

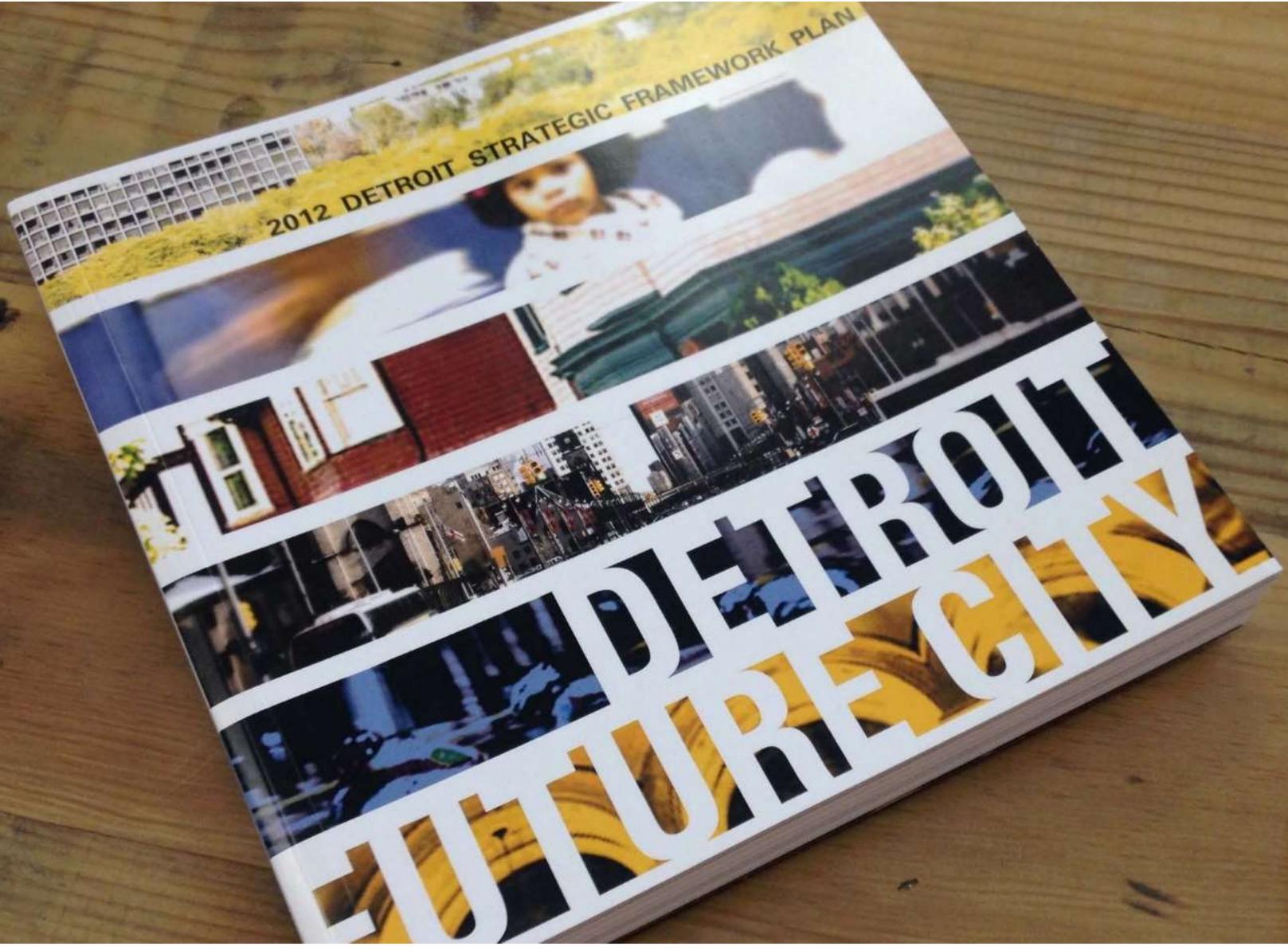
DETROIT  
FUTURE  
CITY

# Leadership Detroit

October 14, 2022

2012 DETROIT STRATEGIC FRAMEWORK PLAN

# DETROIT FUTURE CITY





**DETROIT  
FUTURE  
CITY**

**THE STATE OF ECONOMIC EQUITY  
IN DETROIT**

MAY 2021





## **In an economically equitable Detroit:**

All Detroiters are meeting their unique needs, prospering, and fully and fairly participating in all aspects of economic life within a thriving city and region.

The six focus areas for economic equity are:

**Income and  
wealth building**

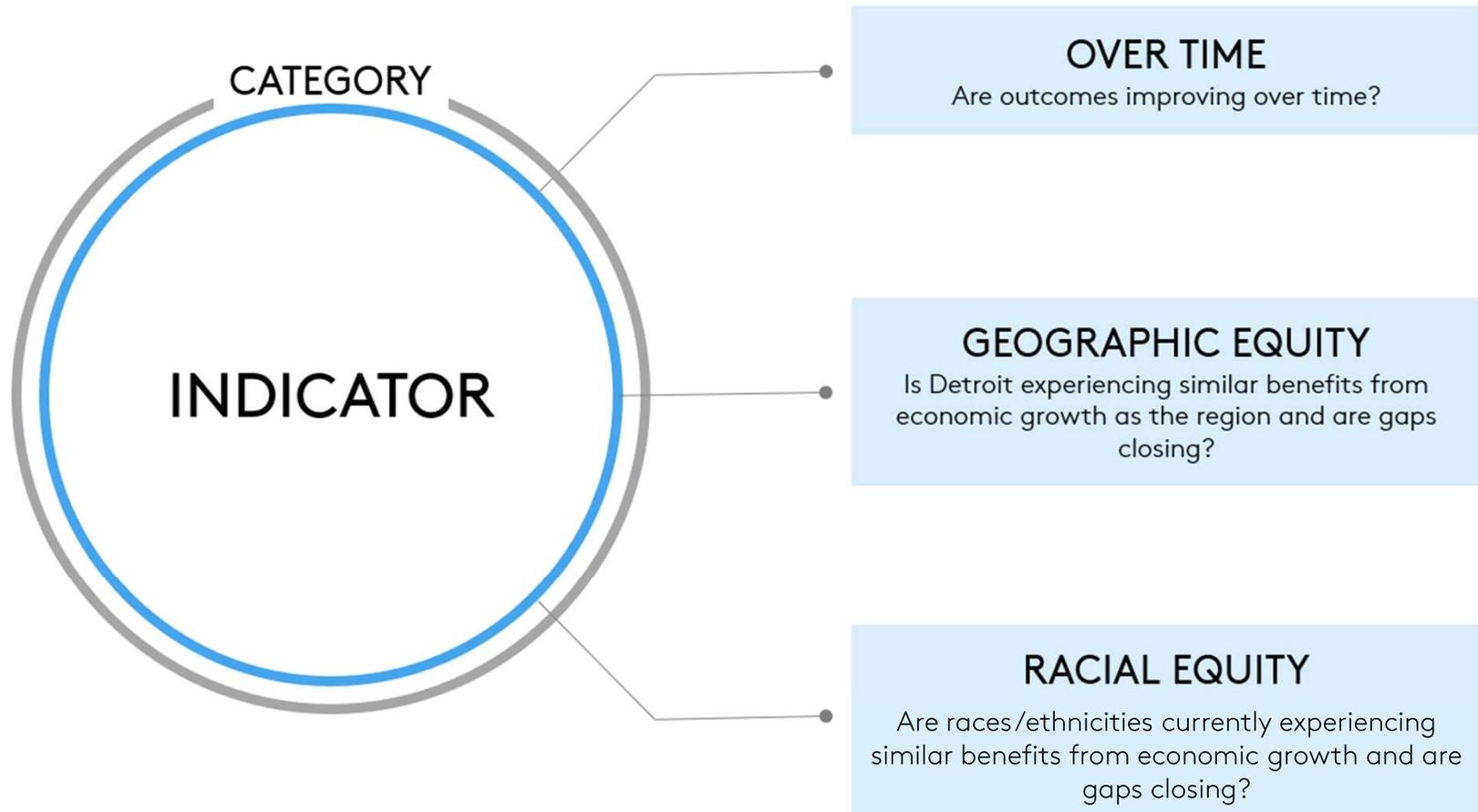
**Access to quality  
employment**

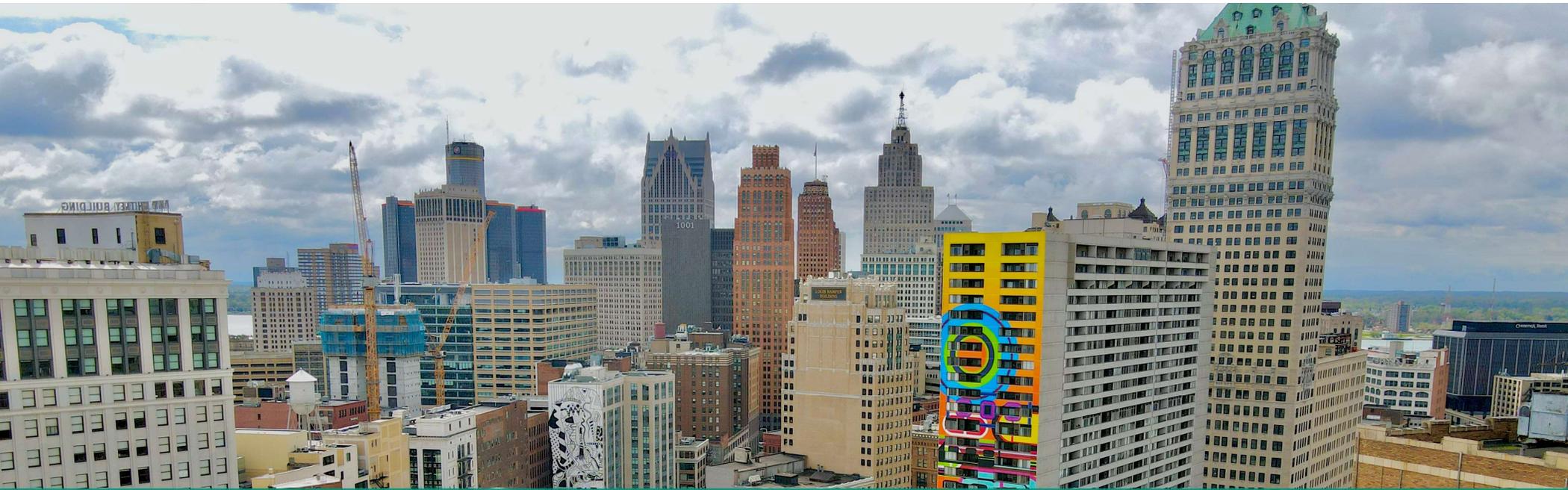
**Business and  
entrepreneurship**

**Education**

**Health**

**Neighborhoods  
and housing**



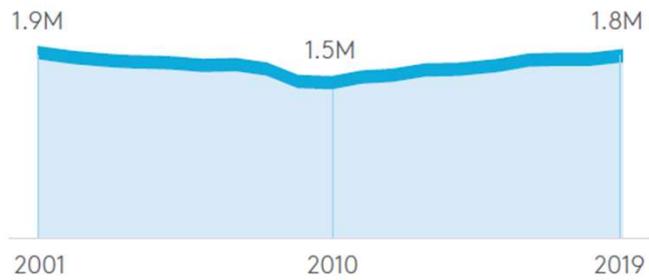


All Detroiters should be able to fully and fairly participate in all aspects of the region's economic life.



The **regional economy was improving** prior to COVID-19

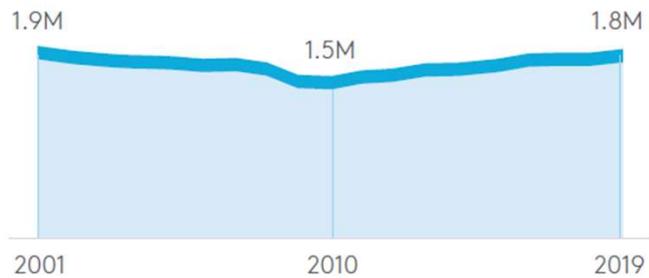
**Change in private-sector jobs**  
Metro Detroit, 2001 to 2019



Source: Quarterly Workforce Indicators, 2001-2019

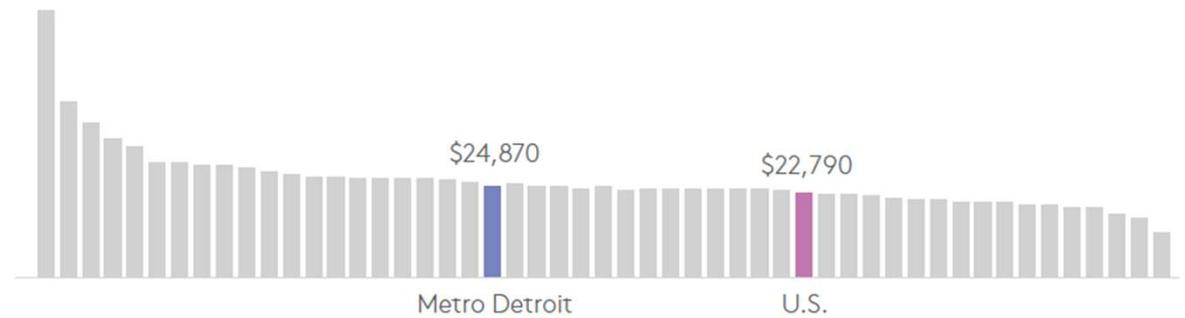
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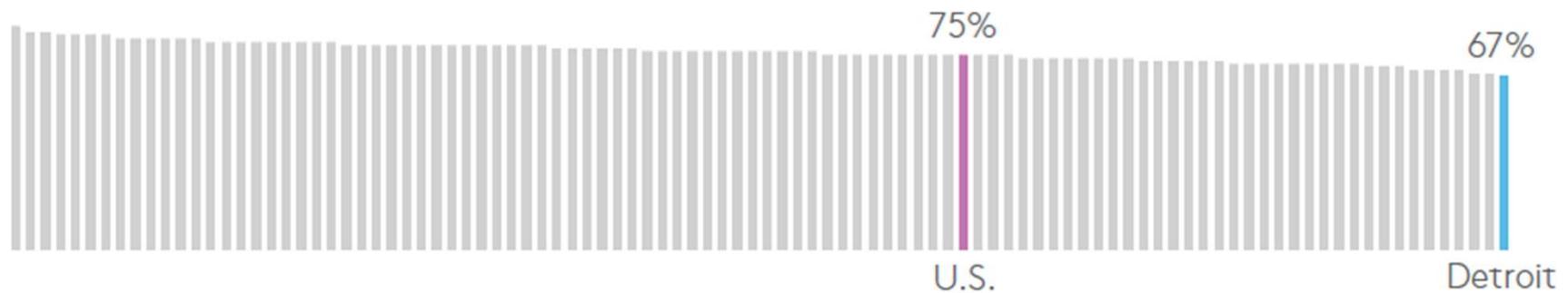
**Total income generated per capita**  
50 largest metros and the U.S., 2019



Source: American Community Survey, 1-year estimates, 2019; Mass Economics analysis of QCEW data, 2019

Compared to the top 100 largest cities, **Detroit has the lowest labor force participation rate.**

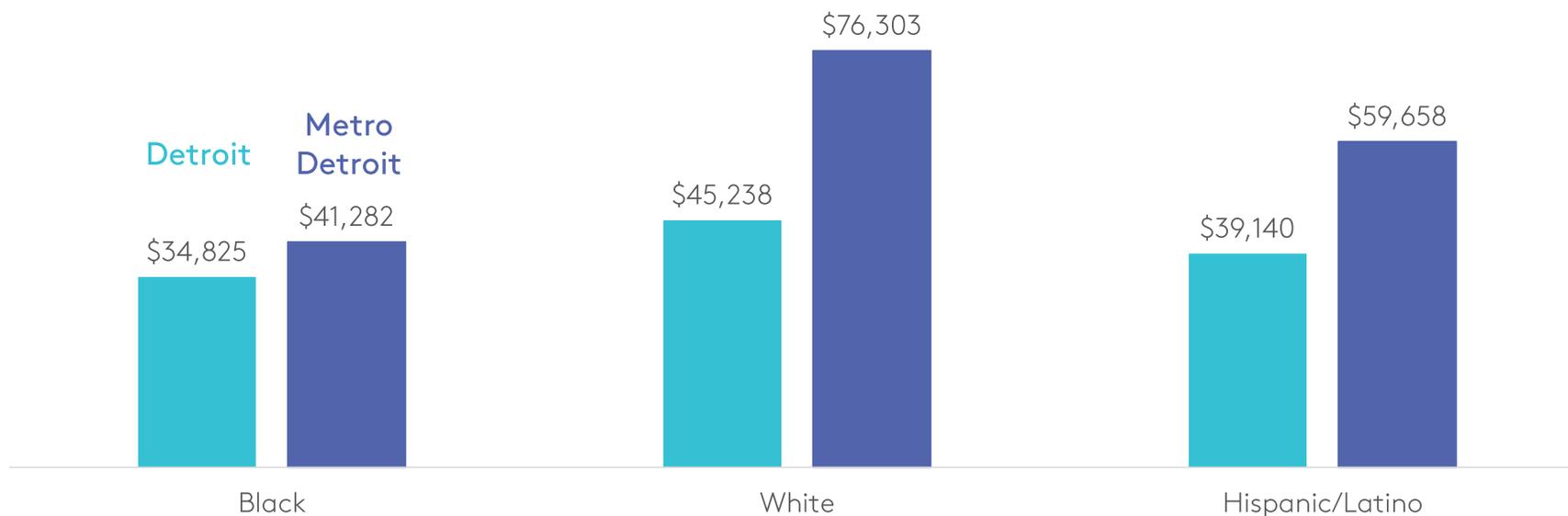
### Labor force participation rate for 16- to 64-year-olds 100 largest cities and the U.S., 2019



Source: American Community Survey, 1-year estimates, 2019

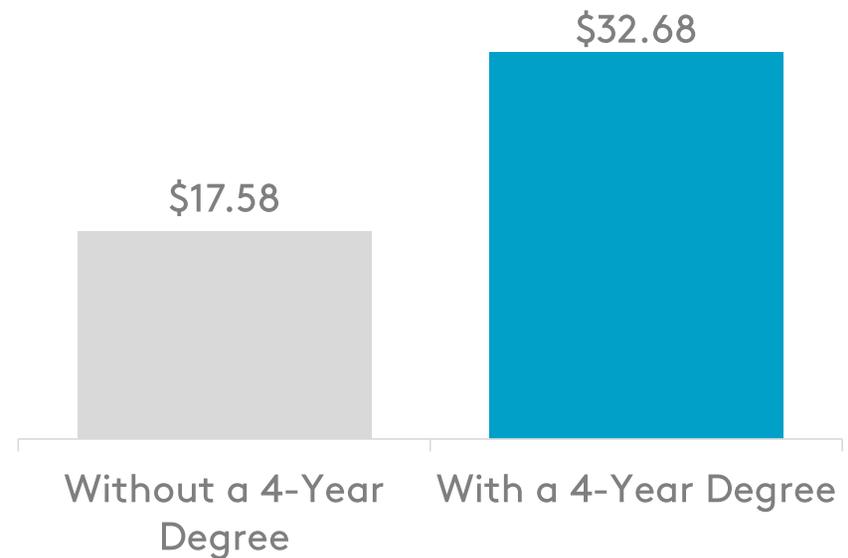
# Household income in Detroit **remains low** and **inequities persist** by race and geography

Median household income by race/ethnicity in Metro Detroit, 2021



Having a **4-year degree** in the Detroit region **nearly doubles wages**

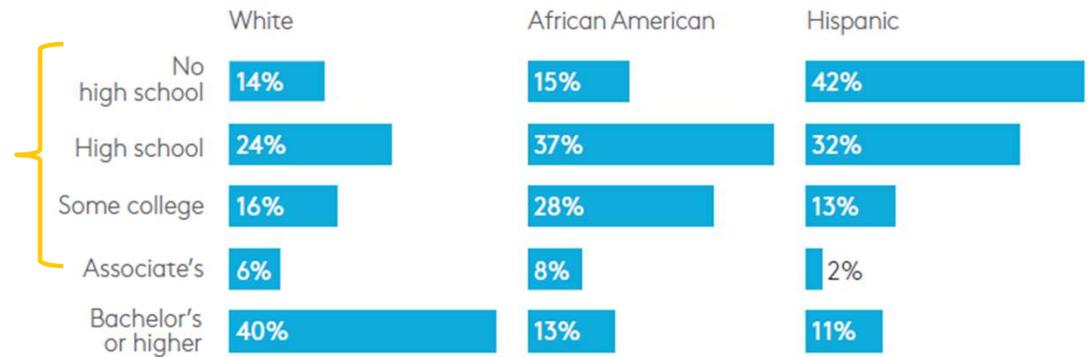
Hourly Median Wage for Workers in the Detroit MSA, 2019



.....**83%** of Detroiters  
**87%** of African Americans  
**89%** of Hispanics

**don't have a 4-year degree.**

**Educational attainment for Detroiters age 25 and older by race/ethnicity**  
Detroit, 2019



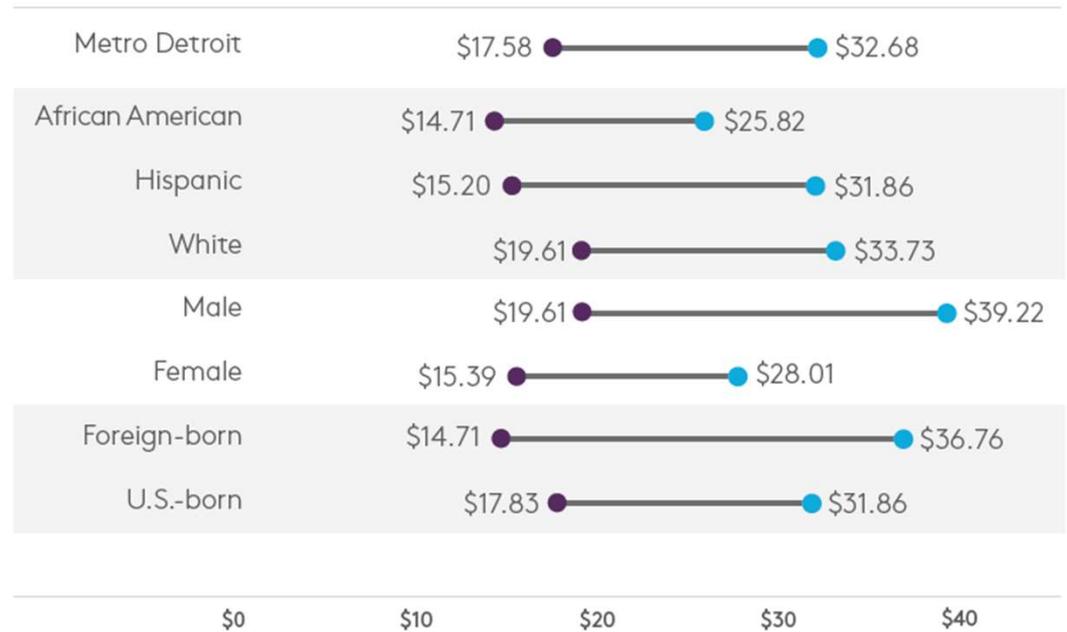
Source: American Community Survey, 1-year estimates, 2019

And **inequities in wages exist** regardless of education level

### Median hourly wage for job holders with and without a four-year degree

Metro Detroit, 2019

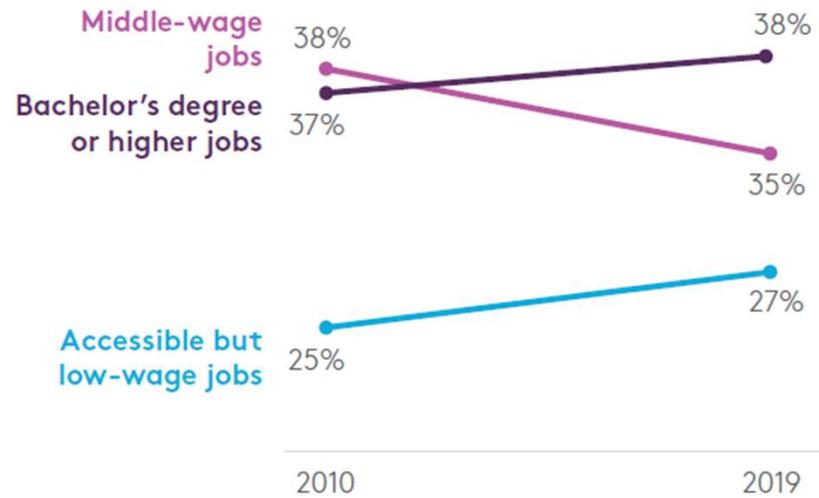
● Without a four-year degree ● With a four-year degree



Source: IPUMS USA, 2019

Growth in **middle wage jobs** has been **outpaced by** the growth in **low wage jobs**.

Share of jobs by type  
Detroit, 2010 and 2019



Source: Mass Economics Analysis of QCEW data, 2010 and 2019; IPUMS USA, 2010 and 2019

**African-Americans are less likely to hold Middle Wage Jobs** than their white or Hispanic counterparts.

Share of private jobs by race/ethnicity  
Detroit, 2019



Source: Mass Economics Analysis of QCEW data, 2019; IPUMS USA, 2019



Growing minority-owned businesses can  
**transform our economy.**

Detroit has **one of the lowest entrepreneurship rates** among U.S. cities.

Entrepreneurship rates  
2012 and 2017



Source: U.S. Census Bureau Annual Business Survey, 2017; Survey of Business Owners, 2012; American Community Survey, 5-year estimates, 2017; Decennial Census 2010

Small businesses need  
**more access to capital**

**Value of loans per job at small businesses**  
2012 and 2018 (2018 dollars)

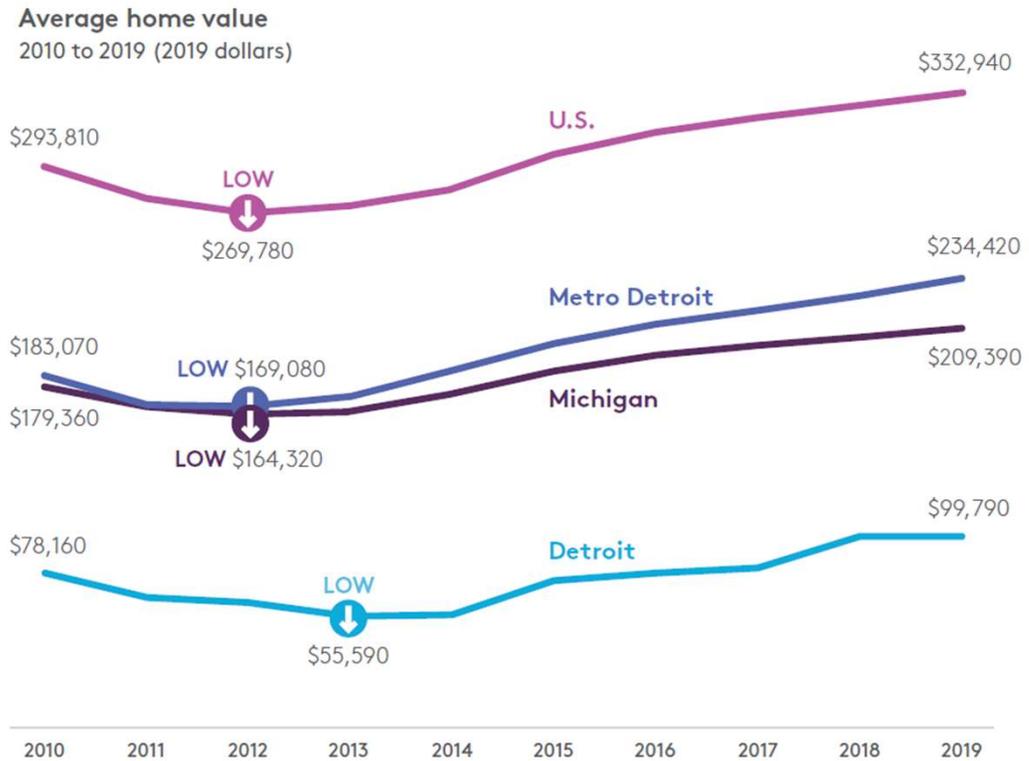


Source: FFIEC-CRA, 2012 and 2018; SBA, average of 2011-13 and average of 2017-2019; CDFI, average of 2011-2013 and average of 2015-2017; QWI, 2012 and 2018

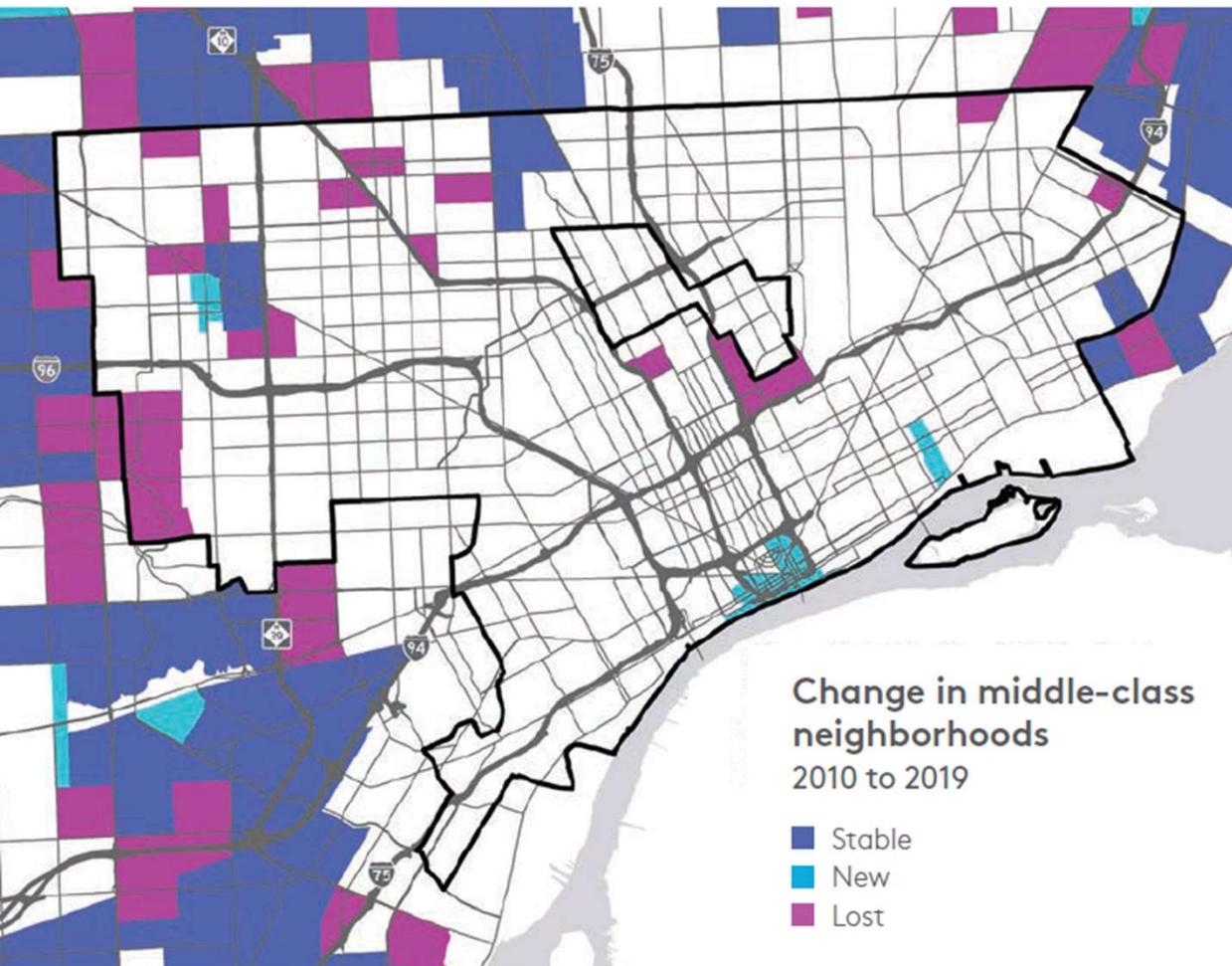


A more economically equitable Detroit would invest in its **strong and vibrant middle-class neighborhoods.**

**Average home value has increased** but remains less than half of the region



Source: U.S. Census Bureau, American Community Survey, 2010-2019 1-year release



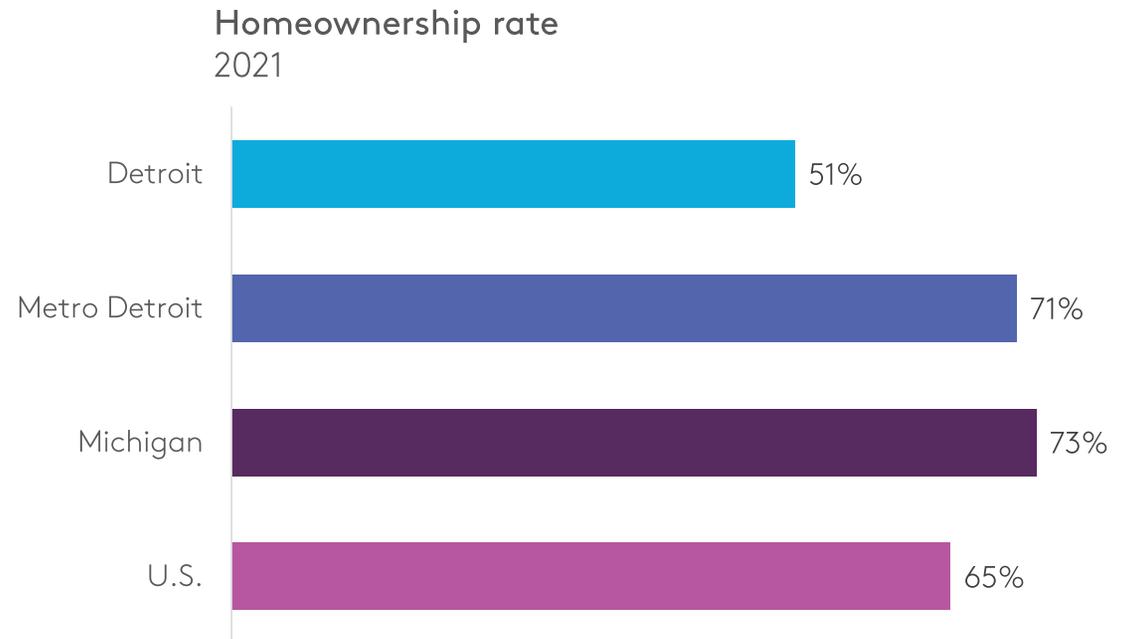
Detroit lost middle-class neighborhoods

**22** in 2010

**11** in 2019

Source: American Community Survey, 5-year estimates, 2010 and 2019

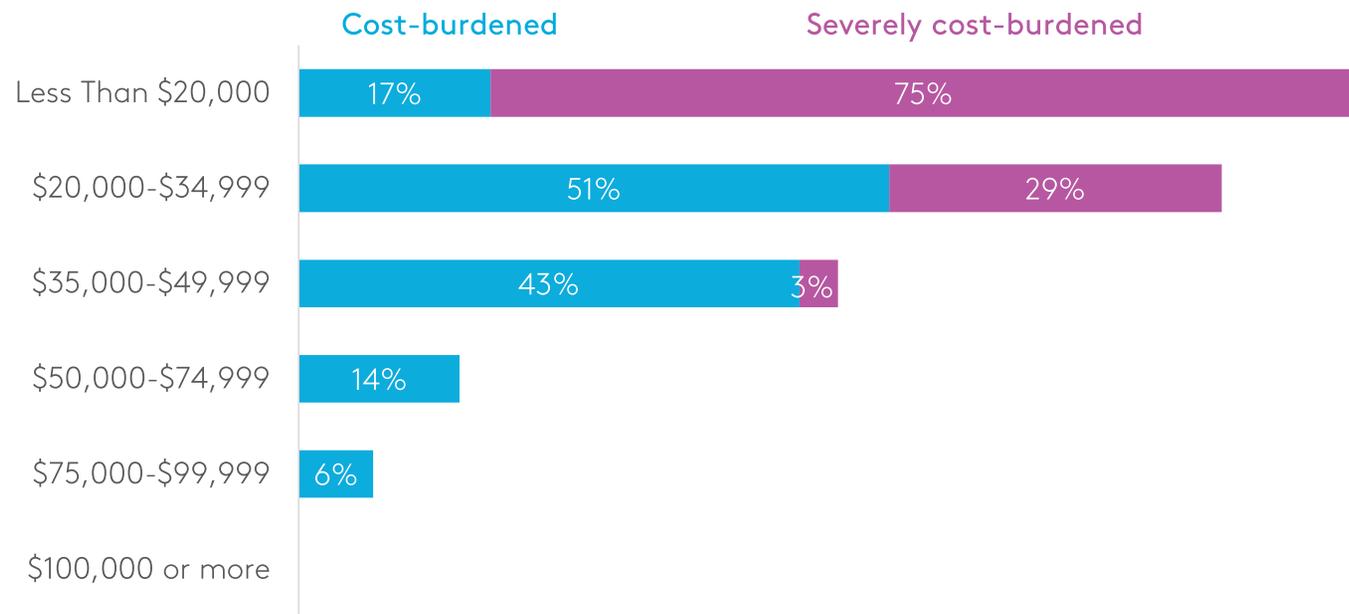
Detroit's **home ownership rate** is lower than the regional, State, and US rates



# In Detroit, **low-incomes** are the primary reason **why households are cost-burdened**

## Housing cost-burden remains primarily driven by income

Housing cost-burden by income in Detroit, 2021



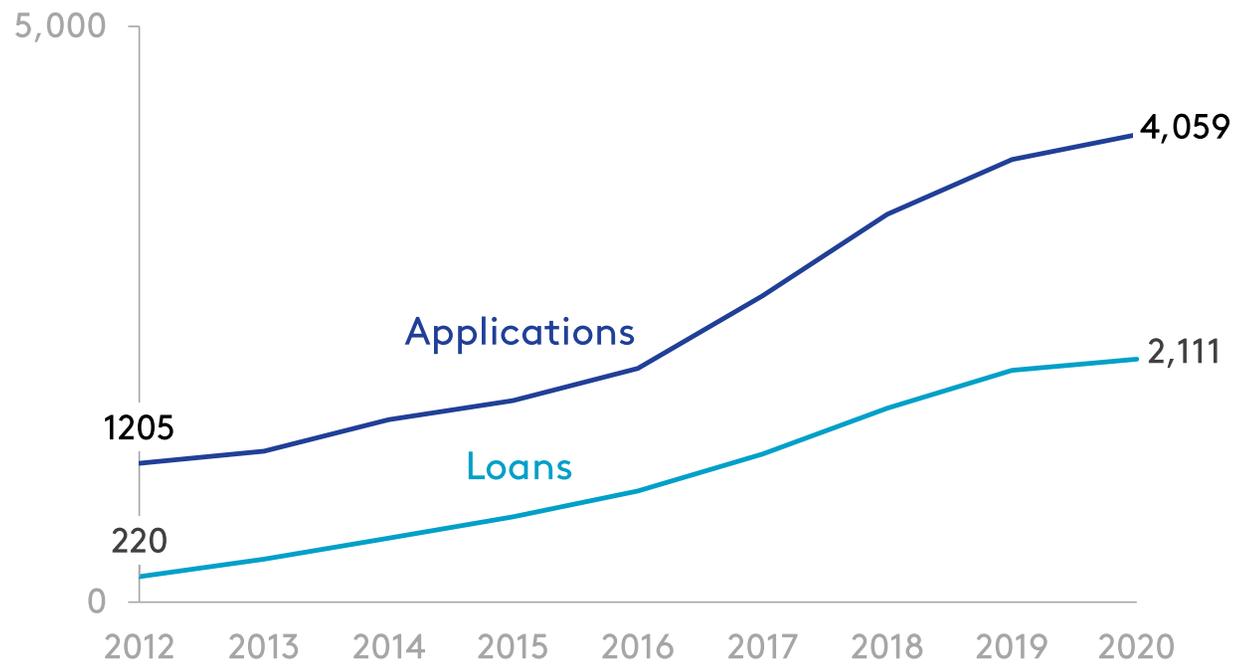


**DETROIT  
FUTURE  
CITY**

**BUYING IN**  
OPPORTUNITIES FOR INCREASING  
HOMEOWNERSHIP IN DETROIT THROUGH  
MORTGAGE LENDING

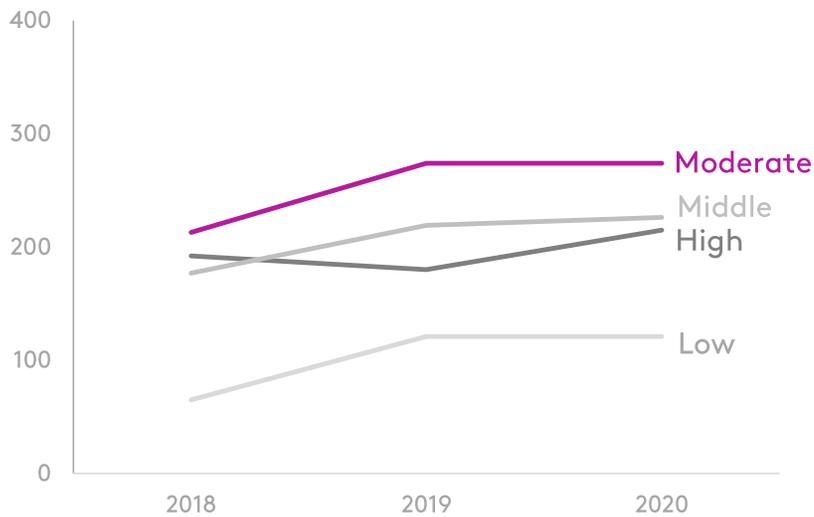
# Home purchase mortgages in Detroit increased since 2012

Home purchase mortgages in Detroit, 2012-2020



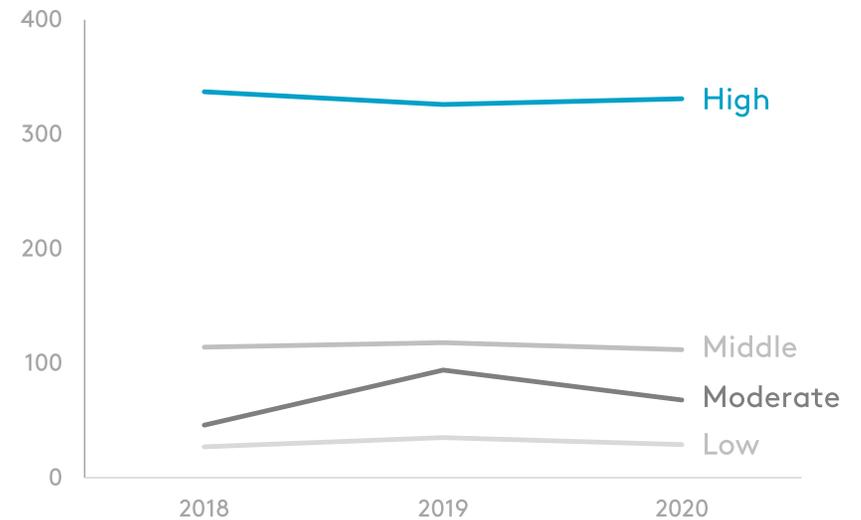
## Moderate income African American borrowers represent about 1/3 of all loans to African American borrowers

Loans to African American homebuyers by income in Detroit, 2018 to 2020



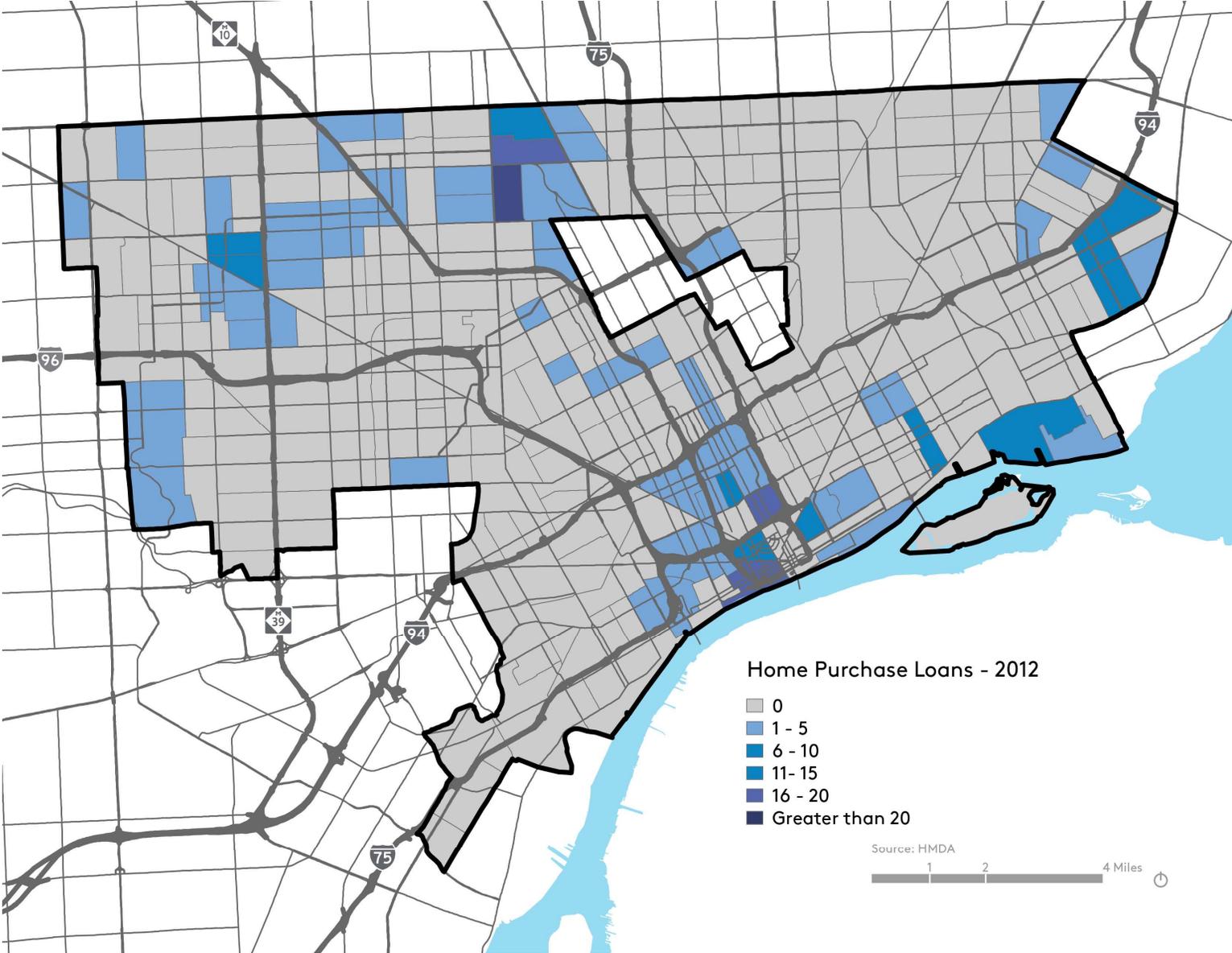
## High income white borrowers represented about 60% of all loans to white borrowers

Loans to African American homebuyers by income in Detroit, 2018 to 2020



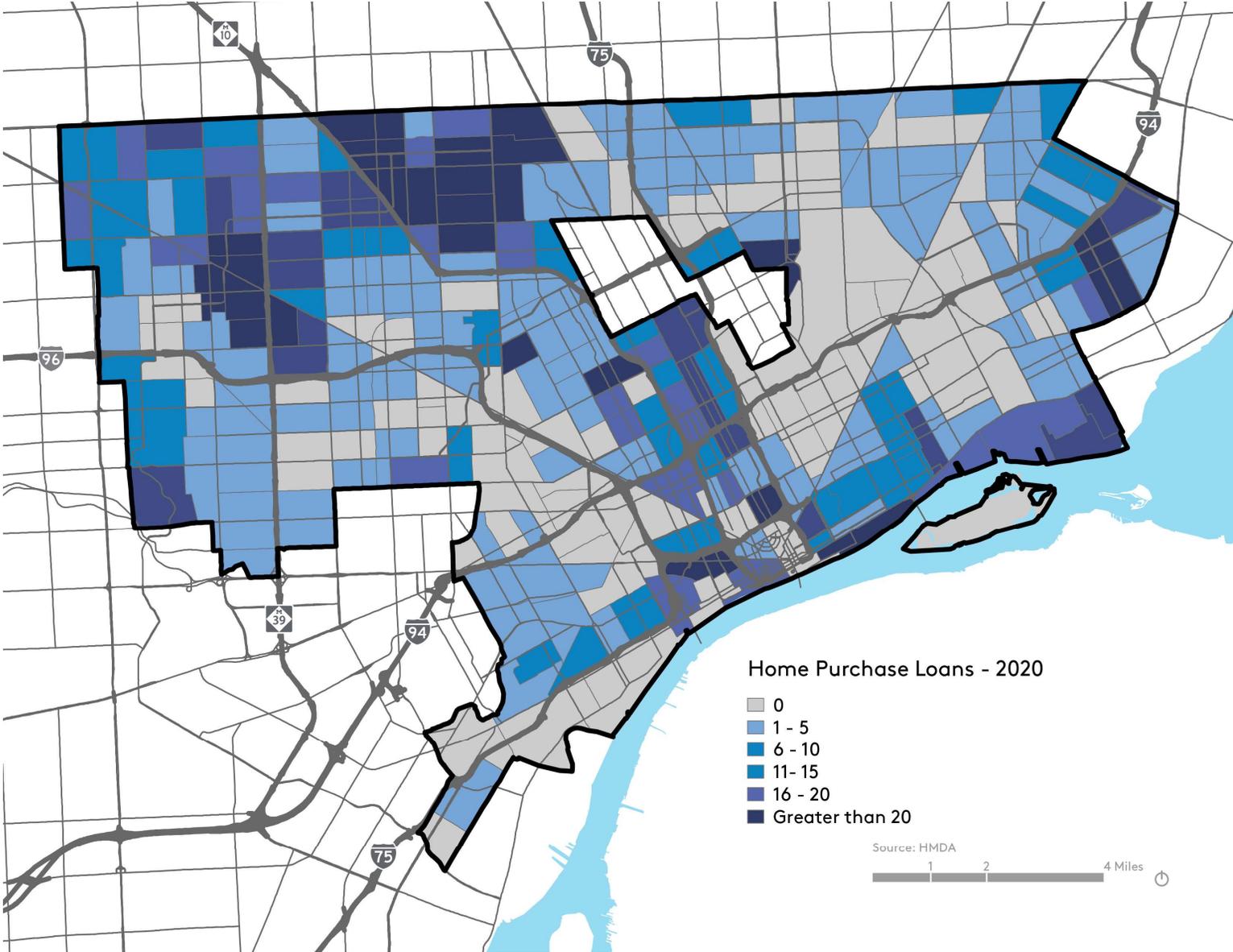
# The geography of loans is expanding

2012

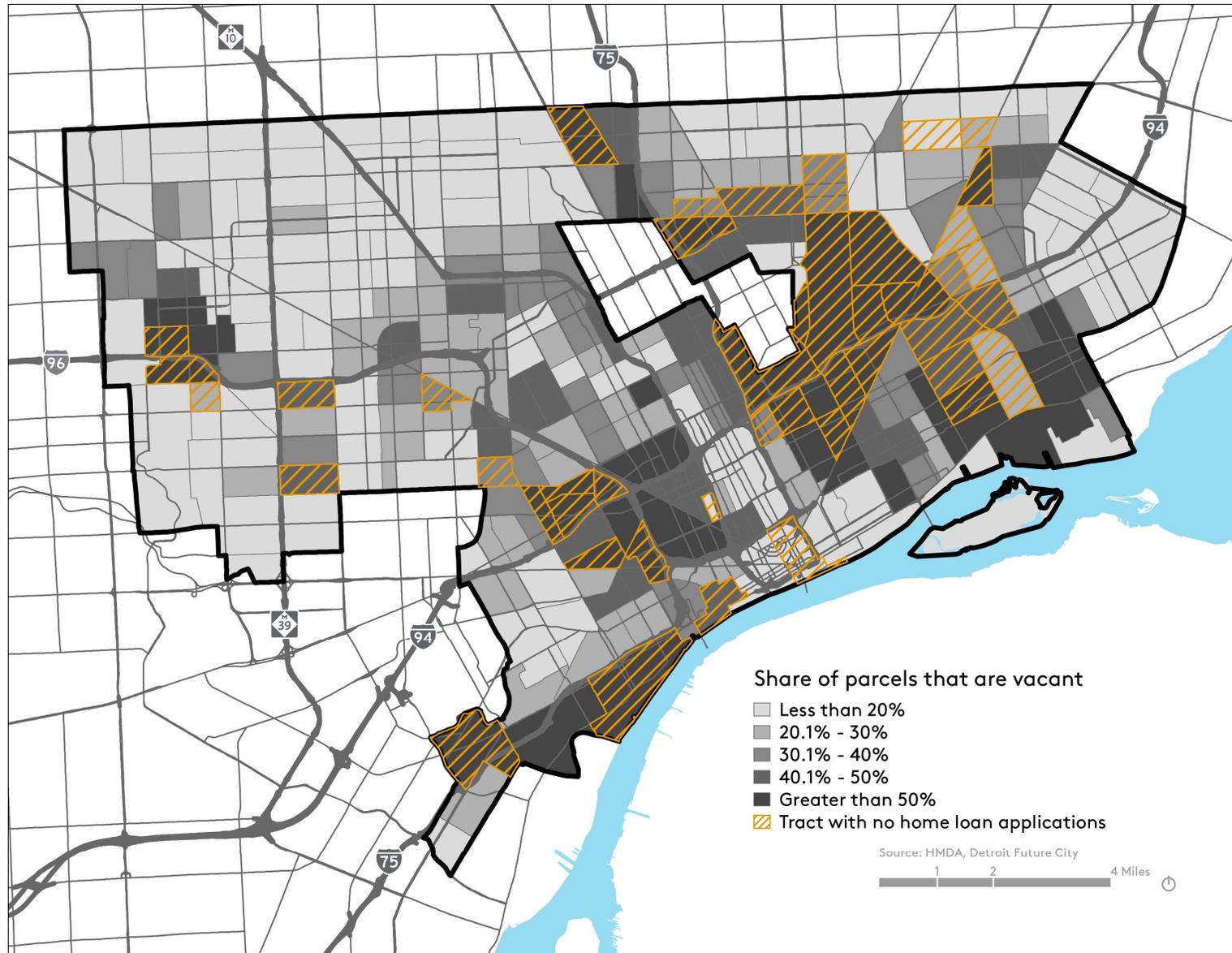


# The geography of loans is expanding

2020

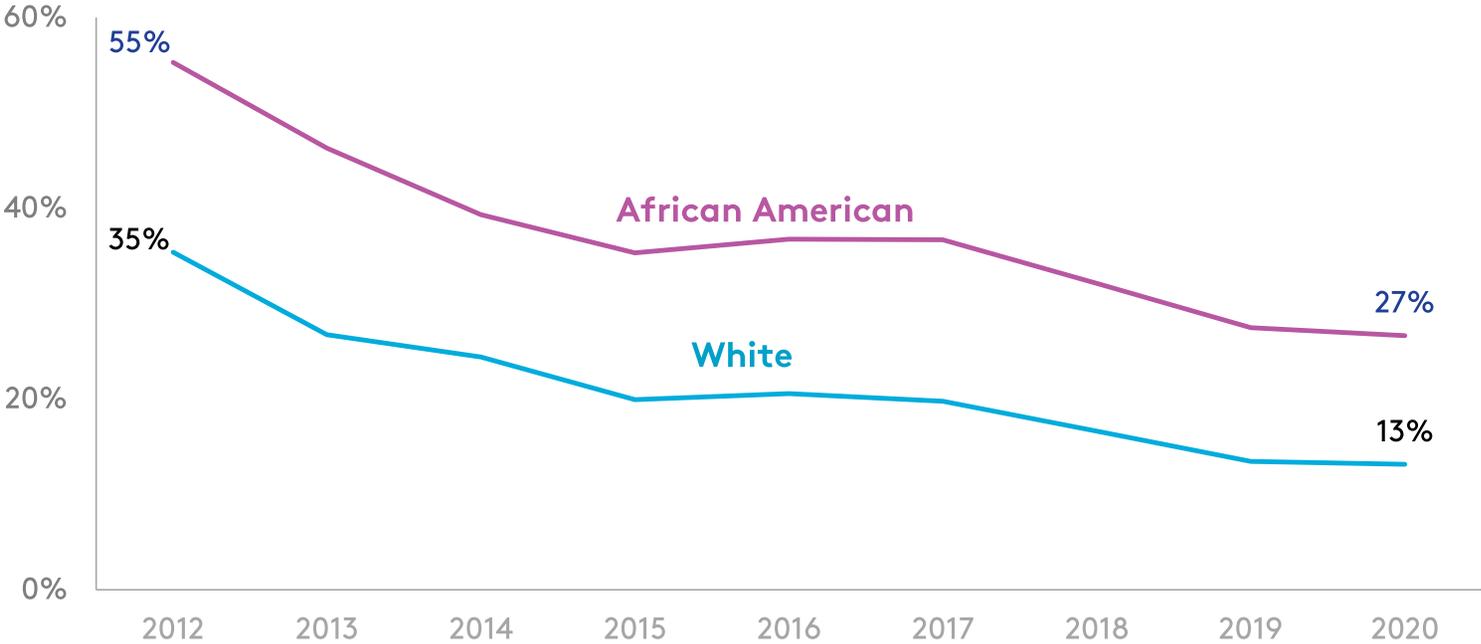


**15%**  
of census  
tracts had no  
loan activity  
(areas of  
highest  
vacancy)



# Mortgage denial rate has decreased since 2012

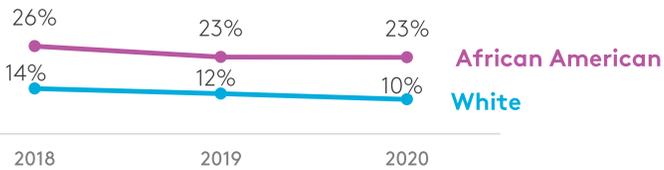
Loan application denial rate by race in Detroit, 2012 to 2020



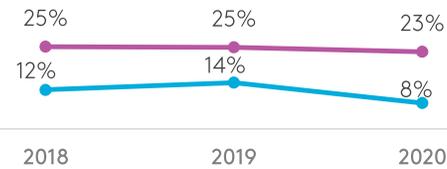
# African American applicants more likely to be denied than white applicants across all incomes

Denial rate by income and race in Detroit, 2018 to 2020

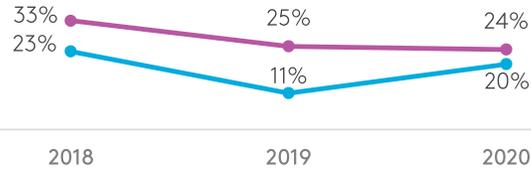
## Upper-income applicant denial rate



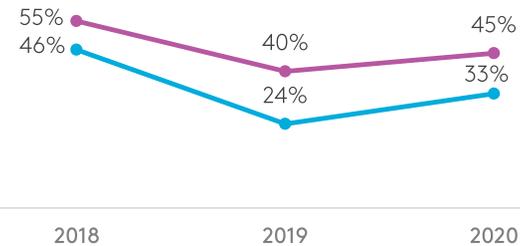
## Middle-income applicant denial rate



## Moderate-income applicant denial rate



## Low-income applicant denial rate



# Strategies for Increasing Equity



Improve educational outcomes at all levels



Increase the number and share of middle-wage jobs



Increase capital access and supports for minority-owned small businesses



Improve access to affordable quality health care



Grow and strengthen middle-class neighborhoods



Increase access to quality affordable housing



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**Tom Goddeeris**  
Chief Operating Officer  
tgoddeeris@detroitfuturecity.com

**Ashley Williams Clark**  
Vice President & Director  
Center for Equity, Engagement, and Research  
aclark@detroitfuturecity.com

[www.detroitfuturecity.com](http://www.detroitfuturecity.com)



# Thank You – Q&A

