

# **The 2017 Detroit Reinvestment Index:** *A Kresge Foundation Measure of Detroit's Comeback: II*

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# Research Overview & Approach

*Objectives, Methodology, Executive Summary*

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## Survey Overview and Methodology

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- The 2017 Detroit Reinvestment Index, funded by The Kresge Foundation, measures perceptions of American cities, particularly the city of Detroit, among both **National Business Leaders (N=300)** and **Detroit Metro-Area Entrepreneurs (N=300)**. The research was conducted online from December 2 through December 12th, 2016; approximate length of the survey was 15 minutes.
- The objectives of the research are to:
  - Track National Business Leaders' perceptions of and attitudes towards Detroit as a place to conduct business;
  - Uncover strengths and weaknesses of the City of Detroit as perceived by Entrepreneurs who operate in the Detroit Metro-Area;
  - Evaluate how National Business Leaders and Detroit Entrepreneurs view Detroit's recovery; and
  - Understand the specific attributes on which Detroit needs to improve to better provide for businesses operating in the Detroit Metro-Area.

## Audience Definitions

The research examines responses from two key audiences:

Audience	Definition	Sample Size
<p><b>National Business Leaders</b></p>	<ul style="list-style-type: none"> <li>Senior leaders (Vice President or above) with influence over their companies' global, high-level decisions (contracting, purchasing, sales or related functions)</li> <li>Work for a global company with at least 250 employees</li> <li>Work across industries</li> </ul> <p><i>Note: This audience was surveyed in the 2015 Index and can be tracked to make year-over-year comparisons.</i></p>	<p>N=300</p>
<p><b>Detroit Metro-Area Entrepreneurs</b></p>	<ul style="list-style-type: none"> <li>Own and operate a business in the Detroit Metro-Area</li> <li>Employ between 1-50 employees</li> <li>Business has been in operation for at least 1.5 years</li> <li>Split between <b>Gazelle*</b> and <b>Lifestyle**</b> Entrepreneurs</li> </ul> <p><i>Note: This audience is new to the Reinvestment Index in 2016.</i></p>	<p>N=300</p> <p><i>N=150 Gazelle N=150 Lifestyle</i></p>

\*Classified according to the self-selection based on the following description: "Generally, my business is growing quickly; I am constantly bringing in new business and experiencing continuous growth in revenue, sometimes referred to as a gazelle company."

\*\*Classified according to the self-selection based on the following description: "Generally, my revenues are stable and my business is sustained by existing clients, sometimes referred to as a lifestyle company."

## 2017 Detroit Reinvestment Index– Key Findings

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- 1 National Business Leaders continue to be bullish about Detroit; over 8 in 10 believe Detroit can recover and become a great American city again.
- 2 Local experience breeds greater optimism. Detroit Entrepreneurs, who have first-hand experience working in the Detroit Metro-Area, have a more positive outlook and impression of the city.
- 3 While the stabilization of the auto industry has played a key role in Detroit’s re-birth, business leaders agree that entrepreneurship and small businesses are also at the heart of the city’s resurgence.
- 4 The city of Detroit offers much of what National Business Leaders and Entrepreneurs say they need to succeed – “a place looking to attract new investment,” “a city where it’s possible for companies to make a difference,” and “a city with potential.”
- 5 Entrepreneurs say further success in Detroit-based businesses will depend on whether Detroit can find qualified workers to match open positions and improve the pace of neighborhood revitalization and rehabilitation.

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# Detailed Findings

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**National Business Leaders continue to be bullish about Detroit; over 8 in 10 believe Detroit can recover and become a great American city again.**

.....



# Nearly all of National Business Leaders and Detroit Entrepreneurs are optimistic cities can overcome and recover from significant challenges

## Possibility for Cities to Overcome Significant Challenges and Recover

*[Showing Total Possible & Very Possible]*

**99%**

*Total possible*

**55%**

*Very possible*

of National Business Leaders believe it is possible for cities (in general) to overcome and recover from significant challenges, increasing 1% point from last year at 98%.

**97%**

*Total possible*

**44%**

*Very possible*

of Detroit Entrepreneurs believe it is possible for cities (in general) to overcome and recover from significant challenges.

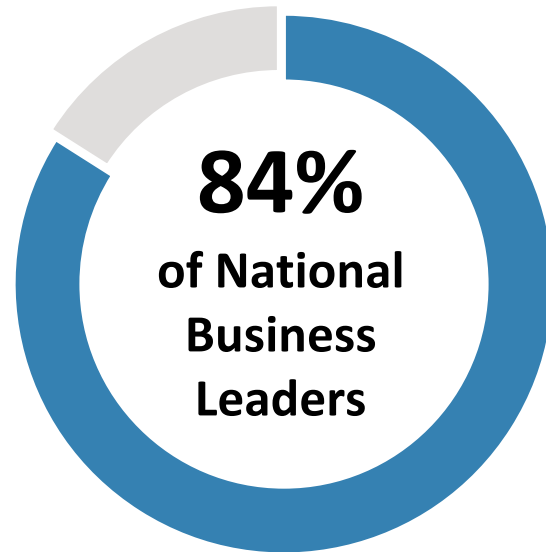
Q21. [T] As you know, cities across the United States can vary considerably in terms of their economic strength, their quality of life, their appeal to visitors and new residents, and many other factors. Many cities have experienced significant challenges at various points in their history, and many continue to face challenges today. In today's day and age, how possible is it for cities to overcome significant challenges and recover?

# While National Business Leaders continue to be bullish about Detroit; Entrepreneurs are even more confident about Detroit's recovery

## Confidence Detroit can Recover and Become a Great American City Again

[Showing Total Confidence: Very + Somewhat Confident]

**Tracking Data:**  
Confidence among National Business Leaders is consistent Y-O-Y.



**Noteworthy:** 39% of both National Business Leaders and Detroit Entrepreneurs are “very confident.”

...are confident Detroit can recover and become a great American city again.

Q36. [T] After years of financial trouble, Detroit filed for bankruptcy in 2013, a process that ended with the city emerging from bankruptcy in late 2014. Prior to bankruptcy, Detroit had been known to many as one of the great American cities due to its history as the center of the automotive industry and the home of Motown music, among many other factors. How confident are you that Detroit can recover and become a great American city again?

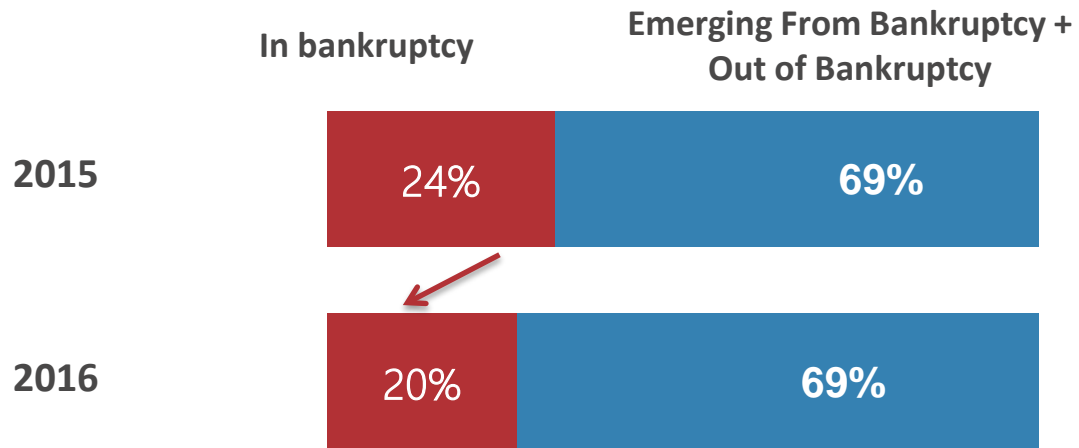
# Awareness of Detroit's fiscal situation is on the rise

## Description of Detroit's Fiscal Situation

[Showing % Selected]

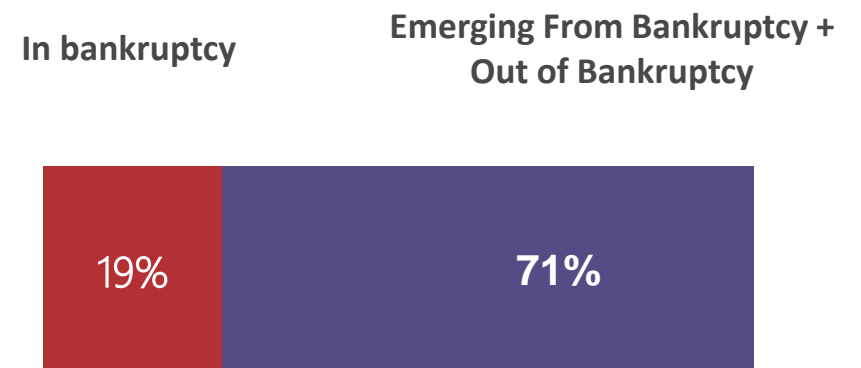
### National Business Leaders

Over a quarter of National Business Leaders believe Detroit is "out of bankruptcy," an 11% point increase from last year. 11% say they "don't know," up 3% points from last year.



### Detroit Entrepreneurs

Nearly 1 in 3 Entrepreneurs say Detroit is "out of bankruptcy." 11% say they "don't know"



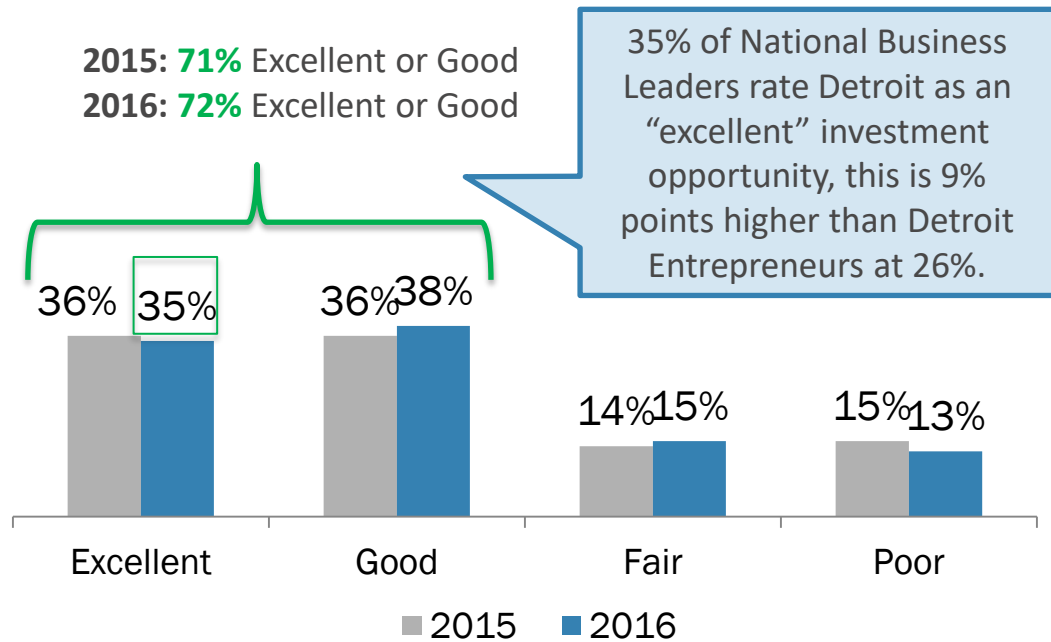
Q35. [T] Thinking some more about Detroit, to the best of your knowledge, which of the following best describes the City of Detroit's fiscal situation?

# Detroit continues to be a good investment opportunity; over one-third of National Business Leaders give the city an “excellent” rating

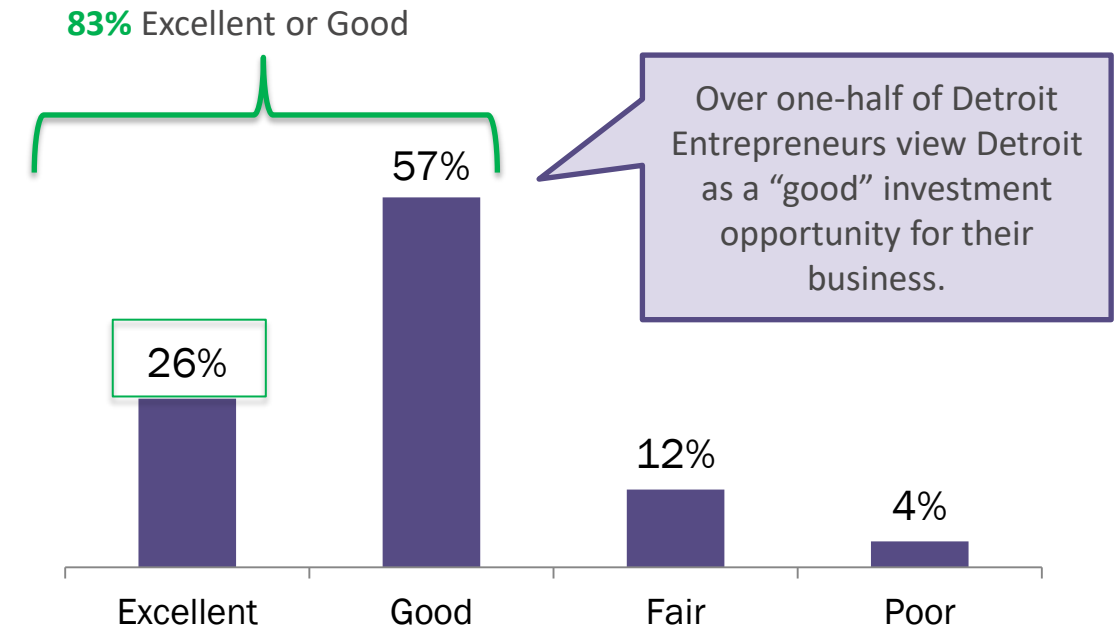
## Rating of Detroit as an Investment Opportunity for Business

[Showing % Selected]

### National Business Leaders



### Detroit Entrepreneurs



Note: Due to rounding, totals may not add up to 100%

Q28. [T] Based on everything you may have seen, read or heard about Detroit most recently, how would you rate the city as an investment opportunity for your business?

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**Local experience breeds greater optimism. Detroit Entrepreneurs, who have first-hand experience working in the Detroit Metro-Area, have a more positive outlook and impression of the city.**

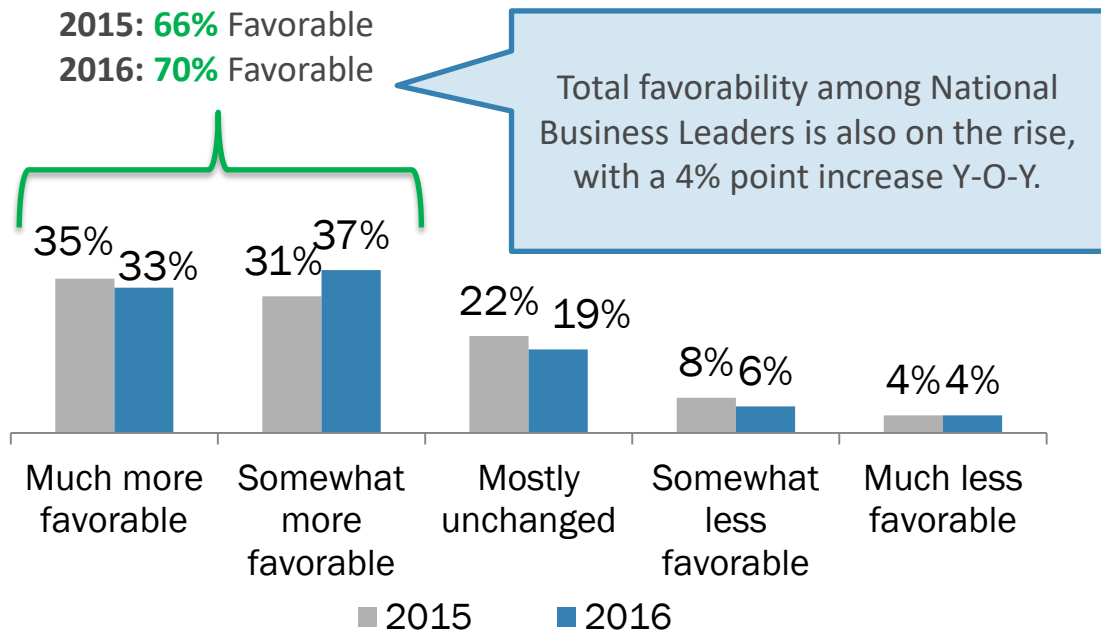
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# Unsurprisingly, those who live and work in Detroit have a more favorable impression of the city overall

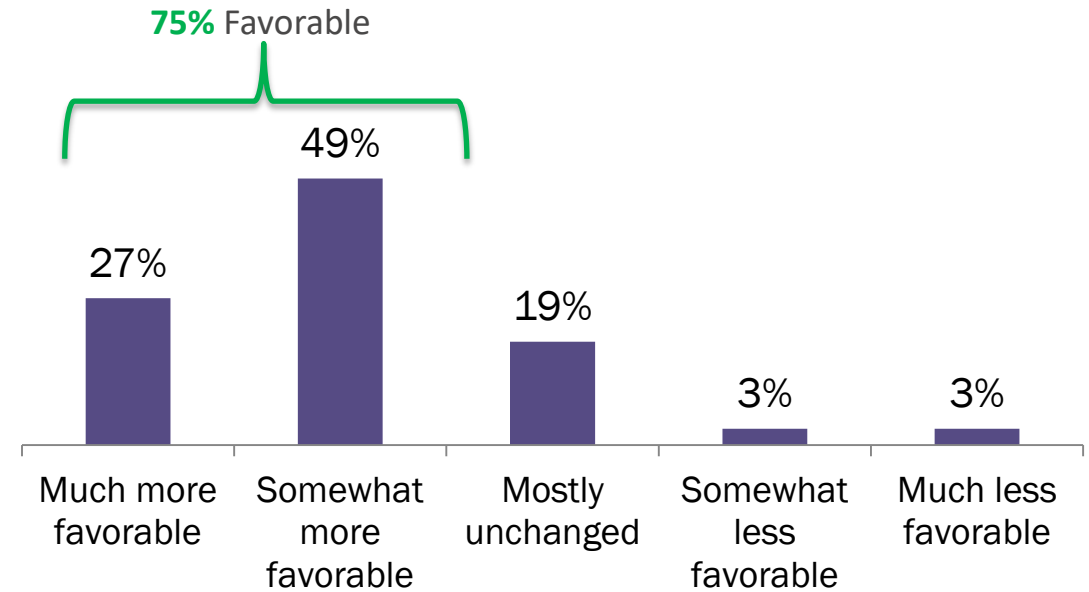
Based on everything you have seen or heard, impression is..."

[Showing % Selected]

## National Business Leaders



## Detroit Entrepreneurs



Note: Due to rounding, totals may not add up to 100%

Q26. [T] Based on everything you may have seen, read or heard about Detroit most recently, has your impression of the city become...

Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

## Younger and Gazelle Entrepreneurs have more favorable impressions of Detroit

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### Impression of Detroit

*[Showing % Total Favorable: Much More + Somewhat More Favorable]*

#### *Those who have a “more favorable” impression of Detroit:*

**81%**

of *Younger* Entrepreneurs 18-32 years old (compared to 79% of those 33-46 years old and 57% of 47+ years old).

**79%**

of *Gazelle* Entrepreneurs (compared to 71% of Lifestyle Entrepreneurs).

**74%**

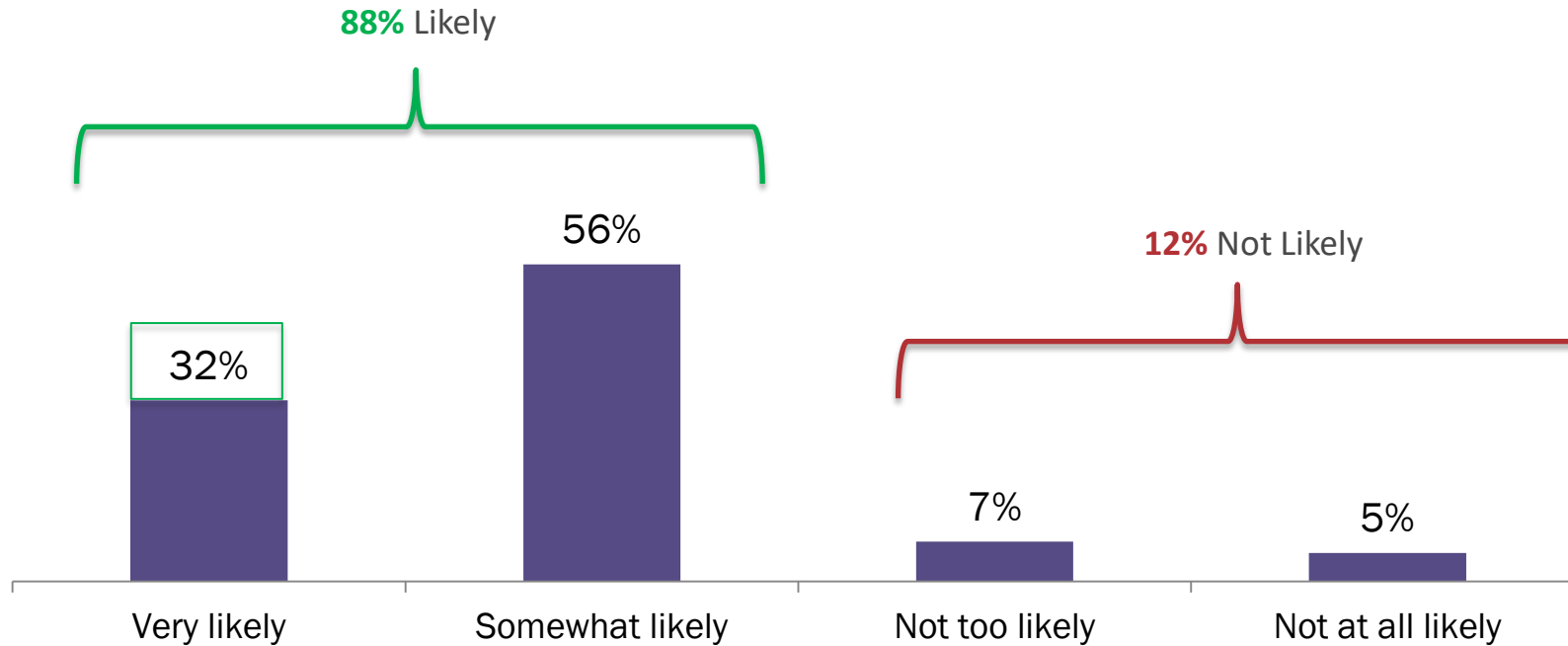
of *Entrepreneurs of Color* (compared to 76% of White Entrepreneurs).

Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

# Detroit Entrepreneurs are likely to recommend opening and operating a small business in the city; one-third are very likely to suggest Detroit as a location

## Likelihood to Recommend Opening and Operating Business in Detroit

[Among Detroit Entrepreneurs Only; Showing % Selected]



Q29. How likely are you to recommend opening and operating a small business in Detroit to those considering opening a business or launching a new business location, including for those who are out of state?



## Here, too, people of color, younger and Gazelle Entrepreneurs are more likely to recommend opening and operating a small business in Detroit

### Likelihood to Recommend Opening and Operating Business in Detroit

[Showing % Total Likely: Very + Somewhat Likely]

Those who are more “likely” to recommend opening and operating a small business in Detroit:

94%

of *Younger* Entrepreneurs 18-32 years old (compared to 92% of those 33-46 years old and 66% of 47+ years old)

92%

of *Gazelle* Entrepreneurs (compared to 83% of Lifestyle Entrepreneurs)

92%

of *Entrepreneurs of Color* (compared to 86% of White Entrepreneurs)

Q29. How likely are you to recommend opening and operating a small business in Detroit to those considering opening a business or launching a new business location, including for those who are out of state?

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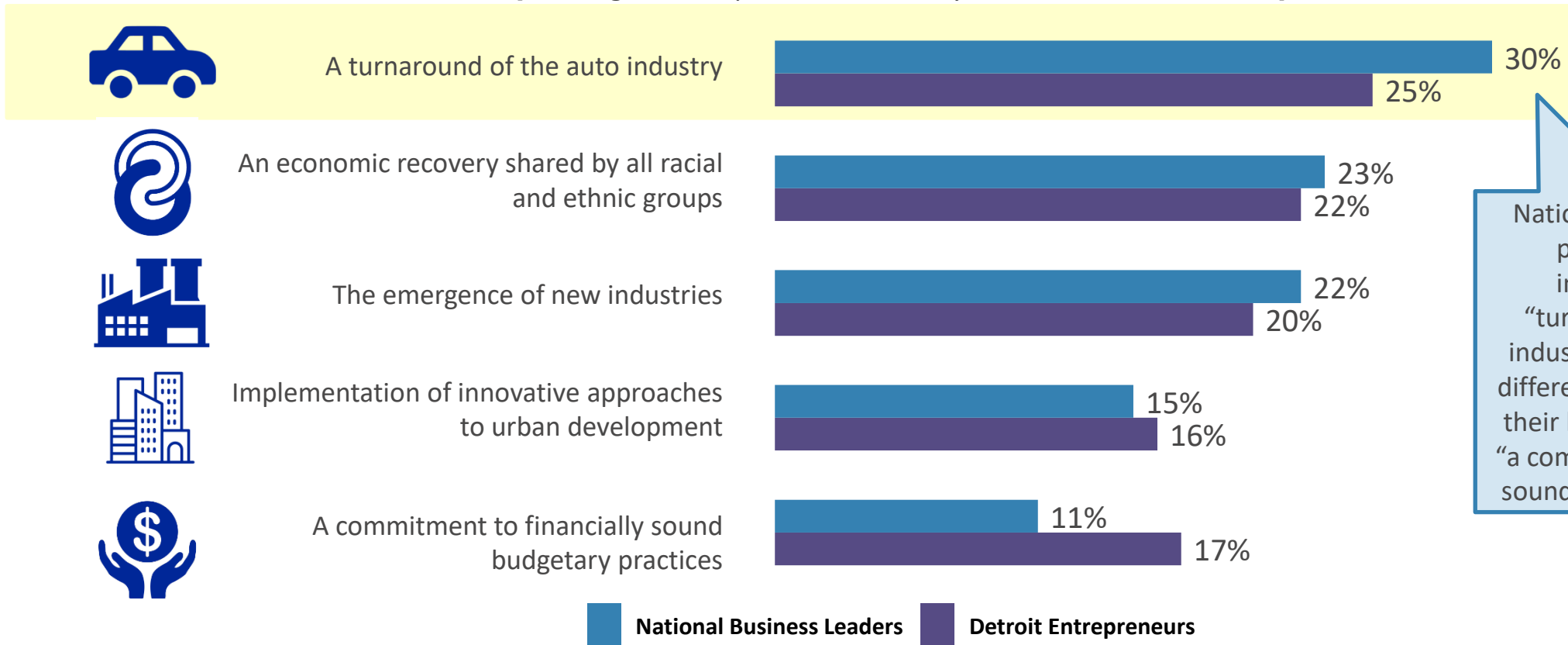
**While the stabilization of the auto industry has played a key role in Detroit's re-birth, business leaders also agree that entrepreneurship and small businesses are at the heart of the city's resurgence.**

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# The turnaround of the auto industry is *most important* in the city's recovery

## Important Factors in Detroit's Recovery and Growth

[Showing 'Most Important'; Ranked by National Business Leaders]



National Business Leaders place even greater importance on the "turnaround of the auto industry" with a 19% point difference between this and their least important factor, "a commitment to financially sound budgetary practices."

■ National Business Leaders ■ Detroit Entrepreneurs

Q37. [T] And, as Detroit recovers and grows into the future, how would you rank the following in terms of importance? Please rank in order of importance, with 1 being most important and 5 least.

# While the stabilization of the auto industry has played a key role in Detroit's recovery, both groups also agree small businesses have been at the core of revitalization

## Agreement Small Businesses are at the Core of the Revitalization of the City of Detroit

[Showing % Total Agree: Strongly + Somewhat Agree]

# 93%

of National Business Leaders and Detroit Entrepreneurs agree small businesses in the Detroit Metro-Area have been at the core of the revitalization of the city.



### Those who are in stronger agreement:

- 95% of Gazelle Entrepreneurs agree vs. 91% of Lifestyle Entrepreneurs.
- 96% of City Entrepreneurs vs. 91% of Entrepreneurs who work in the surrounding metro-area.

Q38. Please indicate how much you agree or disagree with the following statement: "Small businesses in the Detroit Metro-area have been at the core of the revitalization of the City of Detroit".

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The city of Detroit offers much of what National Business Leaders and Entrepreneurs say they need to succeed – “a place looking to attract new investment,” “a city where it’s possible for companies to make a difference,” and “a city with potential.”

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## 2017 Detroit Reinvestment Index– Attribute Series

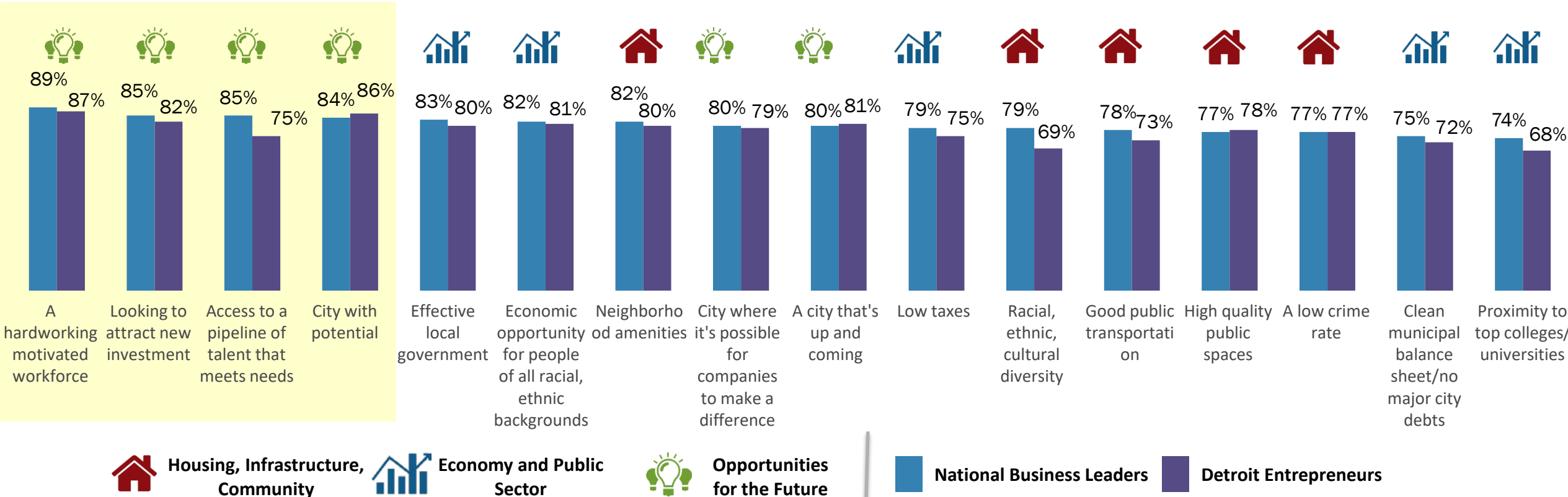
- Respondents were asked to rate how **necessary** attributes were to their success and ultimately which were the **most important**. We then asked which of the same attributes were **strongest for Detroit**.
- Attributes were classified into three categories:

<b>Housing, Infrastructure, and Community</b> 	A low crime rate
	Racial, ethnic and cultural diversity
	Good public transportation
	Neighborhood amenities, such as shops and restaurants, for employees and area residents
	High quality public spaces, such as parks, libraries, trails, and riverfront, for employees and area residents
<b>Economy and Public Sector</b> 	Low taxes
	Economic opportunity for people of all racial and ethnic backgrounds
	A clean municipal balance sheet / no major city debts
	An effective local government
	Proximity to top colleges and universities
<b>Opportunities for the Future</b> 	A city with potential
	A city where it's possible for individual companies to make a difference
	A city that's "up and coming"
	A place looking to attract new investment
	A hardworking and motivated workforce
	Access to a pipeline of talent that meets the specific needs of my business

# Both agree attributes within “opportunities for the future” are the most necessary for their business success

## Features or Attributes a City Could Provide that are Most Necessary For Their Business Success

[Showing % Total Completely Necessary (4-5); Ranked by National Business Leaders]



Housing, Infrastructure, Community



Economy and Public Sector



Opportunities for the Future



National Business Leaders



Detroit Entrepreneurs

Q19. [T] Now, thinking about some different features and attributes a city might have that could provide [NATL: the best potential business and investment opportunities for your company/DET: you with the best potential environment to run a small business], how necessary are each of the following?

# Work remains to be done to achieve optimal performance on the most necessary attributes

## Attributes that are Necessary vs. Detroit's Performance

[Showing % Necessary (4-5) vs. % Describe Detroit as Excellent (4-5) among National Business Leaders]

National Business Leaders	Necessary		Detroit's Performance		Delta	
	2016	2015	2016	2015	2016	2015
A hardworking, motivated workforce	89%	n/a	→ 62%	n/a	-27	n/a
Looking to attract new investment	85%	86%	→ 70%	71%	-15	-15
Access to a pipeline of talent that meets needs	85%	n/a	57%	n/a	-28	n/a
City with potential	84%	91%	64%	71%	-20	-20
Effective local government	83%	86%	53%	62%	-30	-24
Economic opportunity for people of all racial, ethnic backgrounds	82%	86%	64%	68%	-18	-18
Neighborhood amenities	82%	n/a	61%	n/a	-21	n/a
City where it's possible for companies to make a difference	80%	85%	→ 67%	68%	-13	-17
A city that's up and coming	80%	82%	56%	67%	-24	-15
Low taxes	79%	81%	55%	64%	-24	-17
Racial, ethnic, cultural diversity	79%	77%	68%	74%	-11	-3
Good public transportation	78%	84%	59%	66%	-19	-18
High quality public spaces	77%	n/a	57%	n/a	-20	n/a
A low crime rate	77%	80%	48%	52%	-29	-28
Clean municipal balance sheet/no major city debts	75%	85%	52%	58%	-23	-27
Proximity to top colleges/ universities	74%	83%	59%	58%	-15	-25

Among National Business Leaders, Detroit delivers on the **Opportunities for the Future** attributes that are viewed as the most necessary: including **“Investment opportunity”** and **“Opportunity for companies to make a difference.”** Detroit has more work to do around cultivating a **“Hardworking and motivated workforce”** which is viewed as most necessary to National Business Leaders.












Q19. [T] Now, thinking about some different features and attributes a city might have that could provide [NATL: the best potential business and investment opportunities for your company/DET: you with the best potential environment to run a small business], how necessary are each of the following? / Q32. [T] Based on what you know about the city, how well do each of the following features and attributes describe Detroit?



# The more local a business the more favorably Detroit’s performance is viewed

## Attributes that are Necessary vs. Detroit's Performance

[Showing % Necessary (4-5) vs. % Describe Detroit Excellent (4-5) among Detroit Entrepreneurs]

Detroit Entrepreneurs	Necessary	Detroit's Performance	Delta
 A hardworking, motivated workforce	87%	68%	-19
 Looking to attract new investment	82%	→ 75%	-7
 Access to a pipeline of talent that meets needs	75%	68%	-7
 City with potential	86%	→ 75%	-11
 Effective local government	80%	→ 57%	-23
 Economic opportunity for people of all racial, ethnic backgrounds	81%	74%	-7
 Neighborhood amenities	80%	70%	-10
 City where it's possible for companies to make a difference	79%	→ 75%	-4
 A city that's up and coming	81%	70%	-11
 Low taxes	75%	54%	-21
 Racial, ethnic, cultural diversity	69%	72%	+3
 Good public transportation	73%	59%	-14
 High quality public spaces	78%	63%	-15
 A low crime rate	77%	→ 44%	-33
 Clean municipal balance sheet/no major city debts	72%	57%	-15
 Proximity to top colleges/ universities	68%	66%	-2

Detroit Entrepreneurs overall believe the city of Detroit better delivers on the tested attributes compared to National Business Leaders. Most significantly, they believe that **“A city looking to attract new investment,” “A city where it’s possible to make a difference”** and a **“City with potential”** are among the attributes that best describe Detroit.

Yet, this group also believes there is more work to be done within Detroit to improve the **“Local government,” “Low taxes”** and reduce the **“Crime rate.”**





Q19. [T] Now, thinking about some different features and attributes a city might have that could provide [NATL: the best potential business and investment opportunities for your company/DET: you with the best potential environment to run a small business], how necessary are each of the following? / Q32. [T] Based on what you know about the city, how well do each of the following features and attributes describe Detroit?

# Detroit ranks the highest among both audiences on “a place looking to attract new investment” and “a city with potential”





## Features and Attributes Detroit Ranks Highest

[Showing % Rank Highest]

### National Business Leaders

- 1 A place looking to attract new investment (11%) 
- 2 A city with potential (10%) 
- 3 Racial, ethnic and cultural diversity , a hardworking and motivated workforce and good public transportation (8%)  

### Detroit Entrepreneurs

- 1 A city with potential (14%) 
- 2 A place looking to attract new investment, a city that’s up and coming, low taxes (9%)  
- 3 High quality public spaces, such as parks, libraries, trails, and riverfront, for employees and area residents (8%) 

Q33. On which of these features and attributes would you rate Detroit highest?

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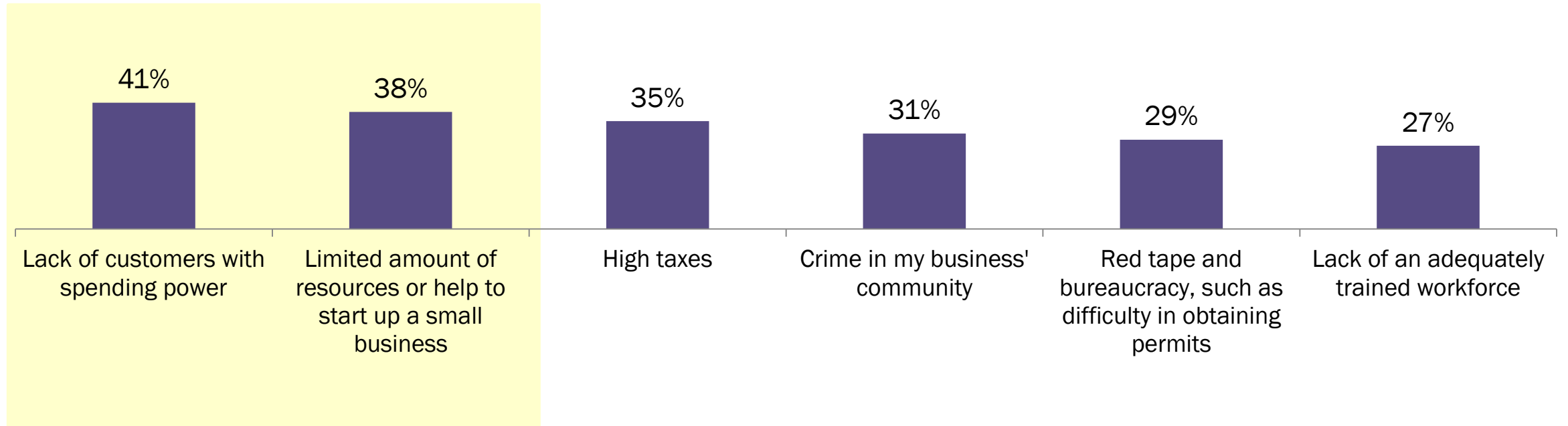
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**Entrepreneurs say further success in Detroit-based businesses will depend on whether Detroit can find qualified workers to match open positions and improve the pace of neighborhood revitalization and rehabilitation.**

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# The top challenges Detroit Entrepreneurs face as small business owners are “lack of customers with spending power” and “limited resources”

**Challenges Faced as a Small Business Owner**  
*[Among Detroit Entrepreneurs Only; Showing % Selected]*

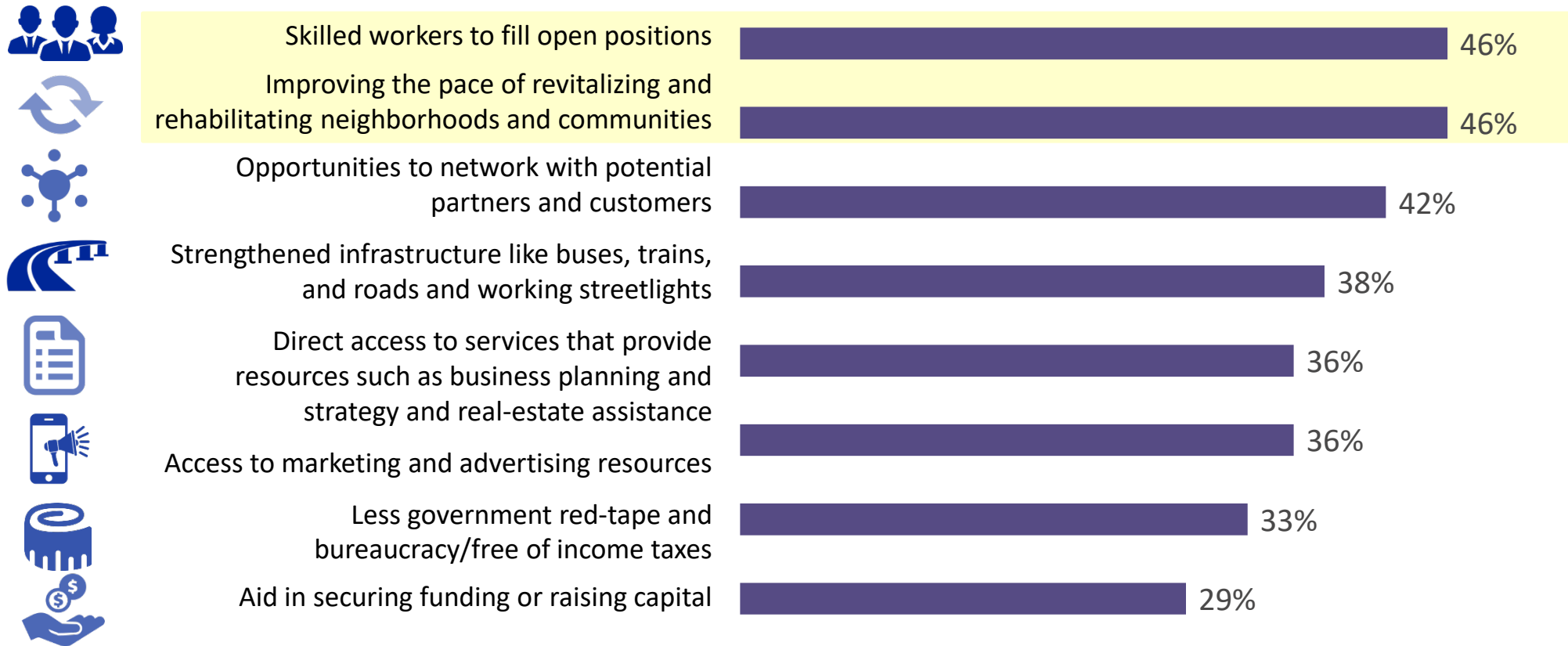


Q25. What are some of the challenges you have faced as a small business owner??

# Entrepreneurs need skilled workers to fill positions and improve the pace of revitalization in communities

## What Small Business Owners Need to Succeed

*[Among Detroit Entrepreneurs Only; Showing % Selected]*

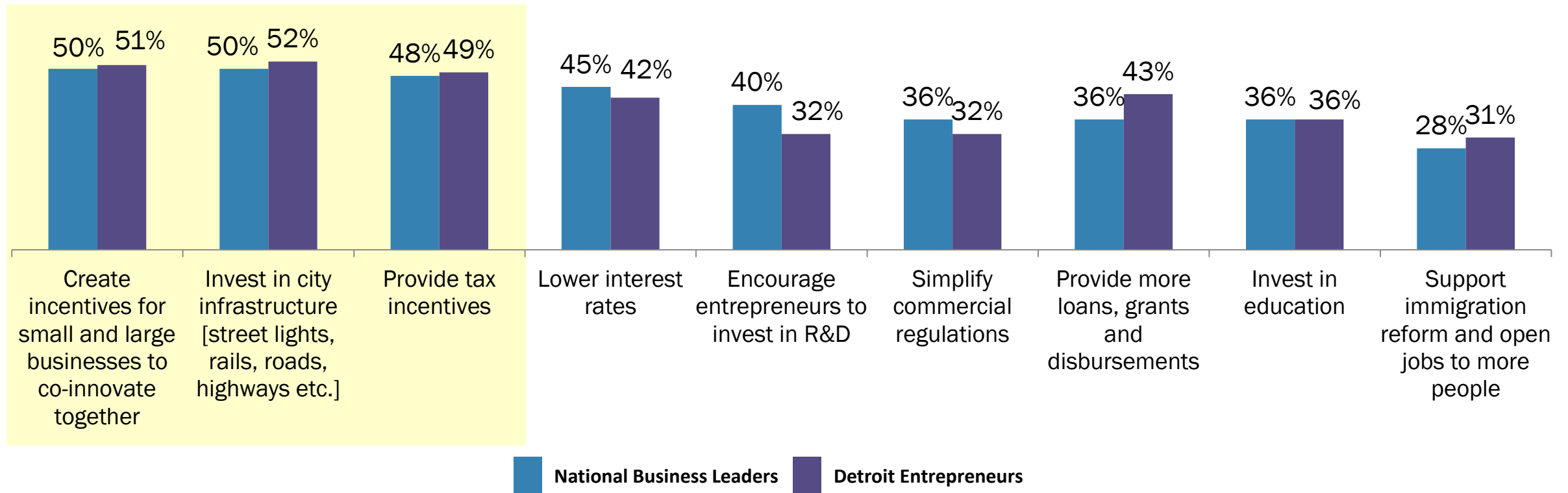


Q30. Based on your experience, what do other potential small business owners primarily need to succeed in Detroit?

## In fact, both groups are calling for neighborhood revitalization with the same enthusiasm as they call for traditional economic development tools

### Ways to Support Small Businesses and Boost the Economic Growth Within the City

[Showing % Selected; Ranked by National Business Leaders]



Q39. What are the ways in which the City of Detroit should offer support to small businesses to continue to boost the economic growth within the city?

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# Sub-Group Findings

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## Sub-Group Findings

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- This section includes a deeper analysis among the Detroit Entrepreneur (N=300) audience. Specifically, the following key sub-groups will be explored:



Gazelle vs. Lifestyle Entrepreneurs



Regional: City vs. Rest of Metro-Area



Demographics: Race and Age





## Detroit Entrepreneurs: Audiences

### Methodology:

- This deep dive portion presents the data for the **N=300 Detroit Metro-Area Entrepreneurs ONLY**. This audience is divided into two different entrepreneur types, those who self-identified as a Gazelle or Lifestyle Entrepreneur.

Audience	Definition (Respondents who selected...)	Sample Size
Gazelle	“Generally, my business is growing quickly; I am constantly bringing in new business and experiencing continuous growth in revenue, sometimes referred to as a gazelle company.”	N=150
Lifestyle	“Generally, my revenues are stable and my business is sustained by existing clients, sometimes referred to as a lifestyle company.”	N=150



## Detroit Entrepreneurs: Key Findings

Detroit Entrepreneurs overall are more positive on the city, yet Gazelles are more bullish, exhibiting greater aggressiveness, recognizing their role in the rebuilding of Detroit, and recommending the city to others looking to succeed.

### Key Differences:



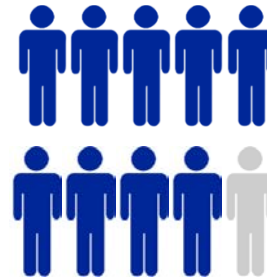
**Gazelles have stronger impressions than Lifestyles** when it comes to favorability, investment opportunity, and likelihood to recommend Detroit as a business location.



Gazelles and Lifestyles cite different reasons for starting their business in Detroit: **Gazelles are motivated by the “low cost of starting a business,”** Lifestyles are city fixtures.



They face different challenges; **Lifestyles have more difficulty finding resources to get started,** whereas **lack of customers with spending power is an issue for Gazelles.**



### Key Similarities:

Over 9 in 10 of both Gazelle and Lifestyles agree **small businesses are at the core of revitalization of the city of Detroit.**



Both groups of Detroit Entrepreneurs **recognize that neighborhood revitalization is as important as a skilled workforce** in paving the way to success for their businesses.

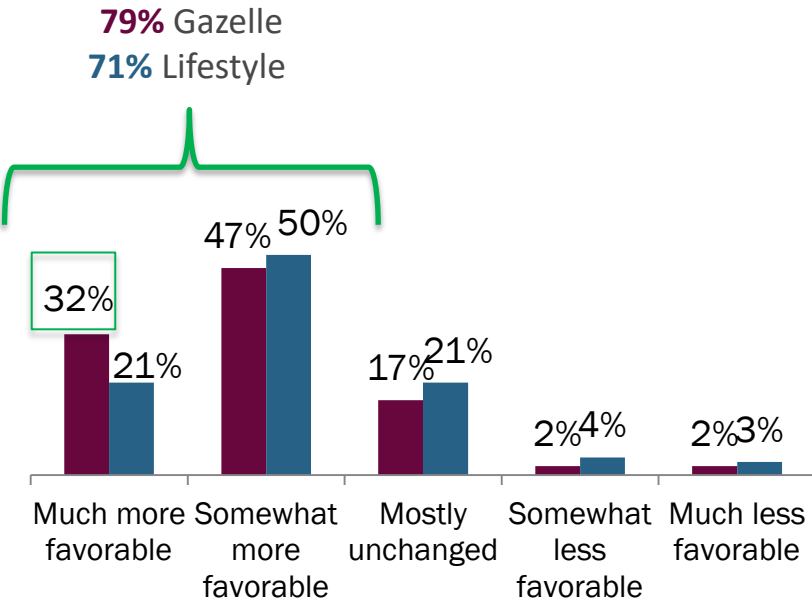


Both groups believe that the **city of Detroit should create incentives to innovate and invest in city infrastructure** as a way to boost economic growth in Detroit.

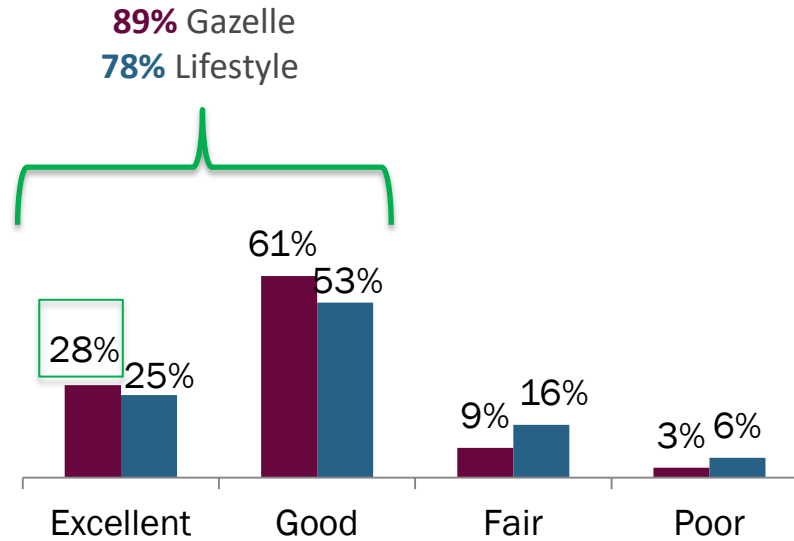
# Small businesses are at the core of the city's rebirth, with both Gazelles and Lifestyle Entrepreneurs reporting positively on Detroit across the board



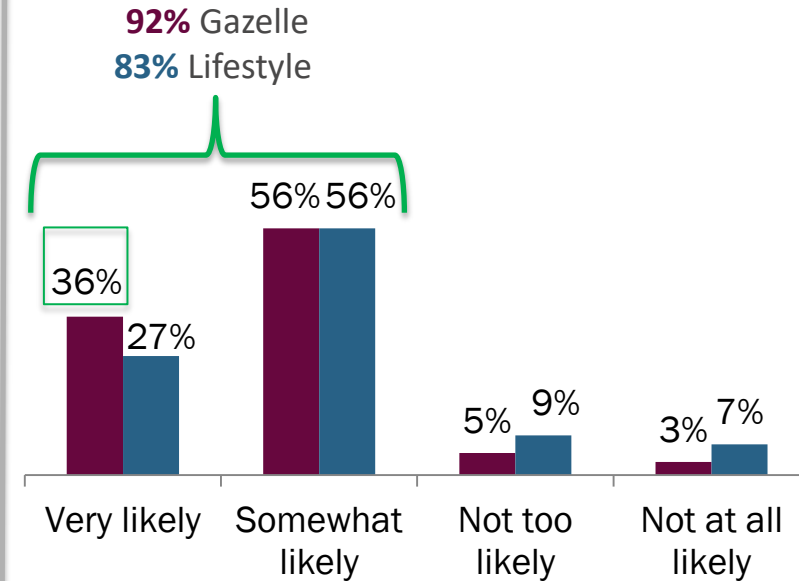
**Favorability of Detroit**  
[Showing % Selected]



**Detroit as Investment Opportunity**  
[Showing % Selected]



**Likelihood to Recommend Detroit**  
[Showing % Selected]



**Gazelle** **Lifestyle**

Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

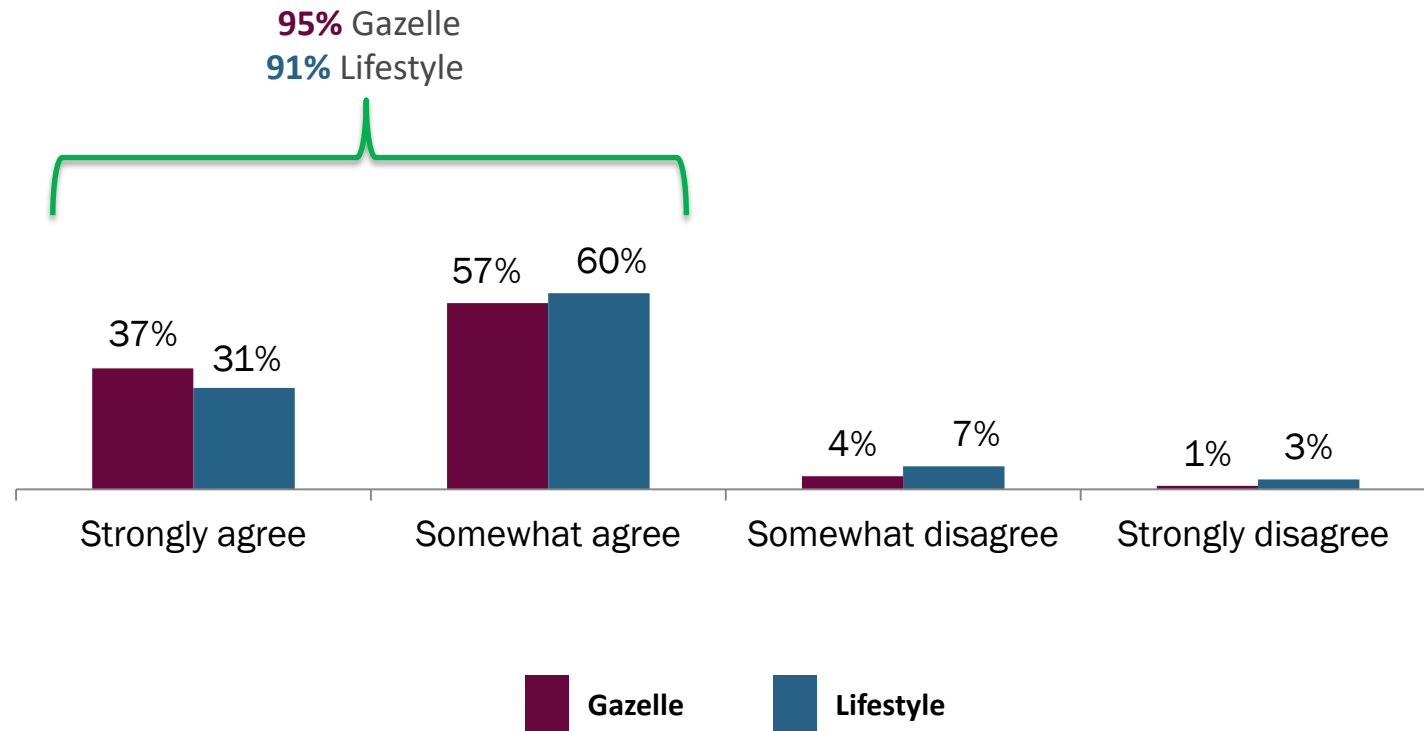
Q28. [T] Based on everything you may have seen, read or heard about Detroit most recently, how would you rate the city as an investment opportunity for your business?

Q29. How likely are you to recommend opening and operating a small business in Detroit to those considering opening a business or launching a new business location, including for those who are out of state?

# And Gazelles are more likely to attribute the revitalization of the city of Detroit to themselves as small business owners



**Agreement Small Businesses are at the Core of the Revitalization of the City of Detroit**  
 [Showing % Selected]



Q38. Please indicate how much you agree or disagree with the following statement: "Small businesses in the Detroit Metro-area have been at the core of the revitalization of the City of Detroit".

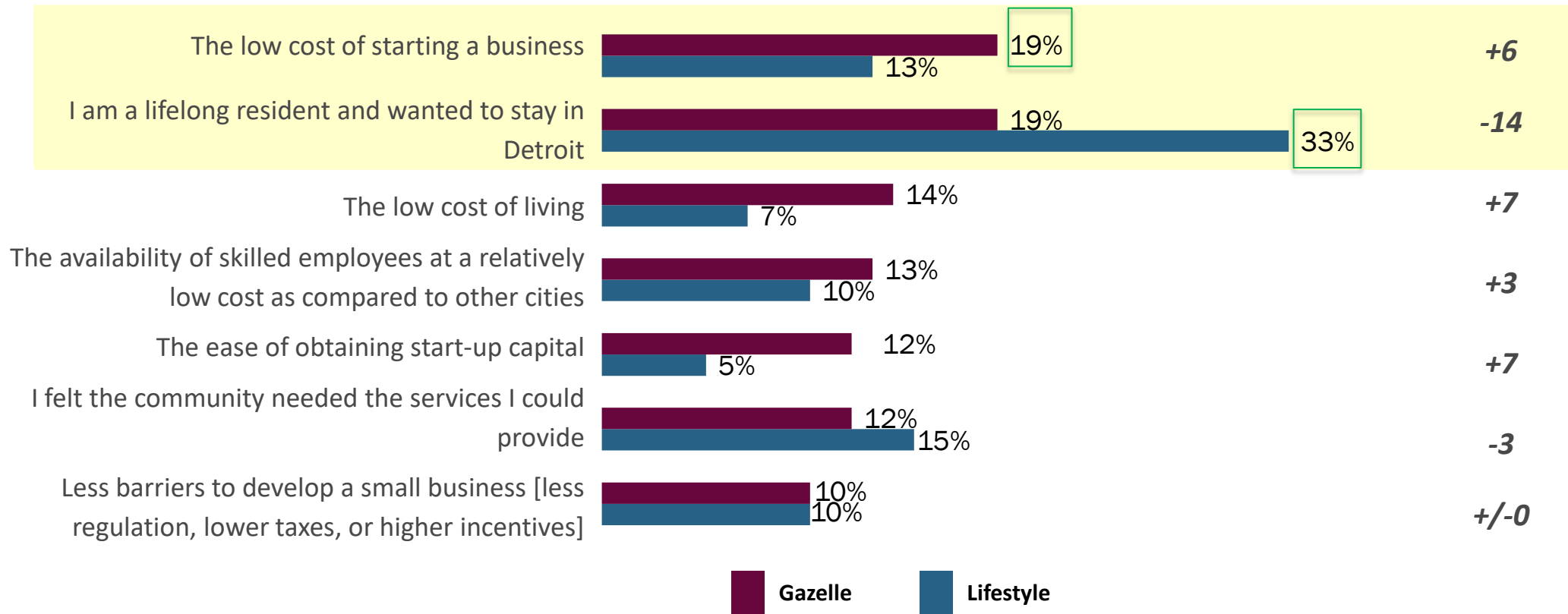
# Not surprisingly, Lifestyles are more connected to the city since they rely heavily on their individual communities, while Gazelles appreciate low costs



## Primary Reason Started Small Business in Detroit

[Showing % Selected; Ranked by Gazelles]

GAP  
(Gazelle - Lifestyle)



**Gazelle**      **Lifestyle**

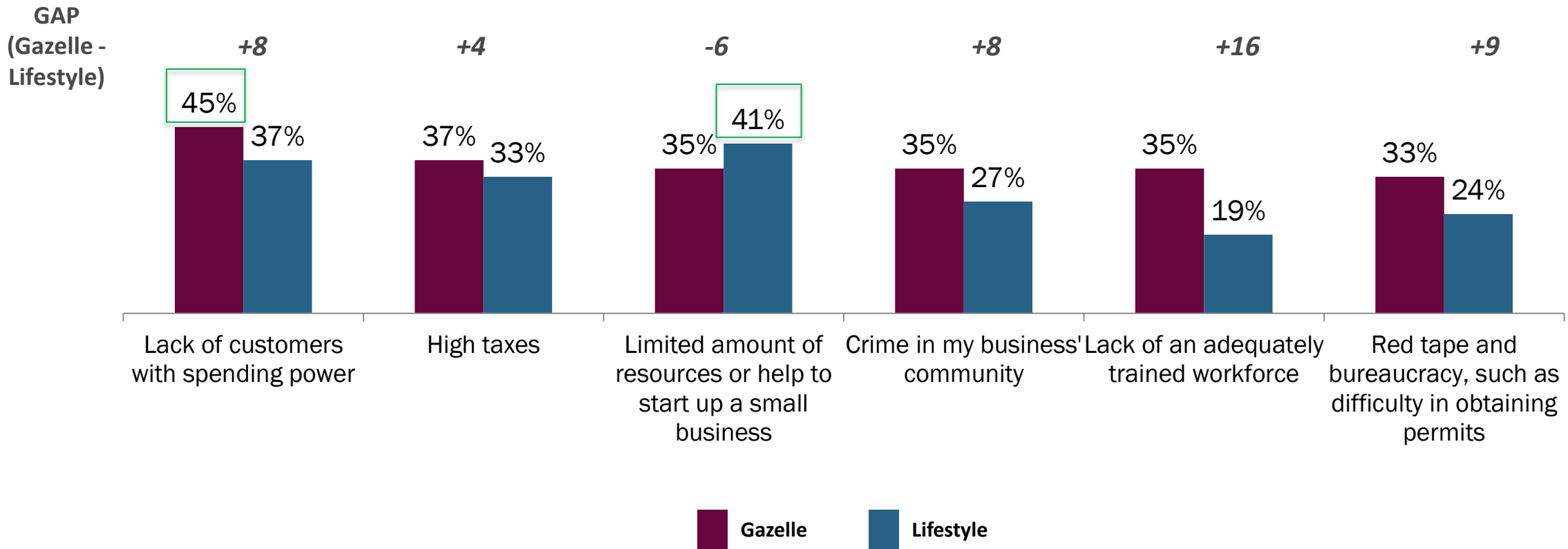
Q24. The following questions will focus on just one city, DETROIT. Please answer these questions about Detroit, based on your overall experience of Detroit as a small business owner. What is the primary reason you decided to start a small business in Detroit?

# Gazelles and Lifestyles face slightly different challenges, citing lack of customers with spending power and limited resources to start a business, respectively



## Challenges Faced as a Small Business Owner

[Showing % Selected; Ranked by Gazelles]



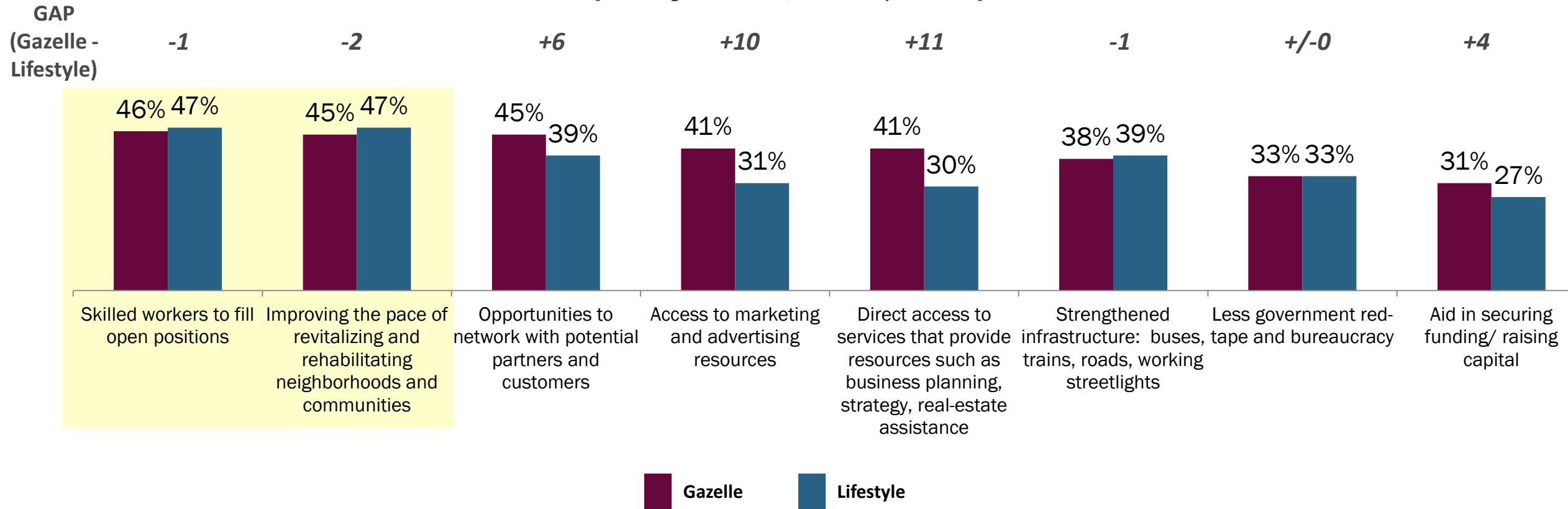
Q25. What are some of the challenges you have faced as a small business owner?

# Yet they are both aligned on the need for skilled workers and improvements in the revitalization of neighborhoods in order to succeed



## What Small Business Owners Need to Succeed

[Showing % Selected; Ranked by Gazelles]



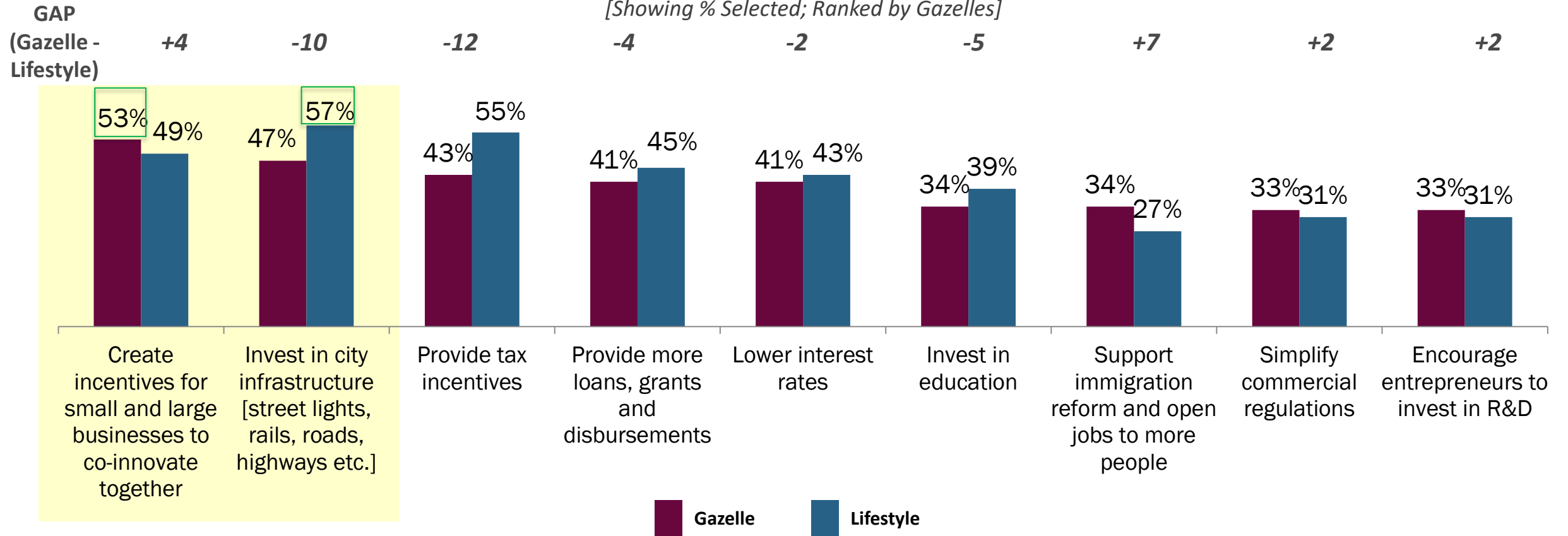
Q30. Based on your experience, what do other potential small business owners primarily need to succeed in Detroit?

# When it comes to what the city could offer small businesses, Gazelles want incentives to innovate, while Lifestyles stress investment in city infrastructure



Ways to Support Small Businesses and Boost the Economic Growth Within the City

[Showing % Selected; Ranked by Gazelles]



Q39. What are the ways in which the City of Detroit should offer support to small businesses to continue to boost the economic growth within the city?





## Detroit City vs. Regional Entrepreneurs: Audiences

### Methodology:

- This deep dive portion presents the data for the **N=300 Detroit Metro-Area Entrepreneurs ONLY**. Specifically, the data present the results for the respondents who indicate their business is primarily located in the city of Detroit vs. regional respondents whose business is primarily located in the surrounding areas.

Audience	Definition (Respondents who selected...)	Sample Size
<p><b>City of Detroit Entrepreneurs</b></p>	<p>Detroit Entrepreneurs who indicated their business is primarily located in the city of Detroit.</p>	<p>N= 80</p>
<p><b>Regional Entrepreneurs</b></p>	<p>Detroit Entrepreneurs who indicated their business is primarily located in the greater Detroit Metro-Area including: Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne counties.</p>	<p>N= 220</p>



## Detroit Regional Entrepreneurs: Key Findings

Both Regional and City Entrepreneurs are confident that Detroit is a good city in which to run their business, but City Entrepreneurs are more in tune with, favorable of, and cognizant of the need for spaces to not only work, but live well in Detroit.

### Key Differences:



Detroit Entrepreneurs express greater awareness of the current financial situation. **Nearly 50% of City Entrepreneurs believe Detroit is out of bankruptcy, almost double that of those in the surrounding region.**



**Entrepreneurs who operate in the city are more favorable of Detroit;** their favorability is 10% points higher than Regional Entrepreneurs.



City Entrepreneurs believe **investment in high quality public spaces**, (parks, libraries, trails, riverfront for employees and area residents) is most important to their business today.

### Key Similarities:



Both City and Regional Entrepreneurs believe it is **possible for cities to overcome and recover from significant challenges.**



9 in 10 of City and Regional Entrepreneurs are **confident Detroit can recover and become a great American city again.**



Both agree that **low taxes** are important in order for their business to be successful in Detroit.

# Nearly all City and Regional Entrepreneurs are confident cities can recover from significant challenges



## Possibility for Cities to Overcome Significant Challenges and Recover

*[Showing % Selected]*

**100%**

of City Entrepreneurs believe it is possible for cities (in general) to overcome and recover from significant challenges.

**96%**

of Regional Entrepreneurs believe it is possible for cities (in general) to overcome and recover from significant challenges.

 City  Regional

Q21. [T] As you know, cities across the United States can vary considerably in terms of their economic strength, their quality of life, their appeal to visitors and new residents, and many other factors. Many cities have experienced significant challenges at various points in their history, and many continue to face challenges today. In today's day and age, how possible is it for cities to overcome significant challenges and recover?

While both City and Regional Entrepreneurs are confident Detroit can recover again, City Entrepreneurs—those who are closest to the heartbeat of the city—have stronger impressions



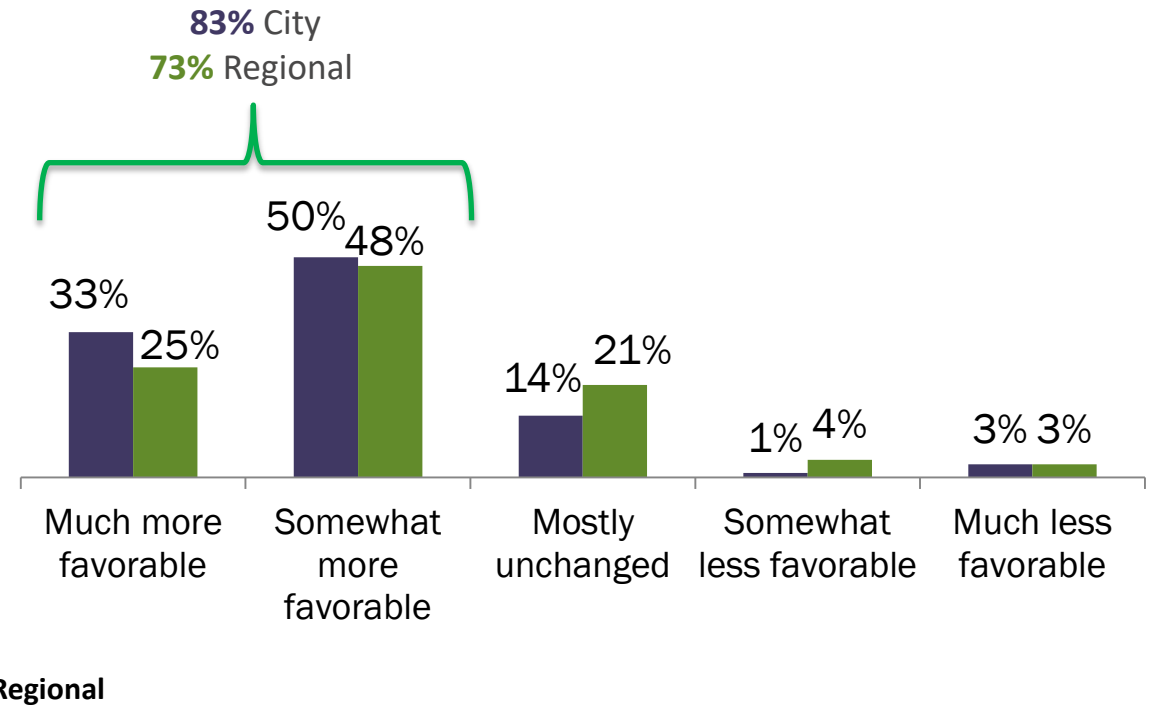
**Confidence Detroit Can Recover**  
 [Showing % Total Confidence: Very + Somewhat Confident]

**93% of City Entrepreneurs**

**91% of Regional Entrepreneurs**

*...are confident Detroit can recover and become a great American city again*

**Favorability of Detroit**  
 [Showing % Selected]



Q36. After years of financial trouble, Detroit filed for bankruptcy in 2013, a process that ended with the city emerging from bankruptcy in late 2014. Prior to bankruptcy, Detroit had been known to many as one of the great American cities due to its history as the center of the automotive industry and the home of Motown music, among many other factors. How confident are you that Detroit can recover and become a great American city again?

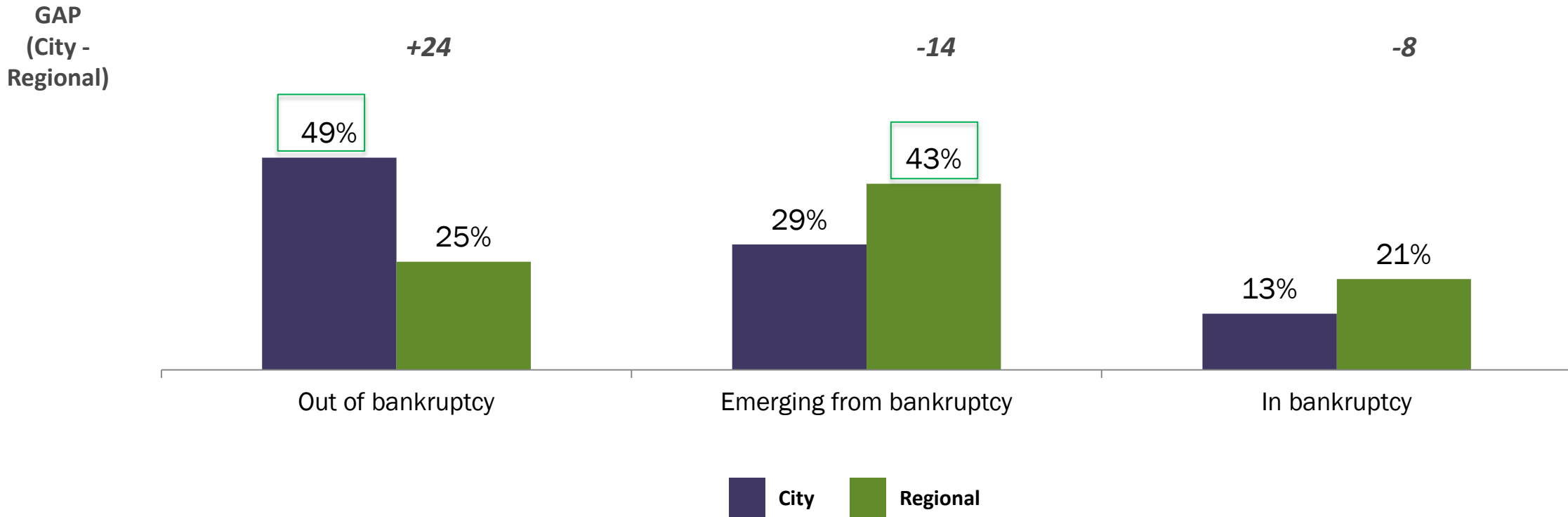
Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

And familiarity promotes awareness; those operating their business in the city are much more likely to say that Detroit has fully recovered from bankruptcy



Description of Detroit's Fiscal Situation

[Showing % Selected]



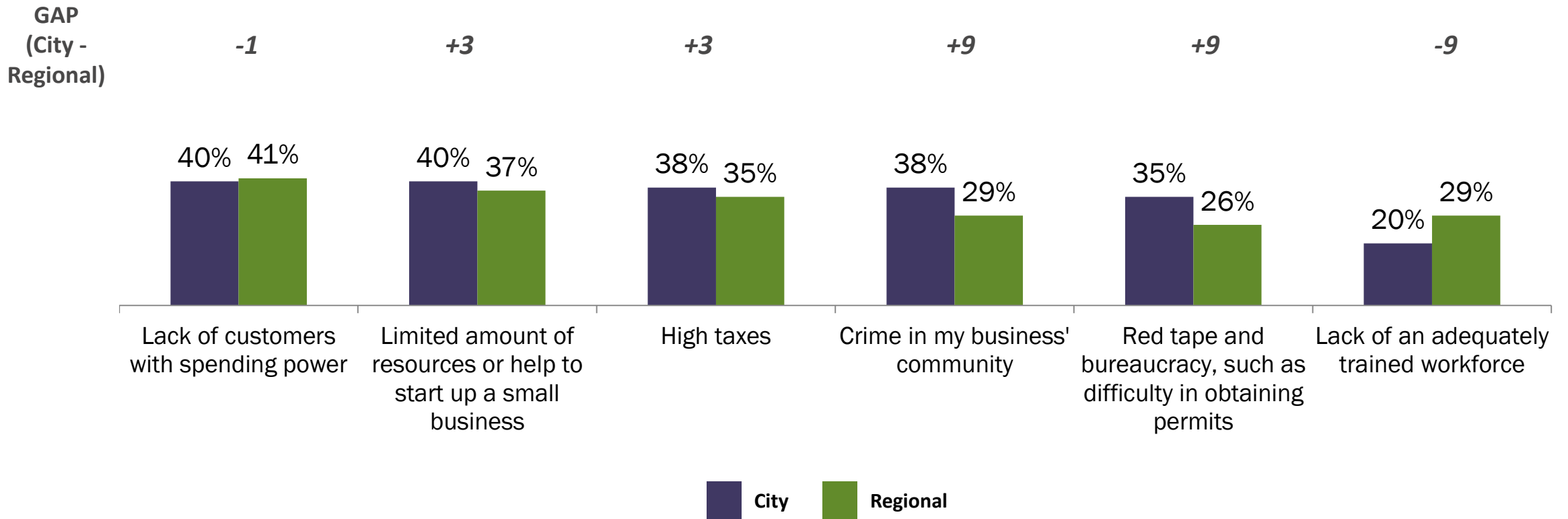
Q35. [T] Thinking some more about Detroit, to the best of your knowledge, which of the following best describes the City of Detroit's fiscal situation?



# Both groups face the same challenges: “a lack of customers with spending power” and “limited resources or help to start up a small business”

## Challenges Faced as a Small Business Owner

[Showing % Selected; Ranked by City]



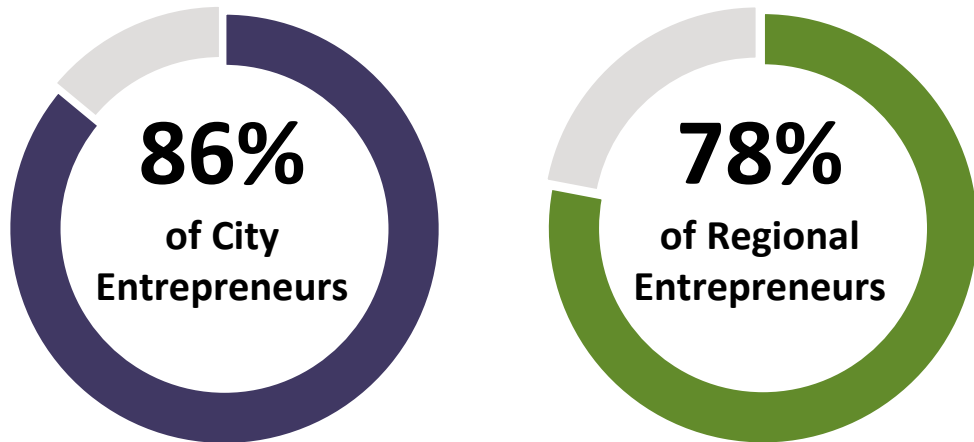
Q25. What are some of the challenges you have faced as a small business owner?



# City Entrepreneurs more strongly believe that further investment in public spaces will positively impact small businesses in Detroit

## Attributes that are Necessary

[Showing % Necessary (4-5)]



...say neighborhood amenities, such as shops and restaurants, for employees and area residents are completely necessary when it comes to running their small business

■ City ■ Regional

## Most Important Attributes to Run Their Business

[Showing Top 4 Selected among each group]

	City Entrepreneurs	Regional Entrepreneurs
#1	High quality public spaces, (parks, libraries, trails, riverfront for employees and area residents) 19%	Low taxes 16%
#2	Low taxes 16%	A hardworking and motivated workforce 11%
#3	A city with potential 11%	Economic opportunity for people of all racial / ethnic backgrounds 9%
#4	Economic opportunity for people of all racial / ethnic backgrounds 11%	A low crime rate 9%

Q19. Now, thinking about some different features and attributes a city might have that could provide you with the best potential environment to run a small business, how necessary are each of the following?

Q20. Of these various features and attributes, please rank the TWO MOST IMPORTANT to you.



## Race/Ethnicity/Age: Audiences

### Methodology:

- This deep dive portion presents the data for the **N=300 Detroit Metro-Area Entrepreneurs ONLY**. Specifically, the data present the results for the white vs. people of color Entrepreneurs within the Detroit Metro-Area sample and a breakdown of younger vs. older Entrepreneurs.

Audience	Definition (Respondents who selected...)	Sample Size
<b>Ages 18-32</b>	Detroit Entrepreneurs ages 18-32 years old.	N=97
<b>Ages 33-46</b>	Detroit Entrepreneurs ages 33-46 years old.	N=145
<b>Ages 47+</b>	Detroit Entrepreneurs ages 47+ years old.	N=58
<b>White</b>	Detroit Entrepreneurs who indicated their race/ethnicity as White.	N= 211
<b>People of Color</b>	Detroit Entrepreneurs who indicated their race/ethnicity as Hispanic, Black, Asian, mixed race or other in the survey demographic question.	N= 87



## Race/Ethnicity/Age: Key Findings



While perceptions differ slightly, all groups are optimistic about the future of Detroit as a place to run their business. However, younger entrepreneurs, more likely to identify as Gazelles, are more bullish, seeing greater opportunities and recommending the city for others to make investments.

### Key Differences:



**Younger Entrepreneurs are more favorable and more likely to see Detroit as an excellent investment opportunity** compared to older Entrepreneurs operating a small business in the city.

### Key Similarities:



Both White and Entrepreneurs of Color have a favorable perception of Detroit and are **likely to recommend Detroit as a place to run a small business.**



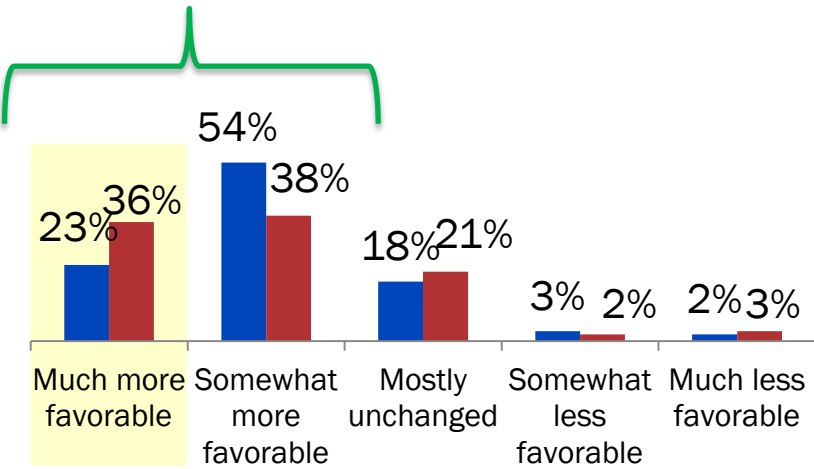
Both White and Entrepreneurs of Color say that a “**city with potential,**” “**a city where it’s possible for individual companies to make a difference,**” and a “**place looking to attract new investment**” are attributes that best describe the city of Detroit.

# While both groups are favorable towards Detroit, strength of sentiment towards Detroit as a city to run their business is stronger among Entrepreneurs of Color



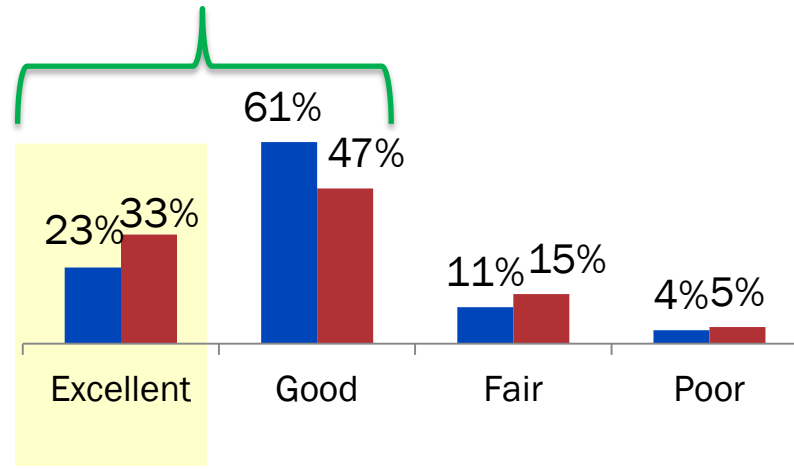
**Favorability of Detroit**  
[Showing % Selected]

**76%** White Entrepreneurs  
**74%** Entrepreneurs of Color



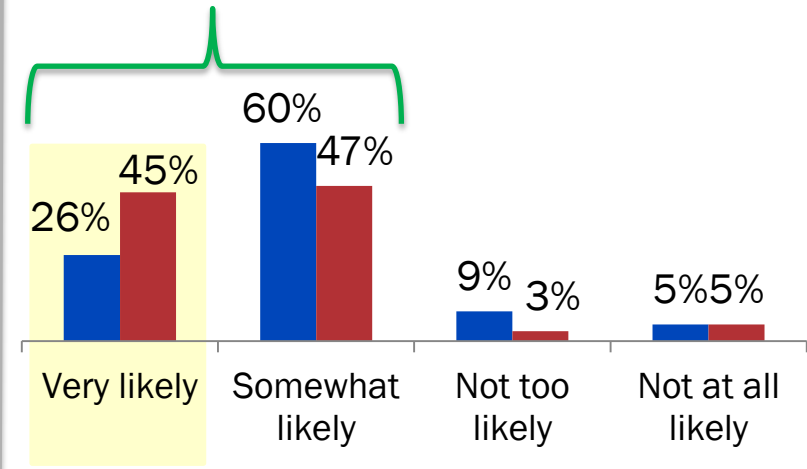
**Detroit as Investment Opportunity**  
[Showing % Selected]

**84%** White Entrepreneurs  
**80%** Entrepreneurs of Color



**Likelihood to Recommend Detroit**  
[Showing % Selected]

**86%** White Entrepreneurs  
**92%** Entrepreneurs of Color



**White Entrepreneurs** **Entrepreneurs of Color**

Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

Q28. [T] Based on everything you may have seen, read or heard about Detroit most recently, how would you rate the city as an investment opportunity for your business?

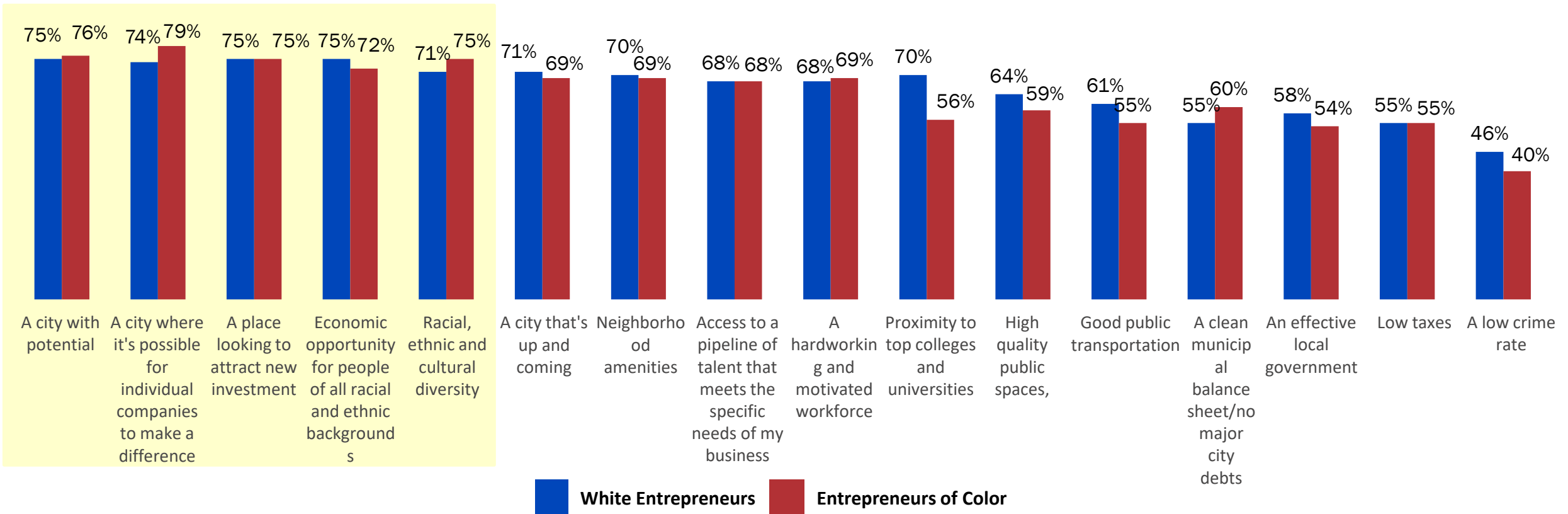
Q29. How likely are you to recommend opening and operating a small business in Detroit to those considering opening a business or launching a new business location, including for those who are out of state?

# Both groups say that a “city with potential” and “a city where it’s possible for companies to make a difference,” are the attributes that best describe Detroit



## Features or Attributes that Best Describe Detroit

[Showing % Total Completely Necessary (4-5)]



Q32. Based on what you know about the city, how well do each of the following features and attributes describe Detroit?

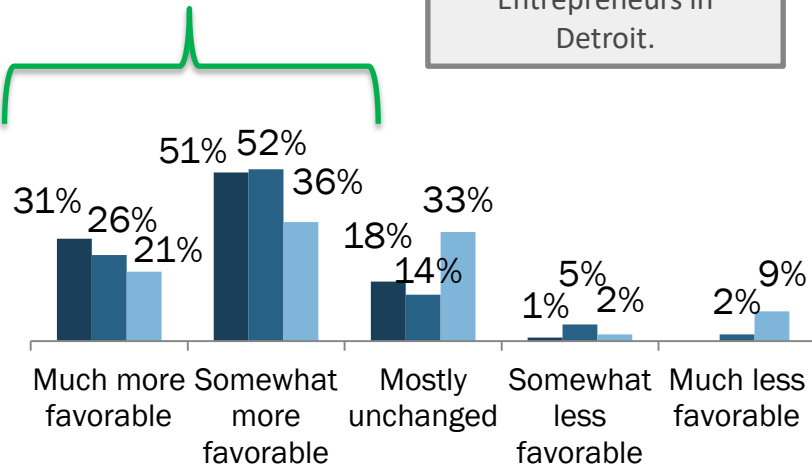
# Younger Entrepreneurs are the most favorable about business opportunities in Detroit, whereas Older Entrepreneurs are less bullish



**Favorability of Detroit**  
[Showing % Selected]

**81%** Ages 18-32  
**79%** Ages 33-46  
**57%** Ages 47+

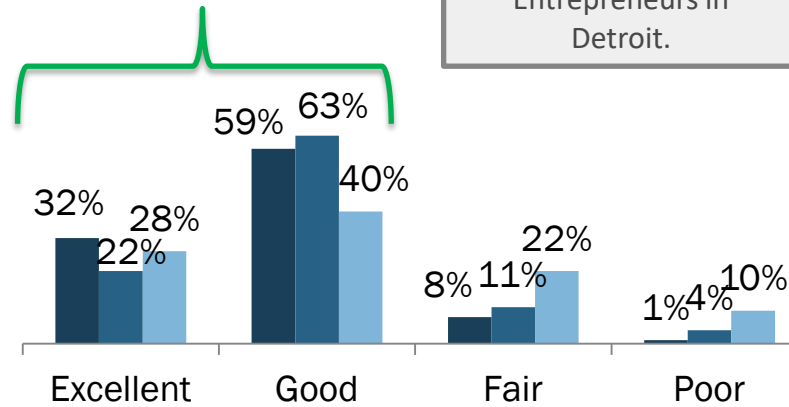
There is a **24% point difference** between the youngest and oldest Entrepreneurs in Detroit.



**Detroit as Investment Opportunity**  
[Showing % Selected]

**91%** Ages 18-32  
**85%** Ages 33-46  
**67%** Ages 47+

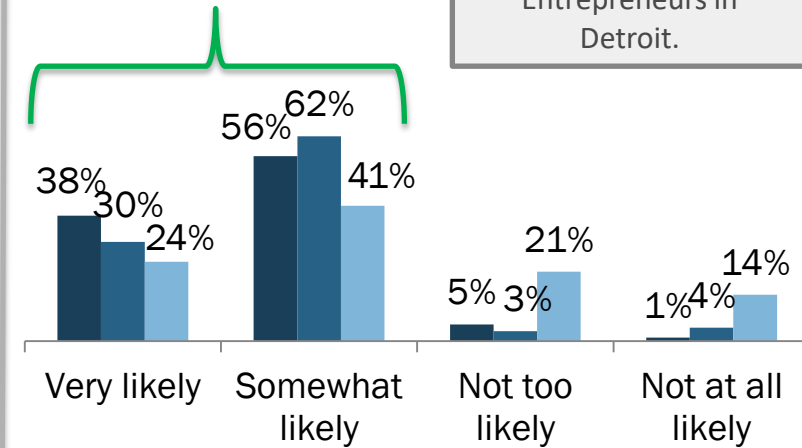
There is a **24% point difference** between the youngest and oldest Entrepreneurs in Detroit.



**Likelihood to Recommend Detroit**  
[Showing % Selected]

**94%** Ages 18-32  
**92%** Ages 33-46  
**66%** Ages 47+

There is a **28% point difference** between the youngest and oldest Entrepreneurs in Detroit.



18-32      33-46      47+

Note: Due to rounding, totals may not add up to 100%

Q27. Based on everything you have gone through as a small business owner in Detroit, has your impression of the city become...

Q28. [T] Based on everything you may have seen, read or heard about Detroit most recently, how would you rate the city as an investment opportunity for your business?

Q29. How likely are you to recommend opening and operating a small business in Detroit to those considering opening a business or launching a new business location, including for those who are out of state?

# **The 2017 Detroit Reinvestment Index:** *A Kresge Foundation Measure of Detroit's Comeback: II*