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**New Report Reveals Detroiters’ Perceptions**

**of Entrepreneurship and Economic Opportunity**

***Detroit Future City, U-M’s Detroit Metro Area Communities Study and New Economy Initiative***

***team up to produce report***

DETROIT – A new report entitled “Entrepreneurship and Economic Opportunity in Detroit – Perceptions and Possibilities” was released today by Detroit Future City’s (DFC) Center for Equity, Engagement and Research, the University of Michigan’s Detroit Metro Area Communities Study (DMACS), and the New Economy Initiative (NEI).

The report surveyed 733 Detroiters in 2019 to better understand perceptions so that these organizations and others can equitably address and advance the needs of the city’s entrepreneurs and others seeking economic opportunity. For this report, entrepreneurs were defined as people who own, manage, or invest in a business of any size, including informal businesses that may be temporary or may not be licensed. The report team also considered an entrepreneur as someone addressing challenges within their communities.

The report found that about 40 percent of Detroiters consider themselves entrepreneurs, based upon this definition, and that many of the respondents were not completely aware of the many small business resources that government and nonprofits provide. The report also revealed that Detroiters lean on their social capital as a key resource for business advice. For white respondents, 80 percent would seek resources from other business owners and 70 percent from friends and family, compared to 60 percent of African-Americans who would seek support from other business owners and 48 percent from friends and family. For Hispanic respondents, 56 percent would seek support from other business owners and 44 percent from friends and family.

“To create economic equity, we need to create equitable opportunity. Our data reveal the stark reality that many programs in our city aren’t reaching many of the Detroiters who need them most,” said Anika Goss, DFC’s executive director. “This information helps government, civic and philanthropic organizations, and others, better align resources to address this gap in accessing the support they may need, and that we need to empower community networks to serve as ambassadors of these resources.”

In Detroit, the majority of employers are small businesses. However, they account for only 14 percent of jobs in the city, indicating barriers for growth. The report outlines several recommendations to help scale these businesses to become more significant job creators, including entrepreneurship programs that expand the opportunity to address the needs of residents. The report also recommends increasing public information campaigns for existing programs, and financial-credit-improvement strategies to address the elevated financial insecurity in the city.

The report notes that 70 percent of Detroiters surveyed experience financial insecurity, regardless of whether they identified as an entrepreneur or not. The report also found that nearly twice as many Detroiters saw becoming an entrepreneur as a better path to financial success than working for an established business.

Additionally, African-American residents were more likely than those of other races or ethnicities to identify an entrepreneur as someone self-employed. Meanwhile, out of all ethnicities surveyed, Hispanic residents were more likely to consider someone who does extra independent work or loans money to a friend to be an entrepreneur.

As previously noted, this survey was conducted in 2019 before the COVID-19 pandemic became a global crisis, and Detroit became the hardest-hit city in Michigan, both from a health and economic standpoint.

“The COVID-19 crisis continues to impact Detroit’s most vulnerable small businesses, and now more than ever, Detroit entrepreneurs need equitable support to sustain their small businesses in our community,” said Pamela Lewis, director, New Economy Initiative. “To address this crisis, NEI immediately began working with partners to create a set of small business interventions to provide rent and loan relief, technical assistance, access to capital, and leverage the network of small business support that now exists in our community. Our work is dedicated to equitable access for entrepreneurs, especially women and entrepreneurs of color growing small businesses in Detroit.”

NEI’s COVID-19 Small Business Relief Fund at the Community Foundation for Southeast Michigan has granted $5.2 million to support 22 organizations that are reaching over 2,700 small businesses in Detroit neighborhoods and other parts of southeast Michigan.

NEI is a philanthropic project working to ensure equitable access to capital, resources, information and social networks are available to entrepreneurs, especially women and entrepreneurs of color growing small businesses in metro Detroit. In the last three years, the work of NEI and its network partners have assisted 7,400 small businesses, of which 65 percent are led by owners of color, 51 percent by black and Latinx owners, and 55 percent by women.

DMACS conducted this survey using a variety of outreach methods to build a representative panel of respondents’ observations of issues facing the city, and track how they change over time. For this report, DMACS asked Detroiters about their perceptions of entrepreneurship, opportunities available to them and barriers faced by aspiring entrepreneurs.

“Our inspiration for conducting this research was NEI’s work on supporting an inclusive network of entrepreneurs in and around Detroit,” said Jeff Morenoff, the co-director of DMACS. “We recently launched DMACS as a vehicle for providing timely public opinion data on key issues that matter to Detroit’s future. So we jumped at the opportunity to work with NEI and DFC and gain a better understanding of how Detroiters experience and perceive entrepreneurship. This project also enabled us to collect baseline data on the financial wellbeing and economic insecurity of Detroiters before the COVID-19 pandemic, and we are continuing to track these issues during the pandemic.”

The “Entrepreneurship and Economic Opportunity in Detroit – Perceptions and Possibilities” report is available online at www.detroitfuturecity.com. Additional information, resources and data are available on the [DMACS website](https://detroitsurvey.umich.edu/) and [NEI’s website](https://neweconomyinitiative.org/).

The report was produced by DFC, with DMACS serving as the research partner and NEI funding the project.

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**About Detroit Future City**

Detroit Future City (DFC) was launched in May 2013 to advance the recommendation of the DFC

Strategic Framework, a 50-year vision for the City of Detroit. In January 2016, DFC became an independent nonprofit and is governed by a 17-member board of directors and has an 11-member staff. The organization serves as a “think-and-do tank” with three main program areas: community and economic development, land use and sustainability, and the Center for Equity, Engagement, and Research. DFC coordinates strategies, actions and resources to catalyze the long-term revitalization of Detroit and adds research and implementation capacity to the work of contributing partners and stakeholders. For more information, go to www.detroitfuturecity.com.

**About NEI**

The New Economy Initiative (NEI) is a philanthropic collaboration that is building an inclusive

network of support for entrepreneurs in Detroit and southeast Michigan. Since 2007, NEI’s

funders have contributed over $159 million to the effort, which is housed within the Community

Foundation for Southeast Michigan. Over the past decade, NEI has increased the capacity of

organizations and created programs that help local entrepreneurs get access to the people, services, capital and other resources they need to start and grow businesses. NEI has provided more than $120 million in grants to local organizations supporting entrepreneurs, and more

than 14,000 companies supported by NEI grantees have created or sustained more than 35,000 jobs. Since the COVID-19 crisis, NEI has raised another $5.2 million and supported loan, rent and capital relief programs that have touched over 2,000 small businesses. For more information, visit neweconomyinitiative.org/.

**About DMACS**

Since 2016, the Detroit Metro Area Communities Study (DMACS) has regularly surveyed a broad, representative group of Detroit residents about their communities,including their expectations, perceptions, priorities, and aspirations, to help bridge the gap between Detroit officials and residents whose voices may not always be heard in public discussions.