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TO: Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division

DATE: March 14, 2022

RE: Resolution creating the Minority Business Task Force

City Council Member Mary Waters has requested the Legislative Policy Division (LPD) produce a resolution calling for the creation of the City Council Minority Business Task Force.

Attached, please find our draft for the aforementioned resolution.

A RESOLUTION ESTABLISHING THE DETROIT CITY COUNCIL MINORITY BUSINESS TASK FORCE

WHEREAS

Minority owned businesses are a vital part of the economy and play a big role in creating jobs and stimulating economic growth. According to the Small Business Administration, US Census, there are over 9 million minority owned businesses in the U.S., employing 1 out of 10 Americans. This comprises just 18% of all businesses in the U.S., these businesses contribute 1.3 trillion in annual revenue and employ 8.7 million; and

WHEREAS

There are more than 30,000 Black-owned businesses in the city of Detroit, comprising 80% of Detroit's small businesses, the city understands and recognizes that African American, Hispanic/Latino and other minority-owned businesses have been systematically denied the privileges that allow for business and wealth creation; and

WHEREAS

Research shows that African American, Hispanic/Latino, and other minority owned businesses have less access to capital and rely more heavily on personal wealth, despite having significantly less personal wealth per family than white business owners. African American, Hispanic/Latino, and other minority business owners are more likely to be turned down for a loan even if they have a credit history and score equal to their white counterparts; and

WHEREAS

The city acknowledges that many of our minority owned businesses lack the necessary tools and support necessary to build a new business and /or strengthen an existing business that can compete in the 21st century economy; and

WHEREAS

Research shows that most businesses owned and operated by minorities have twenty or fewer employees. However, they are more likely to employ people from diverse backgrounds and subcontract with other diverse firms, creating a leadership pipeline and increasing the economic potential for the entire minority community; and

WHEREAS

The city of Detroit wants to ensure all citizens regardless of their race, gender, or religion have access to resources that can improve their businesses and created economic opportunity; and

WHEREAS

The city of Detroit has a history of working to increase the percentage of government contracts that are awarded to minority businesses. However, the need for a wider array of government solutions still exists. This effort will require government, the private sector, public sector, and stakeholder organizations working in concert to fully promote and support the minority business community; **NOW THEREFORE, BE IT**

RESOLVED

That the Minority Business Task Force be established to provide a more direct focus and attention to identifying the local issues and challenges for local minority owned business, and seeking new ideas as well as best practices from other cities to propose viable solutions to address barriers to minority business operations in the city of Detroit; **BE IT FURTHER**

RESOLVED

The Detroit City Council hereby establishes the Minority Business Task Force effective immediately, continuing until December 31, 2022, and chaired by Council Member Mary Waters. The Minority Business Task Force may include residents' representatives from the community, labor, the business sector, as well as any other individuals interested in participating.