

Detroit: I'm Emotionally Invested

by Roz Warren

I grew up in Detroit, and even though I haven't lived there since I was 18, I'm still a Michigander at heart.

I'm also a (retired) bankruptcy attorney.

You can probably tell where this is going.

I own a Detroit municipal bond. It's a sewer bond, which means that the interest payments are funded by revenue from Detroit's municipal sewer system. (A sewer system that, in my youth, served me well.)

I inherited the bond from my father when he died in 2006.

Although I knew about Detroit's financial problems, I've hung onto my Detroit muni. It was a little part of Detroit. It was from Dad.

And, to be sure, it was paying 5.5%, an interest rate that was hard to beat.

Even so, it was an investment decision made more with my heart than with my head.

I've held my Detroit muni through countless news stories about the city's dire financial situation, mismanagement and shrinking foot print, and despite many magazine articles and books about Motown's decline, all accompanied by haunting photos of devastated neighborhoods that I remember as thriving when I was a kid.

People are usually surprised when I tell them that 1960s Detroit was a great place to grow up. I remember it as a lovely Midwestern city, a patchwork of pleasant tree-filled neighborhoods, with the auto industry at its heart. Middle class Jews, we lived in a safe, quiet community where I attended a more than adequate (and mostly integrated) public school. After school, I happily roamed the neighborhood with my pals.

Then things began to deteriorate and my family became part of the White Flight to the suburbs. After that, we rarely went into the city. When we did drive downtown, to go to a restaurant or visit the Detroit Institute of Arts, we routinely ran red lights, especially after dark. You'd pause to check for oncoming traffic, then zip right through. Better to take the chance of being stopped by a cop than, while waiting for the light to change, of having your window smashed, being pulled from your car and robbed.

I don't regret leaving, but, even though I've lived on the east coast for years, I still love Detroit. When Mitt Romney made that infamous remark about Michigan trees being "the right height," most folks responded with some version of "What an idiot!" But the Michiganders I know nodded with recognition.

It's probably the only thing Mitt Romney has ever said that I agree with.

Although I enjoy the foliage of the Philadelphia suburb where I've settled, the trees of the Detroit metropolitan area do look "right" to me. The landscape of your childhood stays etched in your brain, familiar and beloved. The tall trees that lined the flat street I grew up on will always remain, to me, what trees are "supposed to" look like.

Detroit will always be part of who I am.

My father purchased this \$15,000 municipal bond in 2001. I'm sure it seemed like a terrific idea at the time. Municipalities rarely file for bankruptcy. Dad, a psychoanalyst who began life as a house painter's son, probably felt good about investing in his hometown. And, of course, there was that very attractive interest rate.

When I heard about Detroit's bankruptcy filing, I thought "Oh no!" imagining the impact on the folks who now live in the neighborhood where I grew up.

My next thought was of my Detroit muni, now circling the drain. (Ironical, given that it's a sewer bond.)

The day after the filing, as the lawyers got down to wrangling about who would get what, I looked into unloading my Detroit Muni. If I cashed it in, I was told, I could get \$8,000.

Even though my years of experience both as a bankruptcy attorney and a risk-averse investor screamed "take the money!" I found myself saying "No, thanks."

I can't give up on Detroit. I'd rather hope, against long odds, for a successful comeback. Growing up, I was a diehard Tigers fan. Believing in the underdog was a way of life.

I may no longer live there, but I'm still rooting for my old home town.

