

# IMPACT

## MACKINAC CENTER **WINS** **AT SUPREME COURT**

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The True Cost of State  
'Economic Development'  
Programs

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A stylized rainbow logo consisting of three concentric, semi-circular arcs in yellow, orange, and white, with small dots at the ends of the arcs.

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JOHN LAPLANTE Editor

ILIA VANDERHOOF Designer

LETTER FROM THE PRESIDENT



# Lessons from 25 Years in the Freedom Movement

*Five years ago, readers responded well to my “Lessons from 20 Years in the Freedom Movement.” I decided to dust off the idea, burnish the prose, and add a little substance for this issue of IMPACT.*

Twenty-five years ago, I quit my perfectly good engineering job to join the save-the-world business. A quarter-century at anything prompts retrospection. Here are a few things I know now about public policy that I did not know then.

- It’s better to be for people than against things. I’ll admit to blatantly taking this language from the American Enterprise Institute’s former president, Arthur Brooks.
- Good ideas are not inherently persuasive. Even brilliant ideas must be sold. Without persuasion, ideas are merely academic.
- Persuasion in public policy must reach beyond logic. Effective persuasion engages the mind (logos), the heart (pathos), and rests on credible authority (ethos).
- Most lawmakers are not primarily interested in the details of public policy. They find other parts of the job more attractive. This creates obstacles and opportunities for us.
- Finding a person to illustrate a policy point is more powerful than explaining it as a concept. Our research analyzes and predicts government failure, but our news and litigation divisions find people to tell the world how government-backed coercion and overreach have harmed them.
- Electing the party that campaigns on free markets does not automatically produce free-market governance. Electing that party without changing its incentives will disappoint us. That’s why we name the political leaders who support legislation that’s at odds with their free-market rhetoric.

- Lawmakers typically do not lead social change, even when passing landmark laws like the Civil Rights Act. Rather, lawmakers ratify what the public has already indicated

it will demand or at least accept. This is the Overton Window in a nutshell.

- The states are largely untapped, incredibly powerful engines of change. Not only do they exert political influence, but the U. S. Constitution gives them legal influence as well, a fact the nation is rediscovering. Change doesn’t begin in Washington; it ends there.
- Predicting the economic results of a law or program is at least as difficult as predicting anything else involving human behavior. That’s another reason not to have much faith in central planning
- The battle to save the republic requires optimism, which must be tempered with reason and realism. Pessimism, by contrast, is demotivating — and self-fulfilling.
- You will never get everything you want in our political system, and that’s OK. Not every loss is a disaster, and no single win ushers in nirvana.
- There never has been a golden age of liberty, and there never will be. Policies of the past may have been better, but not because they’re in the past. The future might be better, but only if we make it better.
- Things that are bound to happen will eventually happen, even if they take a long time. That’s why it’s worth focusing on problems that are important, even when they are not urgent. The pandemic of 2020 should embolden us to never stop warning of the dangers of problems like runaway public debt, for instance, or any political solution that just kicks the can down the road for someone else to deal with.
- America is amazingly full of generous, civic-minded, principled, hard-working people committed to the basic ideas of this country’s founding. ■

**By Joseph G. Lehman**

Joseph G. Lehman is the president of the Mackinac Center.

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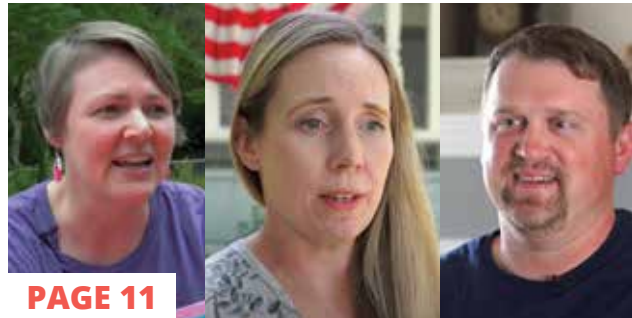
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## BLOG

Keep up-to-date on the latest policy stories from Mackinac Center analysts.

**[Mackinac.org/blog](https://Mackinac.org/blog)**

## DATABASES

Labor contracts, superintendent salaries, school grading and more. Our online databases provide easy access to important information.

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## CAPCON

Michigan Capitol Confidential is the news site of the Mackinac Center that provides unique news coverage.

**[MichCapCon.com](https://MichCapCon.com)**

# Virtual Events Keep Citizens, Lawmakers Informed

The COVID-19 pandemic has created many unknowns for everyone. Despite this, the Mackinac Center has ensured that events continue, even if in a different format. For now, Mackinac Center events will continue in a virtual format, while remaining free for viewing. To find out more about new events or to view archived ones, please visit [Mackinac.org/Events](https://Mackinac.org/Events). Here are some recent events.



## School at Home: The Educational Options in Michigan This Fall

With Michigan facing a back-to-school season like never before, this event featured Leanne Van Beek, a practicing homeschooler and consultant; Deana Garcia, the mother of a student at High Point Virtual Academy; and Ben DeGrow, the Mackinac Center's director of education policy.



## Gov. Gretchen Whitmer's Unconstitutional Executive Orders

Taking place before the Mackinac Center Legal Foundation's successful oral argument at the Michigan Supreme Court, this event featured Dr. Randal Baker, a general surgeon in Grand Rapids whose practice was largely shut down by the executive orders; and Patrick Wright, vice president for legal affairs at the Mackinac Center for Public Policy and director of the Mackinac Center Legal Foundation.



## Making Common Sense Changes to Government Regulation

Held in conjunction with Campaign for Common Good, which encourages the overhaul of legacy bureaucracies, this event featured Philip K. Howard, civic leader and bestselling author; and Michael Van Beek, director of research at the Mackinac Center.



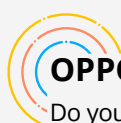
## State Economic Development Programs: Why Feed Sparrows Through a Horse?

This discussion about the potential harms of state economic development programs was a joint production featuring Kevin Hassett, senior advisor to National Review Capital Matters; and Michael LaFaive, senior director of the Morey Fiscal Policy Initiative at the Mackinac Center.

## MICHIGAN VOTES

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# Mackinac Finds Public Support for Reforming Police Contracts

After a summer of protests (and in some cities, riots) stemming from police shootings of African Americans, policing practices have emerged as a front-burner legislative issue for the fall. Given the Mackinac Center's influential role in Michigan criminal justice reform over the last several years, we have been invited into the conversation about how our state can improve.

While other organizations have focused on officer training and law enforcement techniques, we have identified police disciplinary processes as an essential topic for legislative action.

In 2016, an academic effort known as the Police Union Contract Project compiled the collective bargaining agreements between police unions and local governments in 81 of America's 100 largest cities, including Detroit. One year later, law professor Stephen Rushin published a *Duke Law Review* article that included data on contracts in 178 cities, including Lansing and Grand Rapids. And in August, Campaign Zero launched a website containing police contracts of almost 600 cities, including almost 30 in Michigan.

All of these researchers have flagged several categories of contract provisions, commonly included in police collective bargaining agreements, which limit the ability of communities to effectively discipline police officers accused of misconduct.

In late June, the Mackinac Center commissioned a survey of Michigan voters

to assess their attitudes toward such policies. Most of the anti-disciplinary provisions, it found, were unpopular across party lines.

For example, the city of East Pointe's contract stipulates that "written reprimands shall remain in the employee's file for a period up to but not more than two years at the discretion of the issuing supervisor." The Grand Rapids contract allows an officer to request that written counseling records be removed after one year. In our survey, 62% of Michigan voters said that disciplinary records should permanently remain in an officer's personnel file. Another 26% supported a retention period of at least 3 to 5 years.

The Detroit police officers contract requires that an officer receive "48 hours written notice prior to an investigative interview in a non-criminal investigation, except in cases of emergency." But only 20% of our respondents believed such advance notice was appropriate; 67% said it was not.

Many police contracts, including those of Flint and Saginaw, require the local governing body to pay for an officer's legal fees during a misconduct investigation, as well as the costs of any legal judgment or settlement. This is sometimes achieved through buying professional liability insurance for the officers. But only 15% of the voters we surveyed thought it appropriate for local governments to bear the full cost of an officer's legal fees in an investigation, and only 16% thought they should bear the full cost of a judgment or settlement involving misconduct. More than

80% believed the officer's bargaining unit should cover at least half of such costs, if not the entire bill.

Michigan voters agree on the need for police and law enforcement in their communities — only 21% of Michigan voters and 31% of self-identified Democrats supported spending less on it. And by a three-to-one margin, our respondents perceived police abuse as a problem nationally but not in their communities.

Our law enforcement officers have an extremely important and difficult job, and we as citizens give them extensive authority — including the use of deadly force when necessary — to carry it out. We should expect appropriate sanctions against officers who abuse that authority, but collective bargaining has too often skewed the disciplinary processes to impede those sanctions. Too many municipal officials have been too timid or compromised by politics to reopen their police contracts and remove provisions that shield bad behavior and bad actors. State legislators, then, are now obligated to preempt those provisions statewide. ■

**By David Guenther**

David Guenther is the senior strategist for state affairs at the Mackinac Center.

# Conservation the Conservative Way

## Advancing free-market environmental solutions

In late 2018, the Mackinac Center's Environmental Policy Initiative began a long-term project to encourage private conservation efforts across the state of Michigan.

We often introduce the concept of conservation by recognizing that most of us have grown up with state and national parks as part of our everyday lives. Through them, we better understand the need for conservation and the role that parks play in protecting the natural environment. But people often are not aware of the many free-market opportunities to advance conservation and protect natural areas.

In fact, many people mistakenly believe that private industry and free markets are inherently harmful to the environment. The Mackinac Center's Private Conservation Working Group aims to correct that misunderstanding by bringing together a diverse group of conservation organizations, industry experts and government professionals. Our effort aims to achieve four key goals:

1. Improve our understanding of conservation efforts that are now politically possible and desirable.
2. Educate the public about conservation opportunities in Michigan by engaging in a broader discussion on private conservation.
3. Encourage cooperation and coordination among groups involved in private conservation.
4. Identify new ways that public policy can promote or expand private conservation.

Our initial meeting included representatives from:

- Conservation organizations:
  - The Nature Conservancy, Michigan Chapter
  - Little Forks Conservancy
  - The Chippewa Nature Center
  - Michigan United Conservation Clubs
- Industrial and agricultural organizations:
  - Michigan Farm Bureau
  - Arauco North America
  - Omni Tech International, Ltd.
- Government agencies:
  - Michigan Department of Natural Resources
  - Midland Conservation District

The initial meeting introduced the various organizations to each other and to our goal of advancing private conservation in Michigan. In that meeting, participants began discussing the challenges they face and the successes they have had. Topics included the value of using privately owned and managed lands, such as nature preserves, for conservation, and the public benefits those areas provide. We discussed the challenges of using and managing conservation easements, educating the public about conservation efforts, and the often counterproductive nature of relying on tax dollars as financial incentives. Our discussion also touched on removing government red tape and reducing the redundant requirements that regulations often impose on conservation efforts.

We are convinced that it's worth educating the public, media and government about

what private individuals, industry and nongovernment organizations are doing to protect the natural environment. For that reason, our efforts will reach out to landowners and companies that have informal nature preserves or wildlife habitat on their properties. We will seek to recognize companies that provide their communities with outdoor recreation opportunities. We will welcome to our group and seek out other organizations that are expanding market-based recycling efforts or using innovative reclamation and restoration techniques after working in an area. We will also encourage elected government officials and agencies to promote those efforts, rather than slow them down with red tape or bureaucratic processes.

Looking forward, the Mackinac Center has invited more foundations, industry representatives, conservation organizations and local native bands to take part in the working group. The response has been encouraging, and while unforeseen events like the failure of the Edenville Dam and the appearance of the novel coronavirus have momentarily paused our efforts, plans are afoot for a second (virtual) meeting before the end of the year.

If you or your business have a conservation story to tell, or are interested in the working group, please reach out to Jason Hayes, director of environmental policy at the Mackinac Center for more information. ■

**By Jason Hayes**


Jason Hayes is the director of environmental policy at the Mackinac Center.





A photograph of a large, classical-style building with a prominent portico and columns, likely the Mackinac Center building. The building is set against a clear blue sky with some light clouds. The foreground shows a paved area and some greenery.

# MACKINAC CENTER WINS AT SUPREME COURT

A photograph of a bright yellow car, possibly a taxi or a delivery vehicle, driving on a road. The car is in motion, and the background is slightly blurred, suggesting a focus on the car. The lighting is bright, indicating it might be daytime.

The Mackinac Center Legal Foundation, at the state's highest court, secured a historic victory that protects and preserves our representative form of government. Gov. Gretchen Whitmer pushed her executive authority to extremes no governor before dared attempt, and the Michigan Supreme Court ruled that she went too far. In a unanimous decision, the court determined that Gov. Whitmer violated state law, and in a 4-3 decision, ruled that the legal authority she used was also unconstitutional.

The governor's go-it-alone approach to responding to the coronavirus pandemic led to a predictable public outcry. She issued orders that restricted the behavior of every single Michigander — orders that were often confusing, inconsistent and, at times, contradictory. The scope of power the governor exercised, the court determined, was more than anyone else has ever wielded in this state.

While Gov. Whitmer was apparently so focused on her control over COVID-19, she seems to have missed all the destruction her unilateral orders caused. Particularly damaging were her restrictions on elective surgeries, which prevented an untold number of patients from getting the care that they needed.

The Mackinac Center Legal Foundation came to the rescue, suing the governor in federal court over these restrictions. Recognizing she would easily lose the case, Gov. Whitmer rescinded this harmful executive order.

While this was troublesome enough, the governor, through her actions, also challenged the foundational principles that hold up our democratically controlled system of government. She argued that it was proper for a governor to determine when a state of emergency exists, dictate law throughout the duration of that emergency and be the sole determiner of when that emergency ends. The court saw this for what was: a loophole around the constitutional requirement that executive, legislative and judicial powers be kept distinct and separate. With it in place, there can be no checks and balances on the abuse of power.

Gov. Whitmer has done everything she can, it appears, to politicize every challenge to her emergency powers. As a result, the public is largely divided along partisan lines about what needs to be done to contain and mitigate the damage of COVID-19. We can all differ on what risks people should be able to assume and which policies are required. But everyone should agree that a single public official, no matter how well-meaning and serious, should not be empowered to commandeer these policies unilaterally.

Since we opened shop in 1987, the Mackinac Center has focused on developing policy expertise and legal capabilities to take on challenges like this — ones that threaten the foundations upon which our system of government is based. This year, we have pursued and preserved our individual rights and representative form of government from perhaps the most serious challenge a Michigan public official has ever presented against it. ■



## The Contrarian Doctor

By Lorie Shane

Dr. Eric L. Larson says he has always been a bit of a contrarian.

As an undergraduate, he was publisher of the Michigan Review, an independent news journal at the University of Michigan. Later, he was one of the founders of the Kent County Taxpayers Alliance and now serves as its president. He has run for office three times on the Libertarian ticket, including his current bid for a seat on the U-M Board of Regents.

And most recently, Larson launched “The Paradocs,” a podcast that he hopes will “help physicians understand why they can’t practice medicine the way they want.”

Larson is an anesthesiologist in private practice in Grand Rapids. Growing up near Lansing, he wasn’t particularly interested in politics.

But his libertarian leanings took root during his time at the University of Michigan and at the Roy J. and Lucille A. Carver College of Medicine at the University of Iowa, where he graduated in 2000. Larson also met his wife, Marcy, a pediatrician, during medical school.

After settling in Grand Rapids in 2004, the couple soon became Mackinac Center supporters and members of the Mackinac Center Legacy Society.

“I knew about the Mackinac Center when I was in college, but I didn’t have any money,” Larson said with a laugh. Today, he said, “We donate to only a few organizations — Mackinac, Institute for Justice and Reason. I think the Mackinac Center does great work.”

Beyond making current donations, he said, including the Mackinac Center in their estate plan is a way of

demonstrating his confidence that his legacy gift will help the cause of free-market principles.

“The one thing I’ve always been inspired with is that there has been no mission drift (at the Mackinac Center). That’s what made me confident.”

In addition to direct philanthropy, Larson’s podcast is another way he supports free-market principles, and in particular, health care policy reform.

The medical system today “is not really market-based. The actual payer is the insurance company.

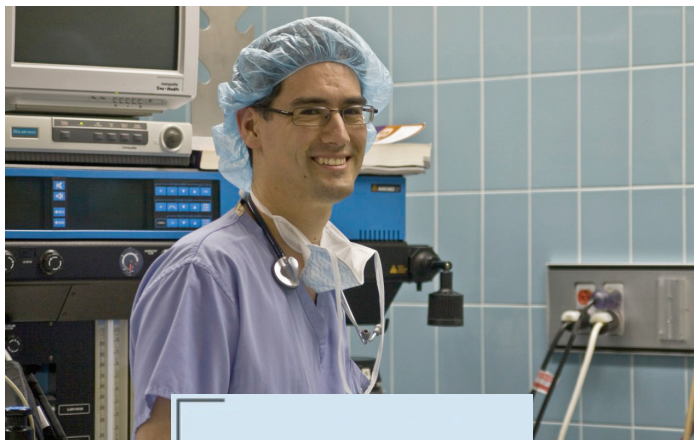
That changes the incentives,” Larson said. He added that the insurance company comes between patients and doctors.

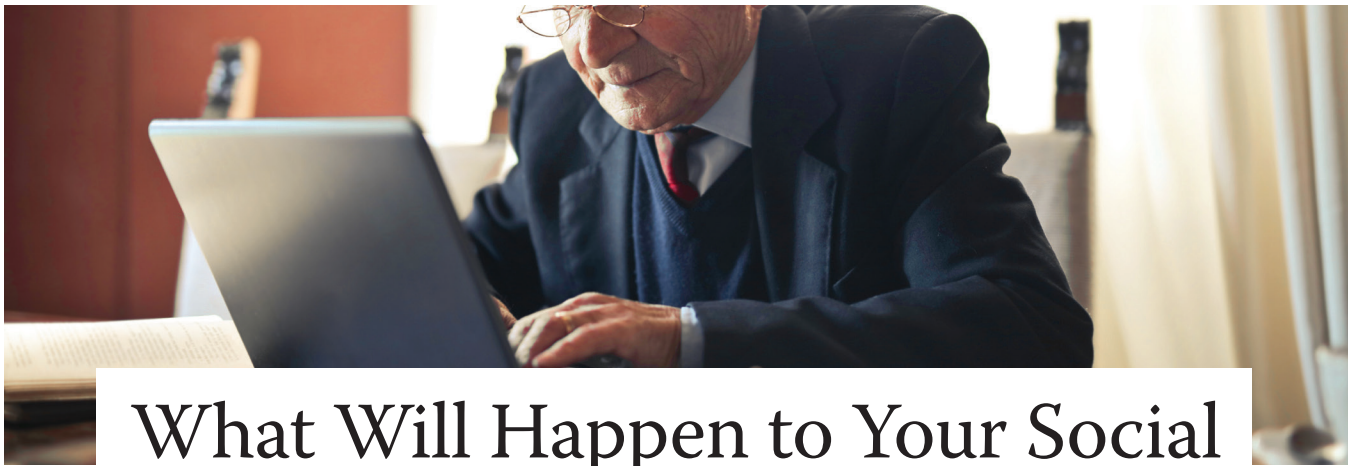
On “The Paradocs,” Larson and his guests have tackled such issues as health care pricing transparency, scope-of-practice regulations, board certification requirements, and government’s response to COVID-19. He also has featured innovative new health care approaches, such as child-centered urgent care centers that reduce costs and emergency room visits.

Response to the show has been very positive, Larson said, with 70,000 downloads of 93 episodes to date. Larson also recently signed onto a medical podcast network that will give his show more exposure.

Asked about the impact of COVID-19 and related restrictions on his own practice, Larson said, “It’s been bad. I think I worked five days in April. ... There were times I was questioning what the goal was. I would hope we aren’t going to do that again.”

“The Paradocs” is available at [www.theparadocs.com](http://www.theparadocs.com). For more information on how you can join Mackinac Center Legacy Society, please call 989-631-0900 and ask to speak to an Advancement representative.





# What Will Happen to Your Social Media Accounts After You Die?

*By Daniel W. Borst, Warner Norcross + Judd LLP*

After death, what will happen to your digital life of pictures and music, emails, subscriptions, Facebook, LinkedIn and other social media accounts? Like planning for your house, cottage, retirement and investment accounts, you should plan for who will have access and what will happen to your digital life.

A digital asset is personal information stored electronically on a computer or on an online "cloud" server account. Anyone who uses email, has a password-protected cell phone, makes online purchases or pays bills electronically has digital assets.

Planning for your digital assets can be daunting. You might feel inept at adapting to new technology, let alone taking the time to plan for its future. But here are three steps that will help:

First, your will, trust and durable power of attorney should specifically address whether you want to give your agent, personal representative and trustee access to your digital life if you become disabled or die. You may limit access and allow your agent to only close down accounts, or you may provide full access so that information and accounts can be saved. Either way, if your current will, trust and durable power of attorney do not specifically provide access to your digital accounts, Michigan and federal laws may make it impossible for your agents to save the information in your accounts or close them down.

Second, create a digital inventory. Make a physical list (not stored on your phone or computer) of your online accounts, such as email, bank, social media, photo sharing, cloud computing, etc. and their passwords. Creating such a list gives faster and easier access to your digital life and the information that may have value and meaning to people you love during their time of crisis or grief.

Such a list allows others to know what accounts to manage or close if you cannot and may help prevent identity theft when the account holder cannot monitor the account. For these reasons, creating, updating and keeping this list in a secure spot (or keeping the list of passwords and the list of accounts in separate places) makes good sense. If an account requires a two-factor authorization, be sure to include access codes for both the first and second factors.

A third way to plan for the future of your online presence is, for important social media or email accounts, to designate a representative who is allowed to access and close it if something happens to you. Facebook, for example, allows you to designate a legacy contact. After a Facebook user dies, this person can update your photo, respond to messages and write a post that will remain at the top of your profile. You can also allow this person to download an archive of your public activity, including your posts and photos.

Like Facebook, Google lets you choose others to manage your account if you die or the account is inactive. After it notices a period of inactivity, Google sends a message to the person or people you have designated. Google gives them either full access to your account data, including email, or access for the limited purpose of deleting and closing your account, depending on what you have designated.

Like adopting new technologies, planning for your digital life will likely be a gradual process, but it's easier if you break it down into manageable steps and take one step at a time.

*Reprinted with permission, Warner Norcross + Judd LLP.*

# “One of Liberty’s Best Friends”: Honoring Sheldon Rose

On Aug. 15, 2020, the world lost a giant in the passing of Sheldon Rose. He was a husband, a father, a grandfather, businessman, philanthropist and freedom lover. Under his leadership, residential developer and management company Edward Rose & Sons experienced exceptional success, and the causes he supported through his philanthropy made an immeasurable impact on the world.

Sheldon’s deep commitment to his principles led him to support numerous causes and organizations in the liberty movement. Thanks to his efforts, countless young people around the world became introduced to the ideas of freedom for the first time. Many of those young people found their lives set on a new trajectory as a direct result of his generosity. Some of them have even found themselves working as staff members or interns at the Mackinac Center.

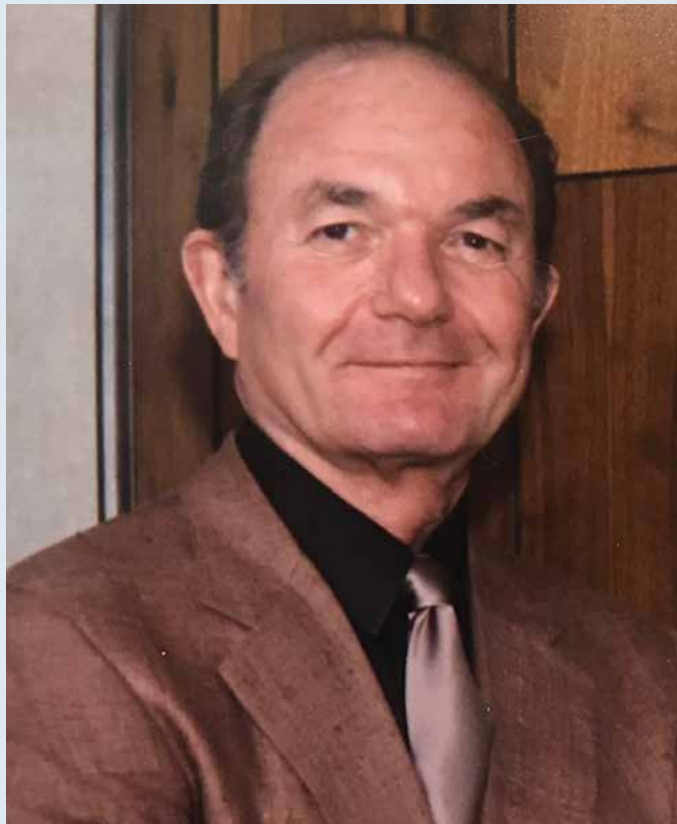
According to the Center’s president, Joseph Lehman, “Sheldon Rose’s commitment to freedom helped show what a state think tank was capable of. He began financially supporting the Mackinac Center in 1990 when we had big aspirations but few big successes. His support helped build the organization that led the way, over the longest period, to making Michigan a right-to-work state.”

Through the regular dinner events that Sheldon took joy in hosting, Metro Detroit became a destination for such high-profile speakers as P.J. O’Rourke, Walter Williams and David French, as well as leaders in such prominent organizations as the Cato Institute, Institute for Justice, Institute for Humane Studies, and London’s Institute for Economic Affairs. These events forged a deeply

rooted community of freedom-lovers in Southeast Michigan and made the region a hub for the global liberty movement.

The generosity of the Rose family led to the establishment of the Rose Cancer Center at Royal Oak Beaumont hospital to help make leading cancer treatments available to the region. Even in Sheldon’s passing, the Rose family continues its commitment to the well-being of the community through this work.

By the age of 93, Sheldon Rose had touched the lives of countless individuals through his business, kind nature, devotion to his principles and his generous spirit. There is no doubt that the world is a significantly freer, healthier, and more prosperous place because of his work. The Mackinac Center is honored to have known and worked with him, and friends of liberty everywhere should celebrate the life well-lived of Sheldon Rose with gratitude to his family for keeping alive the spirit of his legacy. ■





Bethany B., mother of four



Amanda S., mother of five



Luke B., father of three

EDUCATION POLICY

# New Website Helps Families Navigate COVID-Impaired School Year

Under normal conditions, children benefit from their parents making active choices about their education. Most Michiganders continue to recognize this, even as this year’s return to school is anything but normal.

Every two years, the Mackinac Center sponsors a statewide voter survey. The newest edition shows Michigan’s support for educational options has persisted. About 60% of respondents favor the state’s Schools of Choice program, which provides full state funding for students who enroll across district lines. Nearly as many would like Michigan to adopt education savings accounts or tax-credit scholarships, which would help more families to choose private education. Twice as many voters say our state has “too little” as opposed to “too much” choice. This is an encouraging foundation.

During the COVID-19 pandemic, educational choice is more important than ever. Students already have differing interests, aptitudes and obstacles. The pandemic has altered life for most families, and each one must consider its own underlying medical issues and level of risk tolerance, making an option that works for some inappropriate for others.

Parents’ experiences with pandemic-induced distance learning in the spring

was eye-opening. Many parents observed that their children learned more efficiently with fewer distractions, while others saw children struggling in relative solitude. As a result of seeing their children in a new light, more Michigan parents are exercising choice, while respecting that their peers may opt for a different path.

“It’s a really hard, uncharted time that we are in right now, and I think any decision you make is the right one for your family,” said Amanda S., a mother of five from Midland who appeared in a new Mackinac Center back-to-school video. After she wrestled with what to do, she enrolled her children in the local district’s virtual academy. If that doesn’t work out, she says they have a backup plan to homeschool.

Luke B. and his wife both have full-time jobs. They are grateful that their district, Big Rapids Public Schools, has given them choices for educating their three children. “If you’re not comfortable, our school district offers the local online option, then go with that,” he said. “But I think it’s good to have the option if some of us want to go back to in person, to try to get back to normal.”

Not all districts have listened to parents and provided the options needed to accommodate differing needs.

Succumbing to union pressure, some started the fall term with closed doors. In many parts of Michigan, families are left to hope that they have a distance learning program that works better than what they experienced a few months ago.

The Mackinac Center’s School at Home website (MISchoolAtHome.org) offers information about some alternatives. Families can get a better grasp of whether they are suited to take on homeschooling, or if an online charter school might work better. Unfortunately, a last-minute deal between legislators and the governor set up a funding formula that punishes successful schools that are attracting new families. Under the compromise, most of the money stays with the old district that’s no longer educating the child, depriving the new district of money it needs.

For the sake of students who need education options, state lawmakers must find a way to fix this flaw. That move would not only be popular. It would be the right thing to do. ■

## By Ben DeGrow

Ben DeGrow is the director of education policy at the Mackinac Center.

A MACKINAC CENTER REPORT

Michael D. LaFaive, Srikant Devaraj, Ph.D. & Michael Hicks, Ph.D.

# **ECONOMIC DEVELOPMENT?**

**State Handouts and Jobs:  
A New Look at the Evidence  
in Michigan**

  
MACKINAC CENTER  
FOR PUBLIC POLICY

# The True Cost of State ‘Economic Development’ Programs

A new study from the Mackinac Center, “Economic Development? State Handouts and Jobs A New Look at the Evidence in Michigan,” shows that some state economic development programs create jobs. But as the Aug. 13 report reminds us, they come at large cost when measured in incentives offered per job per year.

To research the economic development impact of incentives such as cash grants, tax abatements and credits, and low-interest loans, the Mackinac Center built a database of state incentive deals. We mined data from nearly 50 state reports, which cover dozens of programs that go back to 1983.

Our database ultimately covered more than 7,300 deals. We then purchased what has been described as a census of American business that tracks employment and sales at firms offered incentives by the state. Our next step was, to

the extent that we could, find companies that appeared in both databases. The search gave us 1,890 companies, though we later added 400 companies for a related but different analysis. This allowed us to compare the track record of firms that were offered incentives by the state with like firms that were not and then see how each type did in creating jobs.

What we found was that subsidized firms did indeed add jobs to their payroll, and at a higher rate than their unsubsidized rivals. But this came at a cost of incentives offered of nearly \$600,000 per job per year on average, a staggering figure.

We also looked at nine broad categories of government activities meant to promote economic development. We found no impact in five of those. One subsidy program from the early 1990s had a negative impact. Three high-profile initiatives had a positive but very expensive

impact. The latter included the 21st Century Jobs Fund (\$274,800-\$330,600 per job per year), the Michigan Economic Growth Authority (\$125,000 per job per year) and the Michigan Business Development Program (\$29,400 per job per year).

The state could probably do better for the economy by just dropping money from a helicopter. There are even better options, though. It could eliminate existing corporate welfare programs in favor of cutting the personal income tax or dedicating the money to filling potholes or budget holes. Even when today’s bank interest rate is near 0%, saving the money for a rainy day would likely be a better use of scarce resources.

## **Michael D. LaFaive**

Michael D. LaFaive is the senior director of the Morey Fiscal Policy Initiative at the Mackinac Center.



2009



2014



2017



Many past interns at the Mackinac Center have gone on to work as full-time staffers.  
Can you recognize anyone from these past group photos?

**2009:** Jonathan VanDerhoof, second from the left: creative projects manager;  
Jarrett Skorup, fourth from the right: director of marketing and communications

**2017:** Taylor Piotrowski, fourth from right: projects and external affairs coordinator;  
Holly Wetzel, second from right: communications manager



2020





# Internship Program Brings Long-Term Benefits to Mackinac Center, Freedom Movement

Running an internship program has a lot of benefits. Yes, we put bright capable people on productive projects, and they do great work when they're here. But hosting interns also establishes relationships with people in the early parts of their careers, and the connection can last for years.

Some former interns drift away, but some stick around. As evidence, I was the first intern

the Mackinac Center hired on full-time. I used to manage the program, so I wanted to share some stories about the ones I keep running into.

One of my fellow fiscal policy interns was Laura Davis. She went on to get her law degree from the University of Michigan and was a partner with a Washington, D.C., law firm before finding a place with a Detroit group. She also owns and manages Detroit's first



Barre fitness studio. She's kept up with us and provided advice and encouragement in the years after her internship. Plus, a 16-year friendship is a nice bit of good luck to come from an internship.

C. Jarrett Dieterle, a 2011 intern in our legal foundation, has a new book out, "Give Me Liberty and Give Me a Drink." He is also the director of the R Street Foundation's Commercial Freedom program. He recently co-wrote a commentary for The Hill on the disconnect between liquor control rules and public health, with our own Michael LaFaive.

While some collaborations are one-offs, we sometimes have more sustained ones. Alexa Kramer was a 2016 intern with us in our education policy initiative. She found a job with the Grand Rapids Area Chamber of Commerce, and we've met with her and her colleagues about our transportation scholarship idea.

I was especially happy when the Tax Foundation announced it would hire Janelle Cammenga to be a state policy analyst. She was an intern even before starting college — and one of my favorites. She set the record for getting responses from school districts in our annual survey of school districts — a task I did when I was an intern. She's been a go-to person for some technical questions on tax policy.

Speaking of technical advice, I still reach out to professor Daniel J. Smith, a 2007 intern. He's an economist at Middle Tennessee State University and is good for email exchanges on some of the lessons from economics for

the state policy debate. He's got an article in the journal, Public Choice, on lessons about term limits from Middle Age and Renaissance Venice.

Elizabeth Losinski was an intern with us in 2011. She returned this summer to visit, as part of her team at the Coors Foundation. She's been fundraising for some other organizations that work to defend free markets.

Oh, and here's an odd one. If you've been following the response to the COVID-19 pandemic, you'll note that New Zealand had a small outbreak and was able to contain it quickly. You might know this, in part, because Geneva Ruppert-Wise — a 2013 intern and later an editor with us — is now with the New Zealand Health Ministry's communications staff.

We've been able to host over 100 internships since my internship. And this includes my co-workers and fellow former interns Taylor Piotrowski, Isaiah Bierbrauer, Jarrett Skorup, Holly Wetzel and Jonathan VanDerhoof.

It's rewarding to work with our interns during their tenure with us, and even more to continue to work with them in one form or another when they move on. ■

**By James Hohman**

James Hohman is the director of fiscal policy at the Mackinac Center.



# Mackinac in the Media



*Holly Wetzel*

Communications Manager

The 2020 election season is in full swing, and it comes with new opportunities to combat outlandish policy ideas. In the wake of the Democratic National Convention, our director of environmental policy, Jason Hayes, wrote a piece detailing what a Biden-Harris presidency would mean for energy policy. As he describes in the op-ed, which was published in The Hill, “the former vice president and California senator have both committed themselves to heavily restrict fracking as they focus on climate change and renewable energy. If enacted, the Biden-Harris plan would reduce energy choices, increase prices and drive Americans back to international markets for essential energy supplies.”

The database gives parents, lawmakers, media and education officials an easy way to see how tax dollars are spent on school district leadership. Local papers, television outlets and radio stations used information from the database to produce localized stories.

As our cover story explains, the Michigan Supreme Court issued its decision on our lawsuit challenging Gov. Gretchen Whitmer’s executive orders. Prior to oral arguments, an op-ed from one of our clients appeared in USA Today and affiliated newspapers across the country. As he writes in the piece, “It’s too late to undo most of the harm that these orders have caused. But it’s not too late for the Michigan Supreme Court to do what’s right.” Thankfully, the court agreed.

The release of a new study that examines Michigan’s corporate welfare programs over the last few decades provided our fiscal team plenty of opportunities to comment in news outlets. Op-eds that highlighted the ineffectiveness and cost of the various programs were published in The Detroit News, The Alpena News, Grand Haven Tribune, The Daily Telegram, The Monroe News and Crain’s Detroit

We hosted a virtual press conference featuring Patrick Wright, vice president of legal affairs, and two of our clients in the suit. It was well-attended by reporters representing every major outlet across the state. Stories about the oral argument and the decision appeared in every outlet in the state and n hundreds of outlets across the country. Wright and our clients appeared in front of a national audience on Fox and Friends on the morning of oral arguments and following the decision. Notably, the Monday after the decision came down, a Wall Street Journal editorial called the Mackinac Center the “legal firepower” behind the case. ■

Business. On the education front, we received a wave of media attention about our recent update to the superintendent salary database.



Patrick Wright (right) and Mackinac Center Legal Foundation client Jordan Warnsholz (left).



## If You Wear Eyeglasses, Raise a Toast in Memory of George Joseph Galic

The Mackinac Center for Public Policy has been blessed with many kind supporters. In March we lost one half of an outstanding pair to cancer.

George Joseph Galic passed away at age 76 in March. Born in Chicago, George was raised in Iowa and earned a bachelor of science degree in chemical engineering from the University of Iowa. In 1966 he was hired by the Dow Corning Corporation in Midland, Michigan, where he would meet his future bride, Mary Ann Tompkins, who was working as a teacher for Midland Public Schools.

The pair were close partners in life until George's passing, and they made philanthropic contributions to organizations they believed could most effectively advance a betterment of society. "We looked to support organizations that defended and advanced the values we shared," said Mary Ann. These included veterans groups and those supporting child and family services, as well as Hillsdale College and the Mackinac Center.

George formed his own engineering business in 1984, which played a key role in the development and spread of lightweight, scratch-resistant eyeglasses, benefiting millions of people. More than 80% of all polycarbonate ophthalmic lenses produced worldwide come from companies he either issued a license to or headed up during their start-up phases. In his long

career, he obtained, along with a co-inventor, 22 patents in the United States and even more foreign equivalents.

Mary Ann taught in public schools, first in Midland, and then in Pennsylvania. She later moved with George to Minnesota, when a business opportunity appeared for him. She took on the challenge of becoming a computer programmer, analyst and ultimately a network manager at Minnesota Mutual Life. Once George founded his engineering business, however, she dedicated herself to helping it succeed.


She was raised by parents who helped shape her own views on matters of public policy, thanks to the emphasis they put on personal responsibility and market capitalism. "You build your own life" is one conclusion she drew from their teachings. Her father served as mayor of Traverse City, and her mother retired as the assistant superintendent of finance for Traverse City Area Public Schools. Together they built a legacy that included charitable work that continues to this day, a pattern George and Mary Ann emulated.



Both George and Mary Ann viewed their own successes as resulting from hard work, personal sacrifice and responsible choices throughout their many years together. After selling the business in Minnesota, they moved to Traverse City. As the two were winding down their still-challenging work lives, George was appointed to a seat on the Traverse City Public Library board, where he worked to right the library's financial ship and expand its offerings. He and Mary Ann officially retired from his engineering business in 2013 but then expanded their philanthropic work.

"We support the Mackinac Center because they bring together the expert resources to promote our beliefs in free markets and to fight for government transparency," Mary Ann said. ■





MEET THE STAFF

# Joe Lehman: From the Farm to the Policy Table

It's a long way from being part of the 2,000-person farming and coal mining town of Marissa, Illinois, to being president of one of the largest state-based think tanks in the country. But Mackinac Center President Joseph Lehman made the trip.

Lehman left his family's farm to attend the University of Illinois, where he earned an engineering degree and met his wife, Karen. They were then both hired as engineers at Dow Chemical in Midland, Michigan. He'd never been to Michigan before and had job options on the East and West coasts but chose the Midwest.

"Honestly, I just liked the people I met in Michigan and at Dow better," he said.

One of those people was Joe Overton, who was assigned by Dow to be his host during a day of interviewing. Overton picked him up from the airport, took him to dinner and made sure he got where he needed to go.

"At dinner, we just hit it off," Lehman said. "I remember we had a discussion about

the morality of seat belt laws, which was a hot public policy topic in Michigan at the time."

Lehman says he was always "instinctively conservative," but as an engineer, he hadn't studied the academic roots of free markets and liberty. Overton, who later developed a model of political change recently popularized and named after him — the "Overton Window" — was one of the people who helped him realize the power of these ideas.

After Overton left Dow to join the Mackinac Center, Lehman followed suit, leaving behind his nine-year engineering career. He joined Overton and Larry Reed as they transformed the Center into a powerful and trusted voice for limited government and free markets.

Lehman's 25 years in the liberty movement have been at Mackinac and a short stint at the Cato Institute in Washington, serving the past 12 years as the Mackinac Center president. He believes the Center's mission is the best way to use his interests and skills to help the most people.

"Public policy establishes rules by which we live our lives with one another," he said. "If you get those rules right, the sky is the limit on human flourishing. But if you get them wrong, there is no limit on human misery."

In his time at the Mackinac Center, Lehman is most proud of the team's smooth transition when he took the reins in 2008 from Reed, who had been its president for 20 years. The Center has tripled in size since that transition and achieved significant policy victories, including the one he is most proud of: establishing Michigan as a right-to-work state.

In his personal life, Joe and his wife Karen are most proud of their children's education.

"We home educated four kids all the way through K-12, and they're all either employed or in college. We're so glad we chose our own educational course for our kids." ■

# Number of Mackinac Center Supporters Up in Time of COVID-19

A new poll by the consulting firm Dunham+Company shows that 71% of Americans expect to give as much or more to charitable causes in 2020 as they did before the COVID-19 pandemic.

What's more, the poll shows that politically conservative donors are more likely to continue giving through the pandemic than politically liberal donors (32% to 24%).

"Boomers" (those born between 1946 and 1964) and weekly churchgoers also are more likely to continue giving, the poll showed, although many said they will "give more carefully" than before. Of those who plan to give less, most cite an uncertain economy as the reason.

Here at the Mackinac Center, we're grateful for the support that our donors have shown during this challenging year, because the need to defend our liberties is greater than ever. We appreciate and share your belief that free markets and limited government are the key to greater opportunity for all.

With your partnership, we've been able to research and advance public policies that will help our state and nation emerge even stronger from the COVID-19 challenge. These policies will cut government red tape for job creators, eliminate unnecessary government spending, help workers exercise free choice on union membership and give students more ways to learn.

Thank you for the investment in this work that you have made or plan to make in 2020.

You also expect us to use your investment wisely. That's why, early in the pandemic, the Mackinac Center took steps to keep pursuing our mission safely and effectively.

We shifted to remote operations for nearly all of our employees, implemented safety protocols for staff members who need to be in the office, reduced spending and switched to virtual platforms for meetings and events.

Because of these measures and your support, we continue to be Michigan's most effective voice for free-market principles, even in a time of unprecedented government overreach. And our voice is growing stronger. The number of supporters who have made a gift to the Mackinac Center so far this year is up by 27% compared to a year ago, and more than 500 first-time contributors have joined our family of donors, amplifying our collective reach.

Your commitment to the cause of freedom is greatly appreciated. If you would like to talk more about ways to support the Mackinac Center, either through an immediate gift, monthly support, or a planned legacy gift, please don't hesitate to call 989-631-0900 and ask to speak to an Advancement representative. ■

The poll by Dunham+Company is available at <https://perma.cc/9F75-HKA6>.