

PERSONALLY SPEAKING

Number 1

July 2004

ECONOMIC DEVELOPMENT: THE HARSH REALITY FOR THE CITY OF MONROE

**Edward J. O'Boyle, Ph.D
Mayo Research Institute**

The lengthy articles on economic development by Dave Norris in the July 11 issue of *The News-Star* address the problem at arms length in what may be described as academic fashion but do not admit that the City of Monroe is in the throes of chronic economic failure. The loss of State Farm should be a wakeup call for a city that for years has been beset by crime, drugs, flooding, personal and business bankruptcies, local government corruption and incompetence, primary and secondary education on the wane, higher education struggling to hold itself together. And most recently health care -- one of the engines of the local economy -- running in reverse with no pediatric neurosurgeon left in Monroe, Ouachita Parish, and northeast Louisiana to treat children with head injuries and no longer a pediatric intensive care unit at Glenwood Regional Medical Center.

The evidence on poverty from the 2000 Census is sufficient to document the chronic economic failure of the city for all but those who are either unfamiliar with the local area or are in chronic denial. At the end of the longest expansion of the U.S. economy in 1999, the rate of poverty in Monroe stood at 32 percent or nearly triple the rate of poverty for the entire United States. The incidence of poverty among female-headed households in Monroe with at least one child below age five is a shocking 73.2 percent. Unless there is an abrupt turnaround driven principally by the local movers and shakers, the city is headed in the same direction as East St. Louis, Illinois which after more than 40 years of decline has been reduced to a desperate wasteland unable to take charge of its future in what otherwise is a generally prosperous metro area.

What can be done in Monroe to take control of its future? Nothing in the short-term because the decline has gathered too much momentum to be reversed in the near future. And nothing can be done in the long-term unless the local movers and shakers admit to what has been happening to the city over many years in a very public way that recalls President Roosevelt's words in his second inaugural address: "I see a nation one-third ill-housed, ill-clad, and ill-nourished."

There are several opportunities still available but each one requires courage, conviction, and a willingness to change especially when that change comes at personal expense. Four come to mind.

First, streets, highways, and bridges are the arteries that carry the economy's commerce. For years, serious and well-established transportation deficiencies have been choking the

city's economy. The city needs a bridge to connect it to the growing economy west of the Ouachita River via Forsythe Avenue. Further resistance to that development in the name of protecting the serenity of the Garden District assures that over time the District's serenity will degenerate into stagnation and the city's hope of reversing its decline into despair. When the door to change is slammed shut, commercial interests will knock elsewhere until they find other places that understand that there is no growth without change. Those places will grow and develop. Monroe will not.

Second, the long listings of persons declaring bankruptcy that have been appearing for years in the Sunday *News-Star* indicate that much more needs to be done to educate the public about consumer finance and the seduction of credit cards and gambling. Both hold out the flimsy promise of getting what is desired magically and mysteriously with little or no effort. Both in effect reject reason and hard work as the pathways leading to personal financial well-being and security. Local financial institutions, along with local civic organizations such as the Lions, Scouts, Junior League, Knights of Columbus, and NAACP should re-examine their own agendas to see what they can do to educate the public about the devastating impact of personal bankruptcies on personal creditworthiness and on the vitality of local businesses. While personal bankruptcy spells relief from the excessive burden of one's debts, it also means that some local businesses are denied the payments due them and what all too often is necessary for their very survival. Perhaps those local attorneys who specialize in bankruptcy law and who publicize their services widely through the media could be persuaded to write articles for *The News-Star* on how to avoid becoming so financially beleaguered to need their services?

Third, innovation is at the very heart of economic development and persons with vision -- entrepreneurs -- are the ones who drive innovation. Sam Walton saw the place of discount retailing in small town America and created the world's largest retail establishment. Ted Turner saw the need for access to the national and international news on a continuous basis and launched CNN. With the introduction of the Apple computer, two unknown young men made the dream of desktop computing a reality even for grade-school students. It is simply not enough for educators to prepare their students to pass standardized tests, to win state athletic championships, and to accept the minimum effort required to accomplish the one and to promote a maximum effort to achieve the other. The core curriculum must challenge students to develop critical thinking skills, written communication skills, and the listening skills necessary to the learning process, and to challenge their imagination and stimulate their curiosity so that they can see more clearly that education is critical in making them become more fully the persons they were meant to be. This will not happen when schools, parents, and local government officials put the finest football playing surface that money can buy at the top of their agendas and higher education officials push tirelessly for additional graduate degree programs that serve at best only a tiny fraction of their student populations often at the expense of the vastly greater numbers of undergraduate students. Do Harvard, or MIT, or University of Chicago, or Carnegie Mellon, or Cal Tech, with financial resources far greater than ULM, or Tech, or Grambling, expend their energies competing for athletic honors? Why then with far fewer resources, do ULM, Tech, and Grambling expend so much for that end? And how many of

their boosters would swap one of the three local universities for the likes of MIT or Carnegie Mellon?

Fourth, and last, local ministers need to understand that together they have the economic muscle to force local financial institutions to become much more engaged in economic development. Simply put, as any banker or student of money and banking knows, a bank's ability to make loans depends on the funds that its depositors maintain in their checking accounts. Without going into the technical details, the more funds a bank's depositors keep in their checking accounts, the more loans the bank can make. An alliance of ministers, each one with a checking account that holds the congregation's funds, and like-minded persons and organizations, could with absolutely no risk or additional effort on the part of their congregations move their accounts *en masse* to the one local bank with the best detailed plan for local economic development. Bankers are smart enough to know that if commerce in Monroe succeeds, so will they. And if it fails, so will they.

A bridge is an outward sign of the inner reality that we were meant to live our lives not apart in gated enclaves but together in human communities. Isn't it time to start building the human and steel bridges that offer hope of arresting and reversing Monroe's chronic economic failure?

Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute. Since he completed his doctorate in economics from Saint Louis University in 1972, Dr. O'Boyle has been specializing in economic research and analysis increasingly from the perspective of the human person engaged in everyday activities both as a unique individual and as a community member. In January 2004 the Association for Social Economics conferred on Dr. O'Boyle its prestigious Thomas Divine Award for lifetime contributions to social economics and the social economy.
