

9-30-2009

# When the Economy is in Quicksand, Keep on Moving

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## Recommended Citation

Bahls, Steven C.. "When the Economy is in Quicksand, Keep on Moving" (2009). *Speeches and Statements*.  
<http://digitalcommons.augustana.edu/presidentsstatements/43>

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# When the economy is in quicksand, keep on moving

*("When the Economy is in Quicksand, Keep on Moving": Remarks by Steve Bahls, Chair of the Illinois Quad City Chamber of Commerce and President of Augustana College, September 30, 2009)*

Thank you for taking time tonight to join us for our awards banquet, and thanks to each of you for all that you do to keep the Quad Cities strong. Congratulations to our award winners and a special thank you to our primary sponsor of the annual meeting – Trinity Health System. And congratulations to the chamber for 25 years of serving our business community!

Before talking about the chambers' activities, I want to tell you a story about a trip I took this summer. My wife and I wanted to take a special vacation, because our youngest child, Angela, was about to start college as a first-year student at Augustana. Though she was moving only 200 yards away from home to one of Augustana's residence halls, Jane and I wanted to have some intensive quality time with her before she started college. But I knew I had to get her away from her cell phone for that to happen. (And, I admit, getting away from my Blackberry wouldn't hurt either.) So, we decided to do a two-week camping trip in the Yukon.

To prepare for the trip I read about the hazards of camping in the Yukon. I knew about the hazards of grizzly bears, but I was surprised to read about another hazard – quicksand. Not the quicksand that I remember from the movies when I was a kid where you would sink up to your neck. This was quicksand where you could sink about 12 to 18 inches and lose your hiking boot. The advice the book gave about quicksand was: when in quicksand, keep on moving. So I decided to test it. I found some quicksand, and, sure enough, if you run across it you'll sink only an inch or two.

*When in quicksand, keep on moving.* To a certain extent, our economy has been in quicksand. At this time last year, the depth of the economic meltdown was only beginning to come into focus. While Wall Street lost its nerve, many of us on Main Street kept our nerve. Here in the Quad Cities, we worked hard to preserve our employment base – and we have been successful in maintaining lower unemployment than all but 3 of Illinois' 12 metropolitan areas. But unemployment in our area remains at a troublingly high level. As business leaders, we are especially mindful of the devastating impact high levels of unemployment have on families in our region. We are at a sensitive time in this economic cycle. Arguably, the nation's economy is beginning to show signs of recovery. If the recovery from this deep recession is like the recovery from other recessions, some areas of our country and state will make greater gains than others. As the nation's economy starts to recover, will the Quad Cities participate fully in the recovery?

We clearly have all the pieces in place for a strengthening local economy. In fact, we have the ingredients for a *disproportionately* successful economic recovery – ample land, a crossroads of highway, water and rail transportation, low cost-of-living, a solid Midwest work ethic and strong cultural and educational infrastructure. But having these advantages is not enough. The question, for us, is whether we can organize the leadership in our business community in a way to catch the updraft coming after the nation's deepest recession in our lifetimes.

In a recently-published book called *Why the Garden Club Couldn't Save Youngstown: the Transformation of the Rust Belt*, Sean Safford, a professor at the University of Chicago, studied the impact of the quality of leadership in the business community on economic growth. His book compared two rust-belt cities – Youngstown, Ohio, and Allentown, Pennsylvania. Both were hit hard in the 1970s and 1980s by the decline of steel-making. Youngstown is still in the tank, but Allentown has pulled out. Allentown has a remarkably lower unemployment rate and has been a magnet for venture capital funds. Its central city has grown, while Youngstown's withered.

Why did one of these similarly-situated cities flourish while the other languished? In his extensive analysis, Professor Safford concluded that the main difference was the leadership in the community. In Youngstown, the leadership was characterized by extreme fragmentation, protection of entrenched interests, infighting and, ultimately, inaction. In Allentown, community leaders developed unified collaborations of companies, banks, colleges and universities, cultural and civic organizations, as well as public officials. In Youngstown, leaders in the community didn't trust each other and acted to protect parochial interests. In Allentown, once-fragmented leaders set about to find common ground on which to build consensus-driven solutions to the crisis. In short, Allentown pulled together and kept on moving, while Youngstown got stuck in the quicksand of casting blame.

I think most of you would agree that there has been too much fragmentation in our efforts to build this region. In my seven years in the Quad Cities, I have witnessed too much of this division and discord. Distrust between the public and private sectors, competition between Iowa and Illinois, too many organizations with disjointed responsibilities for economic development, and even competition between our chambers. What I trust will be an enduring lesson from the crisis we're digging out of now is that Martin Luther King was indeed right when he said "we may have all come on different ships, but we're in the same boat now." What that means in economic development terms is that there are no longer purely Illinois interests or Iowa interests. Because we are a regional economy, there are in fact *only* Quad City interests.

In this past year, the chamber has taken three significant steps to help us achieve the coordinated, consensus-driven approach that made Allentown successful.

First, our chamber partnered with the Iowa chamber to create Quad Cities First, and this chamber-led regional sales and marketing organization has appointed an outstanding board representing the rich diversity of talent in our community. We did so because the primary organization for sales and marketing of the Quad Cities, the Quad City Development Group, was in quicksand – it was about ready to run out of money. At the request of several of our region's business leaders, the Illinois Chamber of Commerce stepped up to the plate with Davenport One to assume the Development Group's critical functions in a way that more efficiently enhances the sales and marketing of our area. Because Quad Cities First is co-managed by the two chambers, we will be able to forge a singular voice in the marketing efforts that do so much to build and sustain our local economy.

Second, in a move almost unimaginable not that long ago, the Illinois Quad City Chamber has entered into a joint venture with the new Iowa Quad City Chamber to enhance their common core activities of business retention, entrepreneurial development, and the building of a 21st century workforce in our region. On the subject of workforce development, the chambers are bringing together institutions of higher learning – public and private, two-year, four-year, graduate and technical – all while presenting a unified front to our important partners in local, state and federal government to support us in all of these vital endeavors.

Third, we have committed to work as equal partners with the Iowa Quad City Chamber to develop a

comprehensive regional economic plan and a combined campaign to develop the finances needed to support the plan and its implementation. This plan will build on Blueprint 2010, which many of you have supported, by taking the next steps in strengthening our ability to attract, grow and retain business.

But merely having the structure in place to find common ground for an effective, consensus-driven approach to regional economic development is not enough. We will only be successful if each of us in this room tonight supports these efforts. Economic development is not someone else's responsibility. It is our responsibility. How can each of us support these efforts? Let me suggest three steps:

1. It is critically important that the upcoming regional strategic planning process have the support and participation of all of us. The executive committees of both the Illinois and Iowa chambers will be meeting soon to forge a process whereby all sectors of our community might help build on existing plans to strengthen our economy. We aim to conclude this process by next spring, so that we will be positioned to take fullest advantage of the recovery in our nation's economy. We need your participation, creativity and vision in the process.
2. We need adequate funding to make Quad Cities First successful. Our ambitious agenda for marketing our region, retaining and expanding existing businesses, and building our workforce is not inexpensive. For those of who supported the Quad Cities Development Group, please continue your financial support through Quad Cities First. And we need adequate chamber funding as we take on new responsibilities. If our strategic plan merits your confidence, I hope you will join me in increasing your organization's commitment to funding economic development.
3. We must never forget that we are all the sales and marketing ambassadors of this community and region. Quad Cities First can't do it alone. And we can't be effective if we simply wait for the State of Illinois to refer leads to us. For those of us who conduct business with those outside the Quad Cities, how can we influence those with whom we do business to consider locating in this area? How can we work with Quad Cities First to think about mutually beneficial partnerships between our businesses and businesses considering relocating to the Quad Cities?

Thank you for the privilege of serving as Chair of the Board of the Illinois Quad City Chamber of Commerce. Let me say how proud I am of our business community. When Wall Street got stuck in quicksand, we in the Quad Cities kept on moving. Through our collective efforts, we facilitated the expansion of Western Illinois University and are near to securing passenger rail service.

Just before this meeting, I visited with Glen Brolander, who was the president of the Rock Island Chamber of Commerce years ago, before the merger of the chambers and the creation of the Illinois Quad City Chamber. He told me that the primary reason that the chambers merged was to enhance the ability to attract a high quality staff. Well, we have fulfilled that dream – a highly skilled chamber staff. Through the extraordinary leadership of Rick Baker and his staff, our board and especially each of you – our chamber members – we have created a structure for building, together, a brighter future not just for each of us, but for all of us. Thank you!

I'd like us all to raise a glass for a toast: To paraphrase Henry Ford, "we need to remember that one determined person can make a significant difference in life...but a group of equally determined people with a shared purpose can together change the course of history." So let this toast be to our community, and the work in which we will share in its behalf – cheers!

With that thought in mind, I would like to christen our commitment to fulfill the Chamber's mission in our next 25 years. I'd like to invite Jim Sears, Quad City Manufacturing Lab (our newest member in attendance) and Cynthia Tidwell, Royal Neighbors of America (the longest-term member in attendance) to cut the ribbon to new energy and renewed commitment for our Illinois Quad City Chamber's next 25 years...

Thank you.



Accounting	Communication Studies	Geography	Music	Pre-Optometry
Africana Studies	Computer Science	Geology	Music Education	Pre-Pharmacy
Anthropology	Creative Writing	German Studies	Music Performance	Pre-Physical Therapy
Art	Economics	Greek	Neuroscience	Pre-Physician Assistant
Art History	Elementary Education	Graphic Design	Non-Profit Leadership	Pre-Seminary
Asian Studies	Engineering	History	Development	Pre-Veterinary Medicine
Biochemistry	Engineering Physics	International Business	Philosophy	Psychology
Biology	English (Literature)	Japanese	Physics	Religion
Business Administration	English (Writing)	Landscape Architecture	Political Science	Scandinavian Studies
Chemistry	Environmental Management	Latin	Pre-Dentistry	Secondary Education
Chinese	& Forestry	Library and Information	Pre-Law	Sociology
Classics	Environmental Studies	Science	Pre-Medicine	Sociology (Social Welfare)
Communication Sciences	Ethics	Mathematics	Pre-Music Therapy	Spanish
& Disorders	French	Multimedia Journalism	Pre-Nursing	Theatre
		& Mass Communication	Pre-Occupational Therapy	Women's & Gender Studies