

# Ep.3.13 - Neil Hawkins

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## SUMMARY KEYWORDS

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## SPEAKERS

Neil Hawkins, Announcer, Ed Clemente

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### 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. And today we're very fortunate to have Neil Hawkins, he's the president of the Erb Family Foundation. Welcome to the show, Neil.

### N Neil Hawkins 00:39

Thank you, Ed. I've been looking forward to this.

### E Ed Clemente 00:42

Yeah, well I'm looking more forward than you probably are. Because at first I was looking at your background, and I was just, oh my gosh, he's done so many things. And he's so perfect for this position. But let's start out first with the Erb Foundation, and just kind of give what the mission is and what sort of the parameters of the groups you want to support and things like that.

### N Neil Hawkins 01:07

Yeah, the Erb Family Foundation, it's about 14 years old. Founded by Fred and Barbara Erb,

we're dedicated in a number of areas, mainly across Southeast Michigan, but arts and culture, Great Lakes. We have a very strong focus in jazz education. As our founder was interested very much in jazz. We have work going on in environmental justice, Alzheimer's, and a number of different areas like that. But I think one of the areas of interest to your listeners is sustainable business, which was a long-standing interest of our our founders. 25 years ago, they founded the Erb Institute at the University of Michigan, which is both an environment degree and an MBA. It's arguably the best sustainable business program, really in the world.

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Ed Clemente 02:14

Yeah, and you still do things, I mean, what is it, not interns, But you work with them still, right?

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Neil Hawkins 02:19

Yeah, we work very closely with the Erb Institute. We're the Foundation. But they are a key part of the Sustainable Business Network of Detroit, an initiative we've had in the last few years, really trying to mobilize the region to accelerate progress between business, NGOs, nonprofits, government and academia.

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Ed Clemente 02:47

You know, might as well do it right now. But ESG, the environmental, social, governance, why don't you say why that's kind of really ballooned more recently? And then we're gonna get into your background and why you kind of are the perfect background for this kind of interest.

N

Neil Hawkins 03:04

Yeah, I think to some of your listeners, they're going to think of ESG as a controversial area, because there is some controversy about it. But this is the reality, Ed. ESG reflects global and regional and national trends to address the sustainability challenges, and the governance challenges facing the private sector. And if you take something like climate change, you can have a lot of argument and debate about what to do about climate change. But whether or not climate change is going to have significant impact on this country and the businesses in this country is very clear, it already is having significant impact, including in Michigan. So ESG is the trend to require companies to report their level of impacts in climate change, their level of impacts in water, water is another important dimension, biodiversity and other areas. So its impacts to the company, but also impacts from the company on the environment. And last, it's not just impact negative. For many companies, there are also positive growth opportunities that are growing out of climate change. So if you're a big investor like BlackRock, you want to know, what do you think about climate and other issues? What is your strategy? How will you mitigate the risks, and how will you grow your company faster because of it. So I don't see any slowdown in ESG. I think ESG as something investors care about, will definitely continue. You'll may see start and stops on regulatory ESG. That's where you hear the debate, like, should we have rules and laws, but the investor side of it, those horses are out of the barn and have been for a decade, this is not going to stop at this point.

E

Ed Clemente 05:36

Well, it's interesting, because quite a few of our guests, I've talked about little bits of this, maybe piecemeal. But I've actually talked to different millennials and Gen Z. And that's one of the things they look for often when they're looking for a new job. And smart companies are using it as a recruiting tool, to get the kind of people you want to have not only work for your company, but to move to your region. And I think that it's sort of like a generational shift to that's happening with or without, you don't like it, you might not get the people you want.

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Neil Hawkins 06:10

Yeah, I actually wrote a blog. And that's from my former job, which we could talk about a little in a minute. But I wrote a blog, and it was the five value propositions for sustainability for a company. And the five are top line growth, which is grow your company with the trends, bottom line growth, which largely is save money, by wasting less energy, water, etc. Collaborate, because if you have a good sustainability platform, government and nonprofits will want to work with you to help you succeed. Investors, that's the CSG piece that we just talked about a minute ago. But very importantly, and I saw this firsthand in my prior job, attracting, retaining, and developing top talent is so closely linked to these ESG and sustainability trends. No top employee, or prospective employee wants to join a company that isn't paying attention to these issues. And when I was at Dow, we actually hired about 2,000 people, this was about 20 years ago, or 18 years ago, 2,000 people in China. And we built the entire recruiting platform around, they called it the Green Jobs Program. And we very successfully recruited hundreds and hundreds of PhDs and MBAs, etc., the top talent of China. And then once we had the top talent, we tracked our retention, and we were far and away, way better than competitors in China. So I've seen it work firsthand on the HR side, and any progressive company that wants to have top talent, you've got to pay attention to these ESG issues.

E

Ed Clemente 08:27

Yeah, yeah. And in fact, it's almost like a subconscious generational thing too. Because if you have kids, you want to make sure you know, it's almost like the anti-boomerang technique, right? Rather than have them go live in Chicago for a while and then come back. If you want them to stay here, or if you want to be close to your grandkids or whatever, eventually, it's better off that they see the same sort of general values that you saw of why you came to a place originally, and that continuation happens and makes the state stronger. I think you're from down south originally. [North Carolina, yep.] Yeah, North Carolina, one of the most attractive states in the country. Don't tell Pure Michigan I said that. It's nice, because it doesn't get the cold weather like we do sometimes. But I think people stay there for generations because of a lot of the different things that make it valuable.

N

Neil Hawkins 09:22

I do think that for Michigan, sustainability as a theme is a very unique advantage. And I don't believe the state, or the companies of the state have made enough use of it. Michigan is really one of the great hidden treasures of North America. And we really need to market it as such.

The other thing is we have great universities here, but our biggest, high-quality exports are graduates, it's nuts. We need to keep those graduates here, have them start new businesses, have them go to work in the big companies we've got and middle-sized companies, and then really just dominate the economy, in the region and in the country and globally. That should be our goal as a state. And we do have unique attributes and characteristics to bring to the table here. The Great Lakes being the biggest one.

E

Ed Clemente 10:31

Oh, yeah. Well, and I know that's part of the mission, obviously, for the Erb Foundation, as well as they're concerned about that whole catch basin, literally, catch basin of the Great Lakes, watersheds and everything. So let's talk a little bit more about Dow or yourself a little bit. There's two things I gotta ask you that I didn't get a chance to talk to you about in our pre-call was, did you work with Michael Bloomberg? Actually, or did you meet him ever? I saw you did something with him here.

N

Neil Hawkins 11:03

Yeah, I actually, I've met him probably four or five times. I first met him at the Paris Climate Conference a little more than 10 years ago. And he and Mark Carney who was the head of the Bank of England, were putting together a program to encourage climate disclosures called the Task Force for Climate-Related Financial Disclosures. And I was appointed, I was one of the only manufacturing people on that group. And most of the people were from big banks, investment houses, insurance companies, I mean, financial industry people, but they wanted a few people that could address these things from a real life perspective, because they didn't want to come up with guidelines that were impossible to do. And so Bloomberg, and Carney did appoint me. And so I met them initially. And then every time we had a meeting, actually, Michael Bloomberg came and talked to us at lunch and sat with us at lunch and just talked to us it was a deeply personal interest of Bloomberg, it wasn't for show or anything. He actually cares about solving climate change. And it was it was a real honor to help with that group.

A

Announcer 12:34

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Ed Clemente 12:51

The two other things, but the one that sort of interests me, and I don't know what you can talk about it. But you worked with the Council on Foreign Relations to, which is always been an interesting group to me personally, because I think you and I on our pre-call, talked about how Michigan needs to see the world and how the world sort of needs to see Michigan sometimes. And your platform back then at Dow, I'm sure it kind of relates to this a little bit?

**N****Neil Hawkins 13:17**

Well, yeah, I am a member of the Council on Foreign Relations. [Oh, wow, okay.] Yeah, I'm actually a member. And there aren't that many business sector members. Most of the ones they have are, like CEOs and people who are, you know, bank CEOs, people like that. The reason why I was offered membership was when I was at Dow, I helped negotiate, gosh, probably five different environmental treaties. You know, global treaties, I was part of negotiating. So I would be representing industry or my company, but also be part of the US delegation to these conferences. Remember I mentioned I was at Paris, for the Paris Climate Summit. Well, on all of these I would go as part of a delegation. And so I became quite integrated. I became quite integrated into that foreign policy apparatus as it relates to environmental treaties, not general foreign relations, my area is treaties. And I'd really like to see the experience I've had used more in the Great Lakes setting, because that is a binational issue. That really requires international solutions. But the way the Great Lakes work, there are big agreements. but they don't happen very often. So, you know, you might go 20-30 years before you have another agreement. So I don't know if in the remaining time of my career if there will be a new treaty or something like that. But if there ever is, I'd love to be part of it from start to finish.

**E****Ed Clemente 13:18**

Yeah, I think you and I, in our prep call, somewhat, we talked a little bit about, you know, it ties into what you were just saying is that Michigan is sort of the epicenter, sort of for the Great Lakes, maybe except for Ontario, right? But in general, we touch them all. But obviously, it's a catch basin. So even if the relationship is with Ontario, or with Wisconsin, or whatever, Michigan needs to start thinking of itself as like sort of a unique ecosystem, that's actually almost not a separate country, but definitely a whole separate set of value chains than say, almost any other state, you know, maybe Florida, Alaska, Hawaii. But beyond that, there's not many other states that has sort of our weird geography.

**N****Neil Hawkins 16:14**

I don't know if you know this, but the name Michigan means big lake, or big water. That's what Michigan means. The indigenous people named Michigan, big lake, big water. So as long as there is any sort of recorded history, we've associated ourselves with those waters, and I do believe Michigan has a unique position, because of its geography and the region. But let me just make a plea for the region. If you take all the waters of the Great Lakes, all the waters, all the way through to Buffalo, and on out to the St. Lawrence Seaway. If you take all of the provinces and states that touch Great Lakes water, that is the third largest economy in the world. Number three, after US and China. And most people don't know that, because it's spread over two countries. And so we need to tackle the opportunities and challenges, especially the ecological challenges of the Great Lakes region, binationally, and with the viewpoint that the economy is critically important to the world's economy, not just to the two countries, the amount of exports and imports coming through the Great Lakes, it's unbelievable. Most people don't realize how big it is, when you look at the bridges between Michigan and Ontario, there's more trade on those bridges than between the US and Japan. Think about that, that's big, you know, you think of you think of Japan is big, but you don't think of those bridges as providing that kind of trade power. It's really important.

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Ed Clemente 18:16

As I say, we also have a previous guest, and I'll probably have him back on again, we've had the new Gordie Howe Bridge, that's going to be happening. And we've talked about this on a couple other guests where that's going to sort of even accelerate more of what you're talking about. Because it's going to be sort of like Industry 4.0 bridge, you know, because it's going to actually make it much more seamless. And you live in the Detroit area. And you've obviously seen the trucks backed up all the time for the Ambassador Bridge. So this is really going to sort of open up, as you know, the EV supply chain, you know how that's gonna work. Plus a lot of the big moves that the federal government is making, is going to even increase more of what you just said, and our relationship with both Canada and Mexico has got to improve, too, consequently, because I think that's going to be less pressure for a carbon footprint on the supply chain, too.

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Neil Hawkins 19:13

Yeah, I think the key word I would use with that is could it could accelerate, it could solidify, it could but in order for that to really happen, we have to thoughtfully and strategically engage the opportunity. And I do believe with the Inflation Reduction Act and the the monies that will be available for electrification, etc, but also the bipartisan infrastructure bill, Michigan, and the region should be thinking very strategically about what infrastructure investments we need to make for water. For sustainable mobility, etc., and cooperate to do it, we shouldn't view this as a zero-sum game. If we can work together across the different cities, the different companies, have the nonprofits with us, we can make much faster progress. And we need to, like you said, we do need to solidify the Canadian relationship, that at times, it's been a little rocky. And we don't need the the tri-country trade agreement to go stale, we need that to be vibrant and fair. And including environmental challenges. So it sounds like your guests are thinking about the right things, I would just invite them to reach out and collaborate even more, we have the platform of Sustainable Business Network of Detroit. We'd love to have some of your guests or have you Ed on some of our stages to really help promote cross-understanding and find areas where we can collaborate more.

E

Ed Clemente 21:15

Yeah, when I was in the legislature, actually, it's hard to believe at a state level, but state level is pretty important to international trade, because we had to do some compliance bills on taxation. So I had to work with the Canadian government to help make sure that was enforced on our side just for state taxes. But, as a legislator was really interesting, how great and how important that relationship is. And, even today, both, I think Canada and Mexico have one of the stronger contingents for councils, because of the business relationship that exists. And us being sort of the cluster point of a lot of this infrastructure that goes north and south through this area. Anyway, this is sort of a side question before I get too far. One last one for you. What did you do with the Olympics? I saw that in here.

N

Neil Hawkins 22:07

Yeah. I was appointed to the International Olympic Commission's Sustainability and Legacy

Commission, okay, the IOC Sustainability and Legacy Commission. And what we were doing is we were defining the program to make the Olympics more sustainable, address climate change, etc. And so we were successful at that. And they did it in two ways. They worked on making their own operations, their own buildings carbon neutral. And then we set up the standards for how each Olympic Games needed to address sustainability. That was a very interesting group. Prince Albert of Monaco was the chairman. And he's a member of the Olympic Committee. But he's also an environmentalist in a big way. And it was an honor to serve there. I think I was on that for about three or four years. And they've done great thing since.

**E** Ed Clemente 22:27

For Erb Foundation, you've kind of touched on this, but is there anything else that you see as trends for what you think their foundation will be investing more? And I know you've brought up quite a few already, but you had any other specific anecdotes or something like that?

**N** Neil Hawkins 23:44

Yeah, the Erb Family Foundation is in a transition right now we're going from being an ongoing foundation to a spend down foundation. So over the next 12 years, we will spend down our endowment. And so we're right now working on strategies for what we might do over the next 10 or 12 years. So we're kind of in between, but we're continuing our current strategic plan, and all of those areas that I mentioned earlier, and I would expect most areas that we currently make grants in will be in the spend down plan. Right now. We're doing 12 to 14 million a year in grants. And then when we go to spend down it will be more than 300 million. It'll be 320 to 350. So that'll be over a period of time.

**E** Ed Clemente 24:47

Yeah, you're not the first foundation I hear about the spend down. I know it's sort of happening a little bit too with other foundations.

**N** Neil Hawkins 24:58

Yeah, it's probably a growing trend, I think there's a strong reason to have both types. But for example, the Wilson Foundation here in the Detroit area is also a spend down. But they started out as a spend down, I believe. And then Davidson, just in contrast, is an ongoing foundation. They're all different or Kresge. They're an ongoing foundation. So, we made the decision to go this direction, and we think we can make some very, very good investments that will help accelerate progress. So we're, we're pretty excited about that.

**E** Ed Clemente 25:47

The last two questions are pretty brief. But you sound like a guy that knew what you wanted to do out of high school. I wasn't one of those people. But what would you tell yourself at 17 to get into something like a foundation that you think would be a good career?

into nowadays, for a degree or what you think would be a good career?

N

Neil Hawkins 26:04

Yeah. You know, I'm actually giving a talk soon, to some graduates, not high school, but college, and what I'm going to tell them it's not go into plastics, or whatever. I'm gonna tell them to pursue deliberate engagement. I think it's very important to understand yourself, and what motivates you and what you're trying to accomplish. And then find ways to make that impact through as many parts of your life as you can, in a job that you love and enjoy, find ways to make the impact that you care about. At the same time, I think the power of and is really important, I think people have to find ways to make a living, enjoy their job, but also make impact. And I was fortunate in my 31 years at Dow to be able to really exercise my interests in environment, health and safety, and sustainability, make an impact, but also help a company be a fortune 40 company. And that was a lot of fun doing both. So I would encourage people to make really deliberate engagement, thoughtful engagement in one's life don't just sort of meander through life, you know, have a thought process themes for what you're trying to accomplish.

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Ed Clemente 27:46

Yeah, it sounds almost like a career should be more of a verb than a noun.

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Neil Hawkins 27:51

A journey. But make the journey deliberate. That doesn't mean pick up front what you're going to do exactly, it means just make sure you're focused on the impacts.

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Ed Clemente 28:06

Your last question is, what do you like best about living in Michigan? You've lived here most of your life now.

N

Neil Hawkins 28:13

I think the best thing about Michigan is the, really the outdoors here. And nature. The four seasons, I'm actually a big lover of four seasons, including winter. It's a little long here. But I think that Michigan is the best kept secret in America. And we as Michiganders, and I put on my Twitter, my Twitter description, Michigander by choice. And I put it that way on purpose because I choose to be here, because I love it. And like it. And I think most Michiganders don't really think about the fact that they're in a charmed place. And one that is exciting. And I think we all need to celebrate where we live, because it is a remarkable place.

E

Ed Clemente 29:13

Well, I want to thank you again, our guest, Dr. Neil Hawkins. He's the president of the Erb



well, I want to thank you again, our guest, Dr. Neil Hawkins. He's the president of the LFB Family Foundation. Neil, I'm sure we could have gone on for a couple hours here. And I know, I didn't want to push it too hard. But thank you very much for doing the show today. And you are a great guest. And thanks again and keep up the good work.

N

Neil Hawkins 29:34

Hey, well, thank you for having me. And I really look forward to listening to your shows and learning about people who are doing great things in Michigan. So thank you for doing it.

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Ed Clemente 29:46

Join us next week where our guest is going to be Lisa Katz, senior program officer for economic vitality and entrepreneurship at the William Davidson Foundation.

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Announcer 29:58

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