and math. And I think, absolutely, we all need to know those fundamentals. We all need to be able to communicate, but the thing that's going to drive change over and over again, is going to be in that digital space. You know, we think about healthcare, we have electronic medical records. Now we have tools that can do diagnostics using artificial intelligence. If you drive a truck, you have all the materials and supplies in truck that's kept on an electronic manifest that you use when you're crossing the border. Almost every job that we can think of these days requires some type of accumen in that space, even if we're selling things we think about Etsy and eBay or Amazon. Computers are everywhere. And I know it seems like kind of a cliché, but not everyone has access to quality broadband that everybody has access to great computers, that everyone knows how to use them well. Gosh, even music these days, there's electronic music, that people are able to make sounds with their computers, they're able to mix it together, you name it, like people need to understand these things. So if I went back, I would want to become much more savvy, and my ability to manipulate those spaces and not just be a clunky user of them.

E

Ed Clemente 25:45

So you want to be a producer and get back to your music phase. Create some more CDs.

L

Lisa Katz 25:51

It was super fun, I highly recommend.

E

Ed Clemente 25:55

The last thing is, real quick, is what do you like best about living in Michigan, even though you've lived around the world?

L

Lisa Katz 26:02

Well, I mean, I'm a lifelong Michigander. I obviously didn't get too far for too long.

E

Ed Clemente 26:08

You grew up on the west side, didn't you?

L

Lisa Katz 26:10

I did. I'm a Dutch girl from the west side. [Yeah, yeah.] Yeah. So I mean, I do love Michigan. I'm a swimmer. I mean, who doesn't love the lakes, you know, you go and you see those, I absolutely love them. But you know, I think the thing that you have beyond the beautiful, natural amenities that we have. The hiking and the biking. I'm an outdoors person, I love all those things. I love the parks, the different cultures that we have in throughout our different communities where you can almost be in different parts of the world just by driving a little ways. But what I really love is our potential. You know, we have so many great things to build on it, we do have a manufacturing base that is really critical to thinking about deep tech or connected products or the things that are really going to be there and that for us in the future in different ways. And if we play our cards right, if we're smart and strategic, we can create really amazing opportunities for people here so that they can not just play here, like I enjoy, but work here and really have great quality lives here. And I'm really excited about that potential.

E

Ed Clemente 27:24

Well, thank you again, I want to thank our guests Lisa Katz. She's the senior program officer for economic vitality and entrepreneurship at the William Davidson Foundation. And I appreciate Lisa, you taking time to chat with us today and keep up the good work. I know it's pretty exciting where you are. But thanks again for doing the podcast.

L

Lisa Katz 27:44

Thanks, Ed, for asking and take care of yourself and hopefully we'll see you around soon.

A

Announcer 27:50

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