

University of Detroit Mercy

-Bankruptcy-

The Beginning or the End

How Do You See Detroit?



What is Crisis?

- Change
 - Positive Change
 - Marriage
 - New Job
 - Graduation
 - Children
 - Negative Change
 - Death of loved one
 - Losing Job
 - Rejection

Crisis as Opportunity

- Crisis can
 - Validate your current identity
 - Establish a new identity

All Crisis is Within a Context

- Like a person, a university has a life story
- The life story is the context for the crisis
- The reaction to the crisis validates or changes the identity



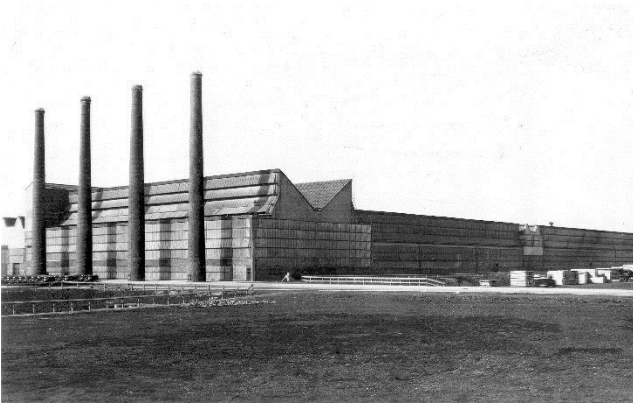
- *1914 Ford Assembly Line*



Ford Motor Company, Highland Park,
1918, Albert Kahn

A City of Making: Manufacturing
[Pre-history to 1950]

Ford Motor Company, Rouge Glass Plan, 1922, Albert Kahn



A City of Making: Manufacturing
[Pre-history to 1950]



Hamtramck Worker Housing

- *\$5/Day [Double US Average Pay]*
- *A House and A Car*
- *1928: 2000 New Jobs Created Every Week*



Henry Ford Design Housing, Dearborn, MI

A City of Making: The Middle Class

[Pre-history to 1950]



“Cathedrals of Finance”



A City of Making: City Beautiful

[Pre-history to 1950]



The "Arsenal of Democracy": Ford Willow Run Plant Producing a B-24 Liberator Bomber every 55 Minutes

A City of Making: War
[Pre-history to 1950]



Women Building Sherman Tank Engines at Chrysler

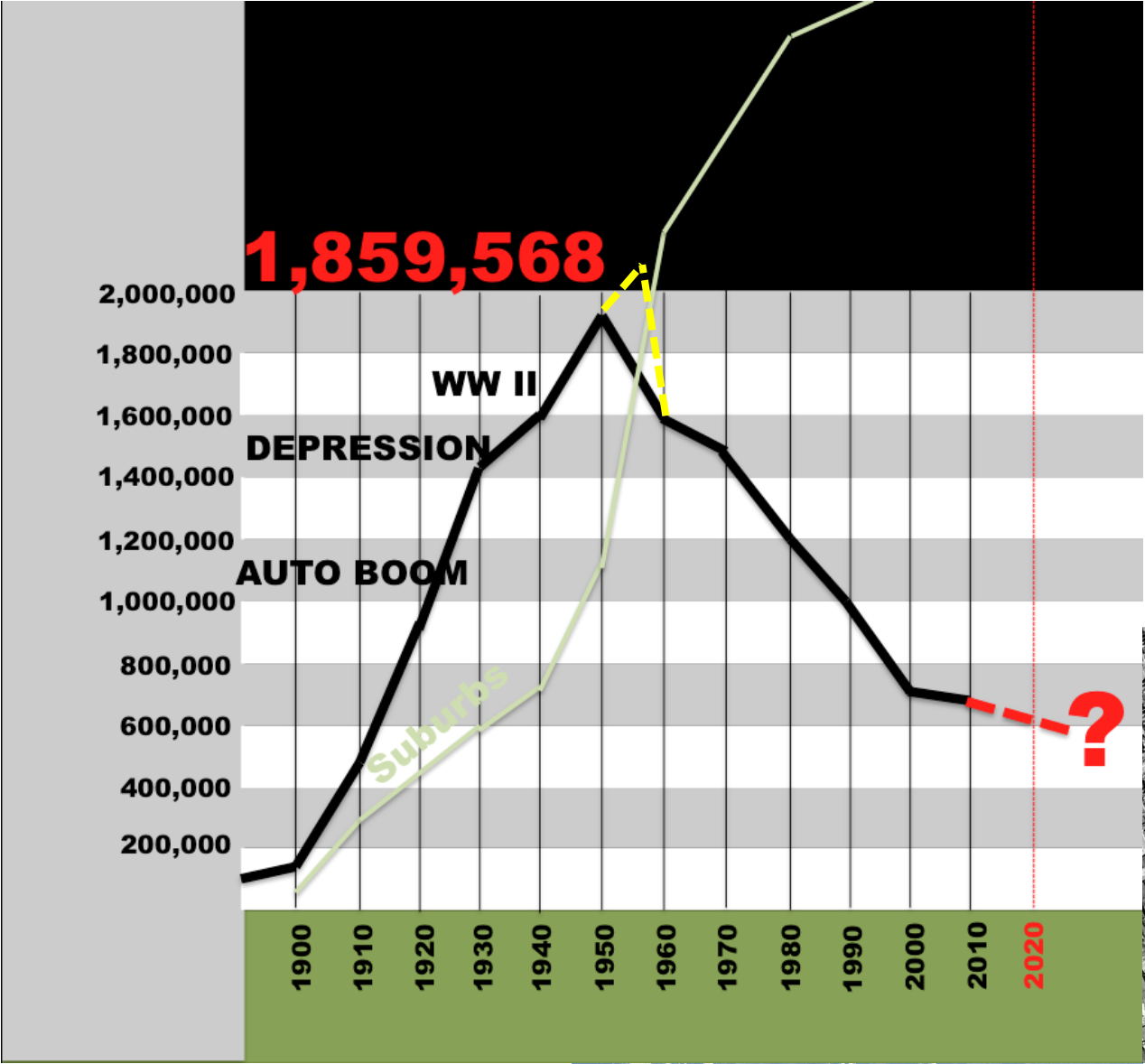
- *Women in the Work Force*



WWII "Rosy the Riveter" Poster

A City of Making: War

[Pre-history to 1950]



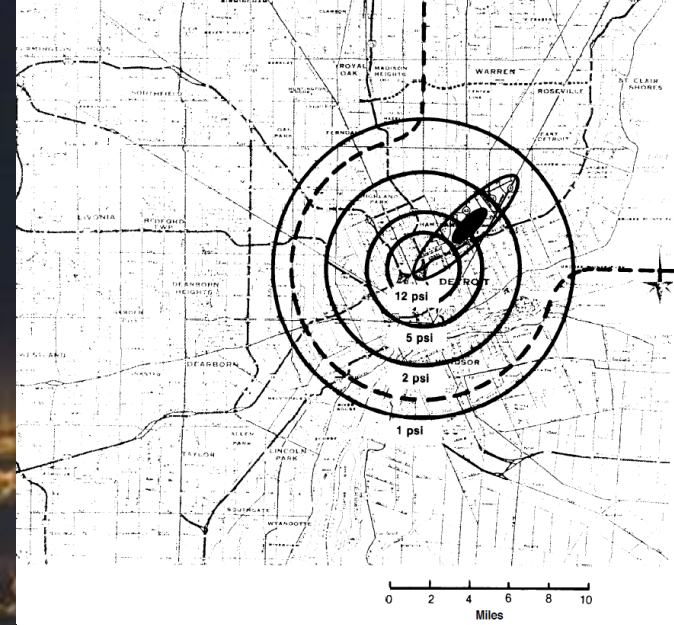
Detroit Population Peaks in 1950

Single Family Housing, 1949



A City of Making: War

[Pre-history to 1950]



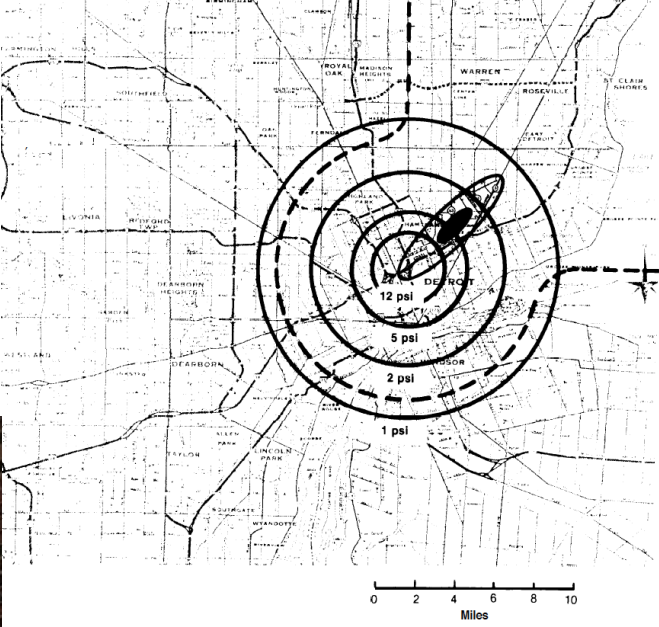
- *The “Cold War”*
- *Targeting Detroit*

A Return to Nature: Decentralization

[1950-2001]



Packard Plant, Closed in 1956



- *The “Cold War”*
- *Targeting Detroit*

A Return to Nature: Decentralization
[1950-2001]



Eisenhower National Defense Highway System



James Couzens Freeway Ramp, 1959

- *Access to Jobs*
- *Ending Mass Transportation*
- *Urban Sprawl*

A Return to Nature:
[1950-2001]

Decentralization

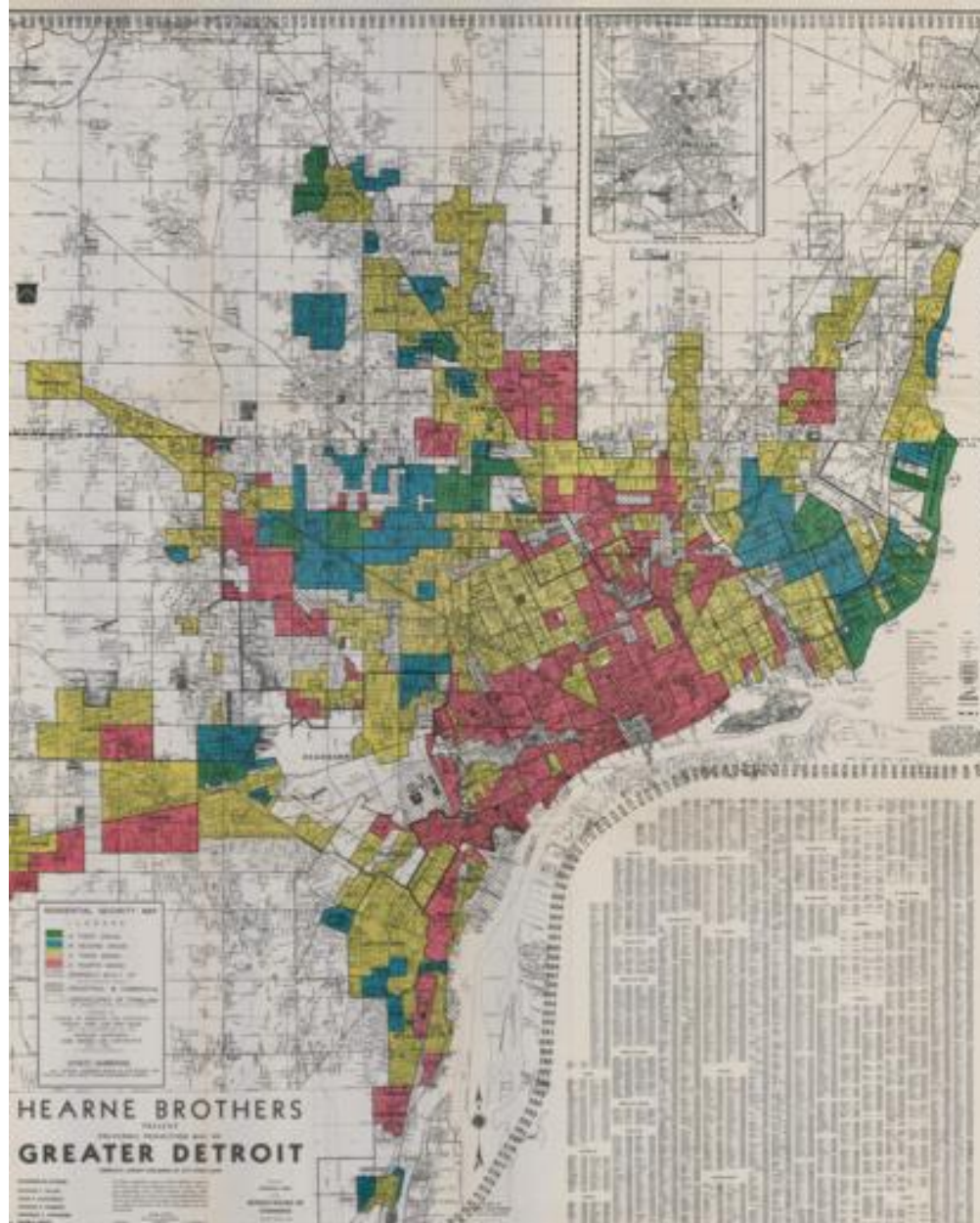


Late 1940's Suburban Housing

- *FHA Mortgage Insurance*
- *African-American's Trapped in the City*
- *Access to Jobs Limited*
- *Lack of Mass Transit*
- *Spatial Mismatch*
- *40% of the Residents of the "Motor City" do not own a Car*

A Return to Nature:
[1950-2001]

Housing Policy



1939 "Redlining Map"

Mortgage Lending vs. Land Contracts:

- ***Green = Homogenous***
- ***Blue = Desirable but at a Peak***
- ***Yellow = Declining***
- ***Red = Worst, Minority and Low Income***

A Return to Nature: Housing Policy

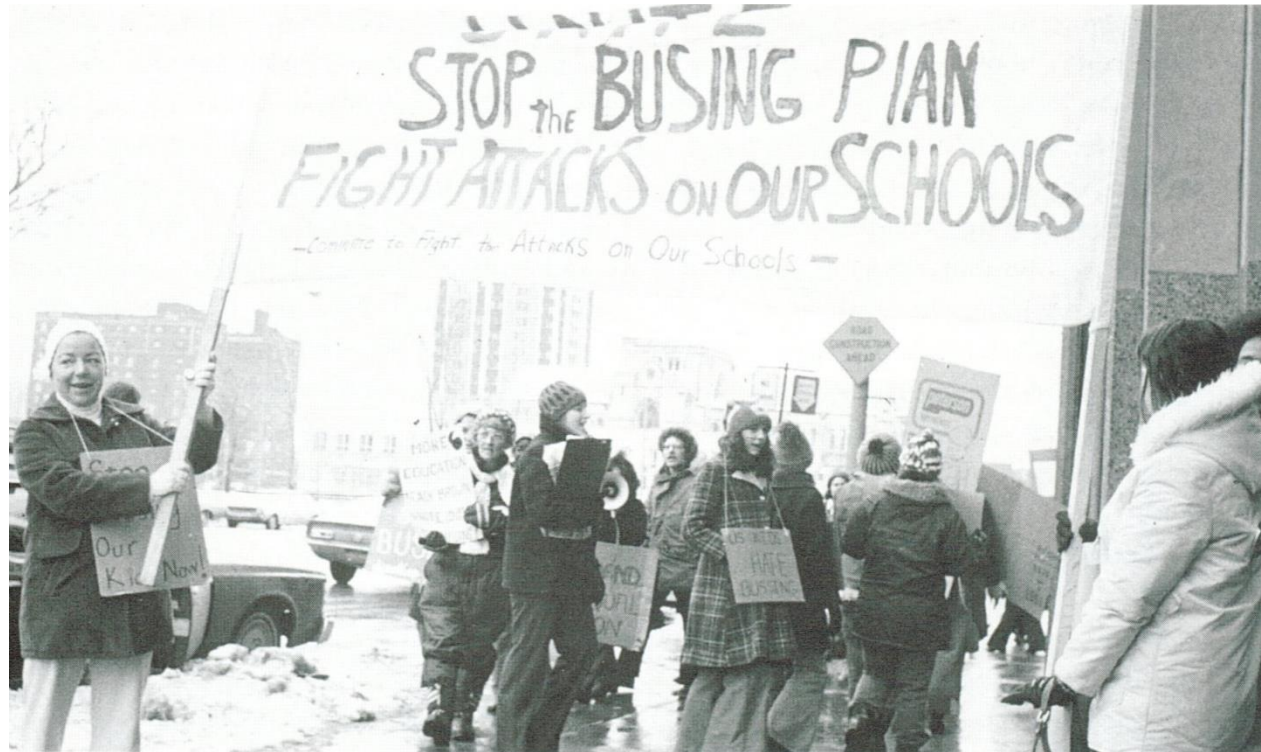
[1950-2001]



- *Extreme Outrage*
- *White Flight Accelerates*

A Return to Nature: 1967 "Riot"

[1950-2001]



Picketing Detroit School Center, 1976

- *White Flight Accelerates*

A Return to Nature: Busing
[1950-2001]

- *White Flight + Vacancy*

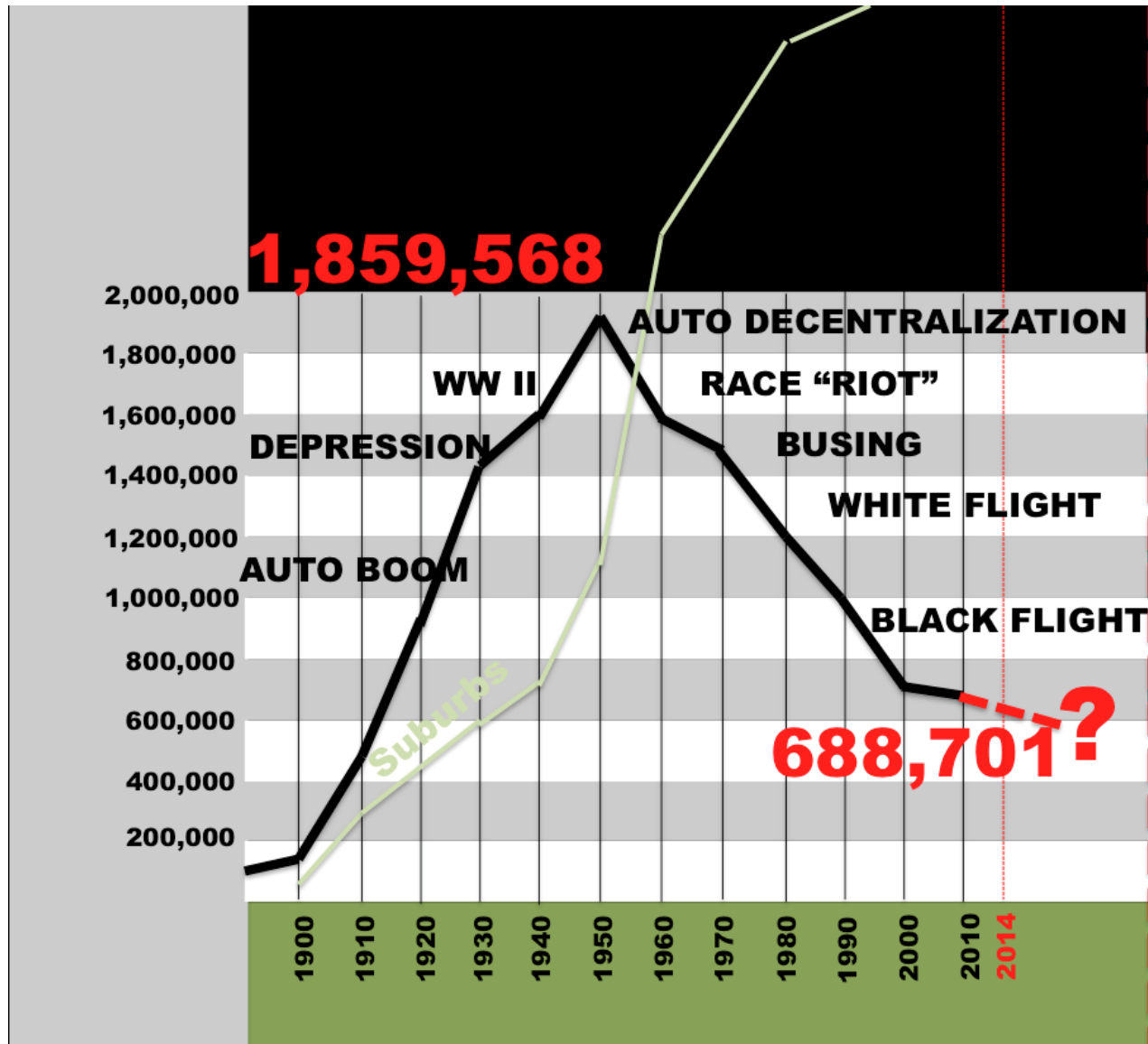


Lower East Side

A Return to Nature:

[1950-2001]

Shrinkage



- *Property Value Decline*
- *Loss of Tax Base*
- *Loss of Public Services*
- *Non-profit Power*
- *Neighborhood DIY*

A Return to Nature: Disinvestment

[1950-2001]

University of Detroit Mercy-Crisis Points

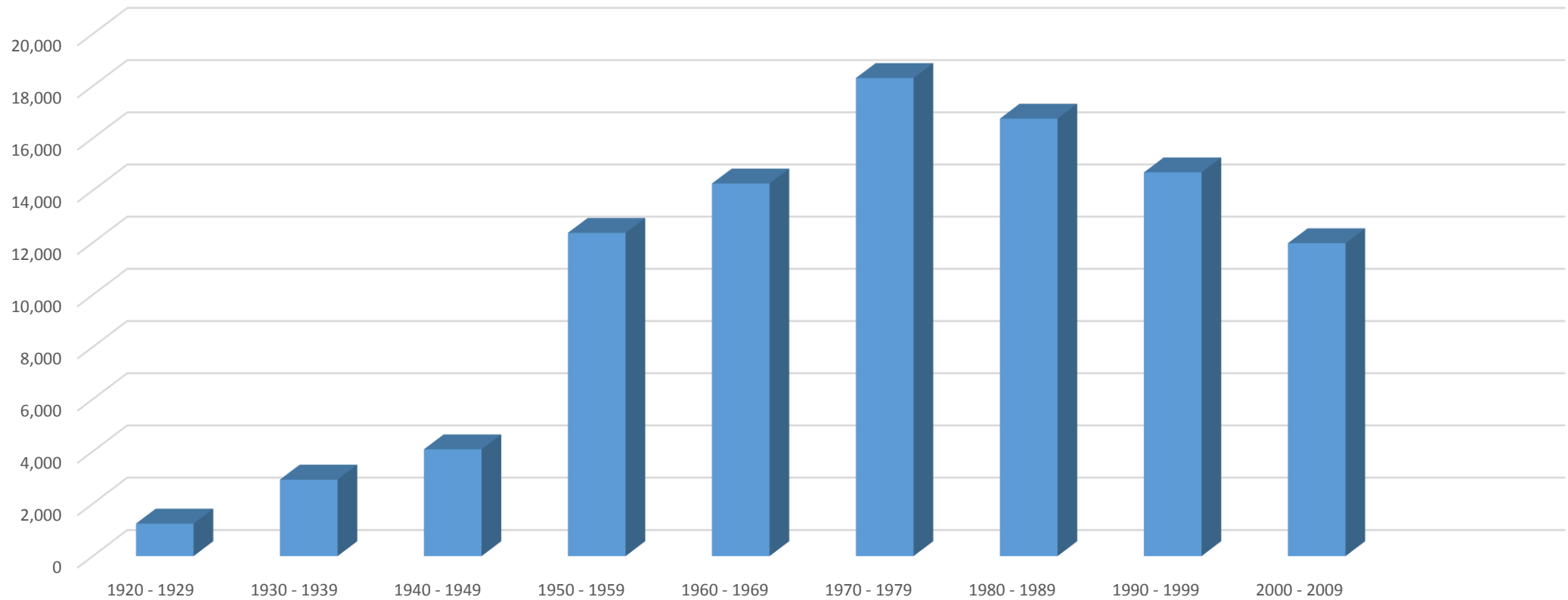
- UDM built on first generation college students
- Strong ethnic neighborhoods around the city
- The long period of population shifts resulted on UDM's customer base leaving
- 1967 Riots confirmed impression of the direction of the city
- 1970s University decided to remain in the city and not leave for suburbs-paid the price for that decision
- 1992 Merger with University of Detroit and Mercy College-still having effect

University of Detroit Mercy-Crisis Points

- 1980s, 1990s, 2000s-The institution turns inward emotionally and psychologically
- Adopted the identity of the City of Detroit-Poverty
- 2013 Bankruptcy

Effect on Grads by Decade

UDM Alumni by Primary Grad Year



2013 Bankruptcy

- Began as the final nail to reinforce the identity of Detroit and by extension UDM
- Art to be sold
- Pensions eliminated
- National embarrassment
- **THEN THE GRAND BARGIN**
 - Focused on saving the art and restructuring retirement pensions
 - National foundations kicked

2013 Bankruptcy is Producing a Come Back

- For Detroit-Speed of Revitalization is Staggering
 - Reinvestment in anchor areas around universities and medical centers
 - Mid-town, around Wayne State is revitalized
 - Neighborhoods around UDM are targeted for investment and re-development
 - 70 homes are being re-purposed near the campus
 - Demolition of abandoned homes is continuous
 - Green space is being created

Crisis as a Change Opportunity for UDM

- Positioning UDM as a partner in the change of Detroit
- Emphasizing our relationship with Detroit
- Developed a “Momentum” PR Campaign
- Created material and messages to clear the table and prepare for new identity
- Targeting alumni who can be “First Wave” philanthropic partners
- Concluded extensive branding study to have data to re-position

Effect of Bankruptcy Crisis on Fundraising

- No real effect on giving
- No decrease in giving because of the crisis
- However, we just had the best fundraising year in our history, why?
 - More staff
 - Better focus on major gifts
 - Better research
 - Commitment to higher level of achievement

Conclusion

- Know your organization's life story
- See crisis with in the context of your life story
- Organization must be prepared to take advantage of a crisis
- Organization must decided to:
 - Have the crisis reinforce your current identity
 - Use it as an opportunity to create a new identity



**MADE IN
DETROIT**

What does
opportunity look like?
It looks like **Detroit.**