

THE BROOKINGS INSTITUTION

FALK AUDITORIUM

PLACING BIG BETS ON SMALL BUSINESS:  
ENTREPRENEURSHIP IN DETROIT AND  
A PATH TOWARD RUSTBELT REVITALIZATION

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**Welcome:**

AMY LIU  
Vice President and Director, Metropolitan Policy Program  
The Brookings Institution

**Keynote presentation:**

RIP RAPSON  
President and Chief Executive Officer  
The Kresge Foundation

**Panel discussion:**

MODERATOR: CHANTEL RUSH  
Program Officer, American Cities Practice  
The Kresge Foundation

CATHY BELK  
President, JumpStart, Inc.

JANIS BOWDLER  
Head of Small Business and Community Development for Global Philanthropy  
JPMorgan Chase

ANTHONY HATINGER  
Co-Founder and Chief Executive Officer  
Detroit Ento

PAMELA LEWIS  
Director, New Economy Initiative

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PROCEEDINGS

MS. LIU: Wonderful. Good morning.

AUDIENCE: Good morning.

MS. LIU: It's wonderful to see everyone here at Brookings. And I want to welcome all of you who are on the webcast joining us this morning. We are also very pleased that you can join us.

We have a great line up of speakers today to talk about the role of small business and entrepreneurship, and reviving older industrial economies, like Detroit.

Now, the event is called Big Bets, because when a city's already slow-growing economy

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craters, thanks to the Great Recession and the collapse of a major industry, it is big bets, not small steps, that's in order.

And so leaders in Detroit, mostly outside of government, from philanthropy, business, university, nonprofit sectors, many of them who are represented here today, they stepped up; they took risks, they acted boldly together to concentrate investments in ways that can jump-start the city's economy.

And as you listen to Rip and our distinguished panelists this morning, you'll hear about their big investments in small business and entrepreneurship, but you are also going to hear more. These leaders had vision. They forged new collaborations, they tested new, innovative financing vehicles, and they pushed the envelope of their own organization's missions to ensure that economic and investments made a sizeable difference in improving opportunities in the city, and for the residents.

And the story about big bets is not just about Detroit. Detroit is a living case study for all cities contending with the economic shocks and transitions, and if there is one wakeup call from our recent presidential election, it is that our policies and our strategies don't do a good enough job helping a broad swath of workers and communities adjust from disruptive forces; whether it's an unprecedented recession, or the consequences of open trade, and greater global competition.

So, let me close with one more reason why we should pay attention to Detroit's experience. It's working. Early signs demonstrate that the concerted efforts in the city, which dates back now nearly 10 years, are showing signs of promise. According to our Annual Metro Monitor, Greater Detroit has added jobs every year from 2010 to 2015. This is a stark reversal from consecutive years of job loss in the past decade.

In terms of entrepreneurship, and firm dynamism, Detroit now has a growing number of people working for young firms, and that too, is a positive uptick from the period between 2005 and 2010 when jobs and young firms declined by 30 percent. And Detroit is adding jobs faster in some industries than the national average. These are industries such as credit intermediation, motor vehicle parts production, scientific research and R&D, and insurance. So, while Detroit is not without its challenges, the market momentum is real.

So, please join us today in this conversation, both here in this room and those on the

webcast. We have a hashtag for you to engage in this dialogue. And before I turn the program over to Rip, I want to take a moment to thank the Kresge Foundation, JPMorgan Chase for providing generous support to the Brookings Metro Program. Their support and their guidance helps make the work we do possible.

And I'd like to reiterate Brookings' commitment to independence, and underscore that the views expressed today are solely those of the speakers.

Now, it is my pleasure to introduce someone I greatly admire; the president and CEO of the Kresge Foundation. (Applause)

MR. RAPSON: Thank you, Amy; and good morning. It's such pleasure always to partner with Amy and her team in any shape and form, and particularly so on this topic which they have such deep expertise, experience and thoughtfulness to bear.

Although Kresge is a national foundation that focuses on expanding opportunities in cities across the United States, our core identity has been deeply tied to Detroit since our founding in 1924. Nowhere is our philanthropic imprint more indelible than in our hometown. This is in part why Detroit's renaissance is particularly meaningful to us.

To better understand both the contours of Detroit's rebound following its municipal bankruptcy, and its outlook going forward, Kresge began gathering data to capture perceptions about Detroit. Last year we sought to measure national business leaders' attitudes towards the city.

With the 2017 Detroit Reinvestment Index, we seek to build on this data once again by surveying national business leaders, but we also wanted to capture Detroit metro area entrepreneurs thinking and perceptions about living, working and starting a business in the Motor City. We wanted to test the proposition that Detroit's continued rebirth is closely tied to the vitality and perceptions of its business community, particularly those entrepreneurial ventures and small businesses located in and serving Detroit's neighborhoods.

We wanted to determine how those businesses interpret what is working and what is not. We also think this research can offer insights to other cities, both here and the United States and around the world that are experiencing similar challenges and opportunities.

So, let me walk you through some of the notable findings from this year's Detroit

Reinvestment Index. For the second year in a row, national business leaders are bullish on Detroit. 84 percent of business leaders believe Detroit can recover and become a great American city once again. A strong majority, 72 percent rate Detroit as an excellent or good investment opportunity.

This reflects a number of drivers, and Amy described some of these. But let me just cite a handful more. First, a growing number of large corporate anchors are moving downtown, reviving the downtown's commercial real estate market. Quicken Loans alone has relocated more than 15,000 employees into the Urban Corps.

Second, there has been a dramatic set of public-private investments in public spaces, things like the Detroit Riverfront, the Dequindre Cut bikeway and walkway, Belle Isle, Eastern Market, the nation's largest public market, and countless neighborhood parks.

Third, we've seen an explosion in small business ventures and entrepreneurial incubators. And I'll talk more about that in just a moment.

Fourth, we'll celebrate this fall the opening of a spectacular new sports housing commercial complex, it will house both for Detroit Pistons, and the Red Wings, making Detroit the only United States city to have all four of its major sports franchises located within its downtown corps.

And fifth, just last Friday, we opened the QLine, a streetcar that runs from the heart of downtown along the city's major arterial, Woodward Avenue, to Midtown, some three-and-a-half miles up the road. In a city in which more than 30 percent of residents don't own a car, it's hard to imagine a policy that has more profoundly negative impacts on economic opportunity than the absence of a coherent, comprehensive public regional transit system capable of connecting city residents to job and service centers.

Ten years ago, Kresge and a handful of private sector leaders attempted to dismantle these obstacles by planning, financing, constructing, and then turning over to a public transit authority, a streetcar that would be the first leg of an integrated regional transit system.

Despite only being in operation for a few days, \$7 billion in new investment has occurred along the QLine's route, about two-thirds of these investment dollars are complete with another 2.5 billion on the way.

Our research also shows that it's not just these big business executives who are buoyant

about Detroit's future. Detroit entrepreneurs, those with first-hand experience and knowledge about the city, are even more enthusiastic about the city's comeback. 92 percent believe Detroit can recover and become a great city again; 83 percent rate Detroit as an excellent or good opportunity for their business, 88 percent are likely to recommend opening and operating a small business in Detroit.

Additionally, young entrepreneurs, and entrepreneurs of color are among some of the most positive of our surveyed population. Eight in 10 of young entrepreneurs have favorable impressions of Detroit, 94 percent are likely to recommend Detroit as a city to open and operate a small business. 74 percent of entrepreneurs of color have favorable impressions of Detroit, 92 percent are likely to recommend Detroit as a city to open and operate a small business.

Small businesses owned and operated by people of color are inextricably interwoven into Detroit's history and fabric. In the 1960s the city had more African-American-owned small businesses than any other city in America. The decline of those businesses has been one of the painful elements of Detroit's struggles over the last decades. So, it's profoundly gratifying to see signs of this very important part of the city's heritage and culture may be on the uptick once again.

Both the young entrepreneurs, and the entrepreneurs of color give Detroit a place -- make Detroit a place -- I'm sorry. Both the young entrepreneurs and entrepreneurs of color, give Detroit high marks for what they say they need most in the business environment. A place looking to attract new investments, where it's possible to make a difference, and a city with potential; so, taken all together, that's a remarkably positive picture.

So, what accounts for this optimism? There are a lot of reasons, and I've noted a couple of them. But let me throw in one more, Philanthropies' decision 10 years ago, to create a \$100-million fund to develop an entrepreneurial infrastructure in Southeast Michigan.

Ten foundations signed on to this effort, with Kresge, Ford and Kellogg, each making lead gifts of \$25 million, called the New Economy Initiative, the effort sought to create the supports that small businesses in the city needed in order to get started and to grow; technical assistance, mentoring and networking opportunities, early-stage capital, affordable space and many others.

The effort set in motion a flywheel of small business growth that is increasingly radiating to all corners of the city. The explosion of small businesses in Detroit has not only dramatically diversified

the city's economy, but has also enabled families to build assets, attracted new jobs into neighborhoods, stabilized commercial quarters vital to the neighborhood's identity and safety. It's the sort of promising start that we've long worked toward.

The results of NEI have been breathtaking. Pam Lewis of our panel will tell you more about that in a moment. But consider that the New Economy Initiative has generated the following: Direct assistance to more than 4,400 companies, the launch of more than 1,600 companies, the creation of almost 18,000 jobs, and nearly \$3 billion in economic output.

It's rewarding to see the business community join us in recognizing the role that small businesses have played in Detroit's upward trajectory. 93 percent of national business leaders and Detroit entrepreneurs agree that small businesses have been at the core of the revitalization of the city, and of the region. There are to be sure, still gaps, gaps between what small business owners and entrepreneurs say they need to succeed in what Detroit provides.

For example, Detroit entrepreneurs said that Detroit would need to do a number of things to continue small business growth. First, ensure enough skilled workers to fill open positions; second, improve the quality of the city's neighborhoods; and third, attend to the need to build a more robust base of customers with spending power.

These concerns translate into a recognition by both national business leaders and Detroit entrepreneurs that neighborhood revitalization efforts are every bit as important; and perhaps even more important than traditional economic development tools.

Entrepreneurs who work and live primarily in Detroit are, for example, more likely to call for high quality public spaces, parks, libraries, trails, access to the Detroit Riverfront for employees, and many others. They see these public assets together with other essential building blocks of neighborhood stability and health, essentially important to their business succeeding.

To work on the tough intractable problems Detroit presents, it requires one to have a healthy dose of optimism, even idealism, words that may sound quaint in the coarseness of the current political environment. But under the circumstances, to be anything other than an optimist, anything other than an idealist, strikes me as a profoundly unproductive use of our time. And it's deeply gratifying therefore, to see that others share our hopeful view, about Detroit's comeback and its continued progress.

And we are going to turn it over to the panel now, to sort of pick up on some of these themes, not only as they apply to Detroit, but all across our nation's cities.

The panel will be moderated by a colleague I am just delighted to be able to introduce, Chantel Rush, joined Kresge a couple of years ago after a stint at the Harvard Business School, and many years in the private sector, and she has rapidly emerged as one of the really inspiring leaders in the philanthropic space.

We are just delighted to have her. And I'm delighted to turn over the events to you, Chantel. Thanks very much. (Applause)

MS. RUSH: (Inaudible) -- and to speak a little bit about what actually from the nonprofit and other sectors (inaudible) but before we get into that, I did want to remind everyone that if you have insights or questions as we discuss this, you can put them on Small\_Biz\_Big\_Bets, and we will actually (inaudible).

So, first next to me, we have Anthony Hatinger who is the co-founder and CEO of Detroit Ento, which is one of the businesses and startups that we've been referring as really strengthening the economic vitality of our city.

Next to Anthony is Cathy Belk who is president of JumpStart in Cleveland. An organization that really helps entrepreneurs hit their stride in supporting Cleveland's economic vitality and communities.

We are honored to have Pam Lewis of the New Economy Initiative, which Rip mentioned has been one of the driving forces between the economic vitality in Detroit today.

And then lastly -- Last but not least, we have Janice Bowdler, who is with us from JPMorgan Chase. She is the managing director who focuses, not only on small business, but also community development, and I think one of the things you'll hear us talk about is actual the linkage between economic development and community development in our cities.

So, I actually wanted to start with Janis, because JPMorgan Chase has made such a large investment in small business. A lot of folks would be somewhat skeptical about, they would say, no, we need big business to drive our economies of scale. So, I'm wondering if you could help us understand why, really, small business is important in our cities, and what role it plays uniquely that big business may



not.

MS. BOWDLER: Absolutely! And let me start, first of all, thank you for having me, and thank you all for turning out this morning. It's great to be with you.

We actually doubled down on our commitment to small businesses. Small Business Forward started as a \$30-million initiative, we hit that goal three years early, and last year announced \$75 million over the next three years. That's in addition to what we are investing in the City of Detroit.

We just announced a couple of weeks ago that we hit our \$100-million commitment two years early, and we think we'll get to \$150 million in the city, which is across a number of different areas, let me clear, not just small business. But on both of these tracks we see a lot of potential there.

Let me give you three reasons why I think small business are incredibly important for local economies. First, we know that they are creating the largest share of new jobs in cities. Now, there are some challenges there, and we'll talk about that later, but we are all here because we know that they are big job creators.

But just as importantly as the jobs that they are creating, it's who they are creating jobs for, and that's something we've been focusing a lot in our work in Detroit and other cities. Minority-owned small businesses are more likely to hire minority individuals; that's great; we did a research project with the initiative for competitive inner city. That paper is around here somewhere. You can pick up a copy.

And one of the things that we found is that small business owners are also more likely to hire from distressed inner cities, and this was especially true in Detroit where 64 percent of inner city jobs were coming from small business employers.

And the third reason is this community revitalization point. Let me reference some research from the JPMorgan Chase Institute, which found that Detroiters were more likely -- sort of over-indexed in the amount of spend on small businesses, but low-income Detroiters, as low-income individuals in a lot of cities, had to actually travel much farther.

They have to travel outside of their neighborhood to get common goods and services that people with means, and people who have a lot choices in their neighborhood, that are moving to urban areas, they are opting for places where it's workable. That's why they are choosing those urban areas.

Now, the traditional development perspective was that retail follows the income, right. So

you have income residents, of course you have a lot of retail that surrounds them. What I think is fascinating about Detroit is it's giving us an opportunity to really flip this narrative on its head.

If you look at what's happened in West Village, where the revitalization of that neighborhood really started with retail, and say, no in fact we need good retail, interesting small businesses here in order to drive increased density around residential to attract new residents into this neighborhood as well as meet the needs of the residents that live there. That's a new way for us to think about community development strategy, and Detroit is really at the forefront of that effort.

MS. RUSH: How interesting. I think another thing that's been very interesting on top of that is the way that the city has gone about coordinating those small businesses, and the role of nonprofit organizations in supporting that. And so, like picking up on that theme, Pam, could you speak about what it is NEI has contributed and how you are supporting entrepreneurs and making those things that Janice just mentioned in West Village happened?

MS. LEWIS: Happy to. Good morning. So, New Economy Initiative, as Rip mentioned, a collaborative of foundations that launched 10 years ago, really it's important to understand kind of the beginnings of NEI to really appreciate the role it's played in small business. And when you think about how entrepreneurship was traditionally supported in states, it was always focused around high tech, it was always focused around what was happening in eds and meds and, you know, the smartest in researchers in the world. Let's get all the support around them so that they can create new industries and jobs.

But what's been powerful about the role of philanthropy in the space is that we didn't have to pick high tech, we didn't have to focus on state-wide, we could have a place-based play. And we could also say, do you know what, the value of an entrepreneur that's opening up a coffee shop is just as important as the value of an entrepreneur that's opening up, you know, commercializing in technology that will bring the next cure for cancer.

And so we've been making investments in incubators accelerators, procurement programs, small business challenges, micro loan programs, to help support business owners in the city of Detroit, and the cities of Hamtramck and Highland Park. These are cities with high poverty level, and a lot of job loss. And the whole point is, jobs in Detroit is not necessarily equivalent to jobs for Detroiters in

Detroit, and a lot of the small business development is focused around that.

And so we've moved probably 104 million in grants, Kresge was one of our lead funders along with Kellogg and Ford and others, and about 30 million of that has been focused within the City of Detroit around small business. We also believe that, you know, it's not an or strategy, it's an and strategy, so small business and high tech and high growth are important for us.

But with our small business development, again, in that space we see, you know, 60 percent of those businesses being owned by women, we see 65 or so percent of them being owned by people of color, and they are creating jobs in high-poverty zip codes that are allowing people that work live in that zip code to actually work in that zip code.

MS. RUSH: That's been one of the big tensions in our work as we work at Kresge, kind of looking at, you know, regional jobs versus jobs in the city, and employing people in the region versus employing people in the city, and the difference that you really can drive an action when you have that laser focus.

So, we talked quite a bit about Detroit, and it's interesting because it shares a lot of, I believe, some more challenges with what you are facing in Cleveland, but your approach to actually providing support to entrepreneurs has been somewhat different in terms of the sectors that are involved. So, Cathy, could you share with us a bit about the differences you see in the cities, and also maybe how having so many sectors at the table has made a difference?

MS. BELK: Sure. So, hi, good morning. I'm Cathy Belk, I work with JumpStart which is headquartered in Cleveland, and our primary work is in Ohio. And it's a great pleasure to be on the panel today with folks from Detroit, because one of the many benefits of working at a nonprofit in this space is that you model yourself and learn things from other cities in Detroit, and certainly been one that we've spent some time looking at and paying attention to; as well as a number of other cities across the country. So, thanks for including us.

JumpStart, the organization with which I work, is a 12-year-old nonprofit. Our mission today is to unlock the full potential of diverse and ambitious entrepreneurs to economically transform entire communities. When we first started we were very focused on high tech the entrepreneurs, exactly what Pam was mentioning.

But together with our partners, we identified that we needed to create a broader set of jobs, and a broader set of opportunities in our community. And we now today, with partners, always in collaboration with others, support not only high tech entrepreneurs, but also small business and micro enterprises, as well as scaling businesses, existing business that can create disproportionately high number of jobs by scaling more quickly.

So, in doing that, we have modeled a lot of things that have a lot of commonalities with Detroit, certainly in the nonprofit ecosystem, one of many benefits where the commonality is that we all work together in partnership with our philanthropic leaders or civic leaders, and certainly our public sector leaders have played a big role, in the work that is occurring in Cleveland, and in Northeast Ohio more broadly.

So, we've had the same benefits from that, of great thinking. We have had a number of initiatives in addition to small business focus, which is really what we do, which have been focused on some sectors. So, biomedical has been a big sector of focus for us, as has been manufacturing, and advanced manufacturing.

And one of the benefits that we have found is that in supporting our small businesses and entrepreneurs as we do, having additional support organizations very focused on sectors, has enabled us to access really critical technical skills, and bring those technical skills to the table with the entrepreneurs that we are working with.

They are also working on cluster-building initiatives, and of course attraction strategy, so it's a nice set of partners who are looking at the economy and wanting us to grow in a very diversified way, and not placing maybe all our bets on entrepreneurship, but of course we think, and I think that our entrepreneurs have played a critical role in the continued economic vitality of Cleveland.

MS. RUSH: Yes. It's interesting. I think working with Pam, and hearing you speak that layer beneath the cluster and industry, but thinking through big, small, who, what, it seems to be really, really kind of hone in on the work.

So, I think we've talked, somewhat convincingly, around why small business is different and what it can drive in community, but we have been speaking about folks who run businesses, and we have one of them here. So I did want to kind of -- so we've been talking a lot about what we think in an

organization like yours bring to the community, and I'm just wondering if you could share, what is it you see Detroit Ento as really adding and contributing to Detroit's economy, and also it's comeback?

MR. HATINGER: Yes. My name is Anthony Hatinger, and I'm a partner in Detroit Ento. We are a farm and manufacturing firm that uses insects as a vehicle for human food, pharmaceuticals and livestock feed. And so in our journey we've kind of been looking at how do we create this new platform that allows us to play on what entrepreneurship is bringing to the city. But also creating something that's completely necessary in the marketplace, which is, you know, environmentally friendly proteins that are also able to moderately scale.

And so to kind of give you the quick run through of our history. We started in late-summer of 2015. I come from a background of horticulture and religion from Michigan State. I was working at a nonprofit called Central Detroit Christian, where I ran all of their community gardens, and then aquaponics farm where we did indoor tilapia production using the fish effluents as feed for the herbs, and so on and so forth.

In that process we found that the highest cost of the operation was fish feed, and fish feed coming from a market that is tanking, the fish meal market, insects could be a viable vehicle for that, as well as things like chicken feed, or things like fiber pills, right.

And so we are looking at this from a different perspective of change. Where we are now, is that because this is an industry that's completely unregulated, federally down, it's on a state-by-state basis, and how these business can operate, which obviously puts a lot of structure around how we can receive funding, and how do we grow.

But we believe that we have to move from a place of scalable efficiency economies to scalable learning economies, and what this really means is that we have to be able to look at where the needs are in the landscape. We know that, you know, facing climate change, some of the other issues, particularly dealing with food access, and distribution of food, are very critical to the future of how we develop as a people.

So, what we aim to do is have the entire supply chain in Detroit, and so that means production, we are starting with crickets. Crickets are kind of, you know, our friendliest version that people can get behind. There's been a lot of traction, there's been a lot of traction in the sector from

things like Shark Tank.

MS. RUSH: Yeah.

MS. BELK: So there's been two insect companies that have already been invested in on that show, for instance. And then moving into other things like fly larva that can be used for wastewater treatment, for instance, right? So, production processing, manufacturing and distribution can all be done in the city. We know that through adaptive land reuse we can turn dilapidated structures into these factories.

And we also know that we can create a new type of job skills training through AG tech development. And so where we are currently, we've had to do this, like I said, regulatory dance, which is okay, we have to be -- we are okay with being a guinea pig knowing that this is creating global change. In that we've found some niches, especially in the culinary sector.

So, most recently we did a pop-up dinner with Magna, which is an automotive supplier, served over 1,000 auto executives and designers insect food. And now we are currently working with -- to train public schools to do a deep dive, including manufacturing and product development, as a way to use that as a learning platform to create eventually some job skills.

So, we know that broader term, once this can pick up in scale, it can have a wide range of effects on how uplifts people, because in this panel, especially as, you know, a minority business owner, we have to look at this in a way that is bringing everybody do the table, that isn't necessarily currently there. And that involves investing in ideas, and investing in infrastructures, and investing in people.

MS. RUSH: If I just, I think, you know, we see often, it's so hard for cities who have heritage industries, who are focused in certain areas, to really think about the future, and where the next set of jobs are going to come from. So, one of things, you know, we find so inspiring about your business, is it really is thinking, like, where is the economy going to go, and how do we make sure Detroit is there before other players. So thank you for sharing that.

Pam has had some success, Cathy you've had success, Janis, I mean, it's exciting to see that it's probable, but at the same time, we are still not there yet. You know, in mean, you just explained how you've sort of had to jump through some loopholes to figure out the funding and the regulations. I

want to talk a little bit about the uglier side of this, like what we haven't yet done, and what we need to do next.

So, this is a question, I mean, to all of you in a way. We've heard from the entrepreneurs that we pooled, that it was necessary for them to have our skilled workforce that actually, you know, align with their open jobs, and at the same that they needed more customers with spending power.

Can you speak, Cathy and Pam, a little bit about what it is you've learnt that we are not doing yet, that we need to do next in our cities?

MS. LEWIS: Well, I don't want to talk about that yet.

MS. RUSH: Oh. great.

MS. LEWIS: I do want to get there, but I think it's important to -- I want to thread something together first before we go through it. Because Anthony, to me, embodies the spirit of a Detroit entrepreneur, and you would think that, you know, someone like him is going to start and thrive in a business anyway, but how has the entrepreneurial ecosystem help to support a person like Anthony.

And correct me if I'm wrong but, you know, he attended the Build Institute, which is an entrepreneurial program that's right in the neighborhood. He has support from Food Lab, another philanthropically-supported initiative. And then look at the space in TechTown, which is another philanthropically-supported organization, and I think it's important to understand how, you know, the infrastructure that you mentioned about how that supports and individual like Anthony.

You know, we are having conversations around what challenges he can apply to it because of the free capital that's happening for business owners around that space. So, with that being said, there are challenges. What we've found for a lot companies, particularly like ones like Anthony, and those that have maybe scaled a little faster, when it comes to getting them to start, and feel supported in Detroit is one thing. Having them to be able to grow and stick and scale and find affordable spaces, so that they land and anchor in Detroit, is a little bit of a challenge.

And what's the role that we can play to help provide? You know, right now you have, you know, two (inaudible) at some places versus a million dollars just grew for the others, and finding that middle ground where it's flexible and affordable; so that as Anthony's company grows, it can actually grow within the city.

I think another challenge has been how capital is moved to minorities and women. We are very proud of the fact that a lot of the companies that are being supported by the organizations that are supporting entrepreneurs, are seeing, you know, large percentages of women and minorities are coming through the doors and getting support.

But when you track the capital, that's still a challenge, where, you are not necessarily seeing the dollars, particularly in the early stage seed side, but also on the micro loan side. And when you talk about high-growth business you are not seeing those dollars move. And so we are really working hard to figure out what are some interventions to make that difference.

And then also the role of those high-growth business are so important because we feel like those types of businesses growing in Detroit will become jobs that are more relevant to Detroiters. It's a city with, you know, 12 percent of the population have four-year college degrees. It's a city that, you know, has poverty at 50 percent and if you factor in how it costs to live, you are going to get another percentage of people that actually have trouble just maintaining -- they aren't in poverty, but they are still having trouble maintaining work.

So, getting those people quality jobs, that's why it's important that, when McClure's Pickles gets support from the entrepreneurial ecosystem, that they grow and they employ Detroiters with high-quality jobs.

So those are some of the challenges that I see. It's more around the space than the capital, but I do agree regarding the workforce, that is important, where our mind is a lot of times is round, you know, how can we continue to help the companies that employ Detroiters stay in Detroit, maybe the capital they need to scale.

MS. BELK: Yes. So, I'm so glad that you mentioned some of those themes, those are similar. I want to maybe touch a couple of them. From the capital perspective, you know, I think unless you are living on the coast, there is always a capital challenge for growing businesses in the middle of the country. And certainly that's been a big focus of the work that our community has been trying to build, which is the whole continuum of sources of capital for entrepreneurs and for small businesses, so both on the investing side, and on the lending side.

And in particular, the point we also noticed about the lack of female and minority



entrepreneurs' participation, particularly on the investing side as a national trend. One of the things that we did recently was launch a \$10 million fund to invest only in minority and women-owned tech entrepreneur businesses so that we can just ensure that we are addressing that gap, and having funds that would go into those companies.

So, the capital gap is something we are going to continue to work on now we see the next stage up, maybe the \$0.5 million to \$2 million, continues to be gap as companies are growing, and we don't want people to walk out on a plank and fall into the ocean. We want to create that capital system, so that's something that we are going to continue to work on.

The other thing that we noticed that is very similar to some of the things you mentioned, is we have not had as much participation in our work, and when I say "our" like the collection work, and our partners, of people who are living in particular neighborhoods in our cities. We wanted to have more people who lived in the neighborhoods who had entrepreneurial potential, or had ideas to be connected to our ecosystem, and we just didn't have the connections there.

And I think that's an area we've been working hard on with some programmatic work, but I think in general, we want to go much deeper in terms of connecting economic development activities for small business in neighborhood or community development activities. For things like building the spaces that those kinds of entrepreneurs need, and then supporting the growth of the kinds of businesses who can fill those spaces, from people who live in that neighborhood and will create jobs for the people in that neighborhood. So that's the next thing that we are really working on.

MS. RUSH: Now, it's interesting because I think what all three of you described is almost a system in the city that supports individuals on their quest to growing their businesses. I'm curious, you know, as we think about this capital gap, right, more capital needing to be made available. Janis, as a funder, how do you think about, is that system strong in every city in the United States right now? You know, where -- are you seeing a lot of gap there? What's the infrastructure, soft infrastructure cities still need to be invested in, in this way?

MS. BOWDLER: Well, the really short answer is no. The system isn't there. But let me take a step back and work up to that; because, you know, I started by talking about the fact that small businesses are creating the greater share of new jobs. There's also a place where we lose a lot of jobs,

and so we want to be careful and make sure we are doing this problem diagnosis well, because there is -- I think there's a pendulum here that could swing too far one way or the other.

Either we are not focusing on small business at all, or we think small businesses are the silver bullet, and without creating these kinds of ecosystems that are necessary to really support and drive our growth in small businesses. Our research shows that cash volatility, employment volatility, I mean getting really specific on some of the challenges that our entrepreneurs are facing is really critical.

And so, one of the first things that I think cities need to do, and it gets to the capital issue, is just some basic segmentation of who are the businesses in their city, how are they lining up against the growth industries, and how are they lining up against neighborhoods. Detroit is doing this, and I think what you are hearing from Cathy and from Pamela, that we don't see in every city is, first of all the both ends of high growth and our neighborhood-based businesses.

I will tell you, plenty of times we look into cities, and what we hear a lot of economic development departments that are more concerned about landing the next big fish, and their small business are sort in the community affairs department somewhere. They are not thinking about how you really build an ecosystem that's going to support and grow.

And again, it's easy to look and say, well, you know, some of these guys are hiring in twos, threes and fours, but who are they hiring and where are they hiring? And in fact we think they are hiring a lot of folks for whom this is their first rung on the ladder, it's going to get them into the employment system, or who face a number of barriers.

So cities can start with segmentation, that's going to lead to the capital question, because we talk about this monolithically, and we hear entrepreneurs say this all the time, capital is my biggest problem. Capital might not be your biggest problem, and you guys are on the frontlines of this, so I will let you share your worst stories of people coming in and saying, I need a loan, I need equity. And you are like, actually let's start from the basics, you might need a bunch of other things before you are even ready for that kind of investment.

But understanding who your businesses are will also tell you what kind of capital you need, and be able to better identify those gaps. And I think you are hearing that from both what Cathy and Pamela are doing.

Let me give you just a third thing quickly, that I think, really simple for cities to do, but not happening in a lot of places, and you heard a little bit of this from Anthony and Chantel who touched on it, which is, just cut the red tape and invest in the infrastructure.

It sounds really easy but actually it's not happening, and again you guys know from being on the frontlines, you hear story after story of entrepreneurs who quite frankly do not have time to spend all day down at City Hall figuring out before permits become the licensed contractor that can bid on the big infrastructure project. And if we keep putting those kinds of roadblocks in front of them, it will be really difficult to kind of really see some business that have the potential to scale to grow.

Let me just quickly give you two examples in addition to the ones that are here on the panel where we see this happening. One is the Chicago Peace Initiative, which has great city support, but is really led by the anchor institutions within the city, the eds and meds, if you will. But getting together and saying like, okay, if you are good enough to do IT at Northwestern, you are probably good enough to do IT at the University of Chicago as well. If you are working in one hospital you are probably good enough to work in the other hospital.

Can they, amongst themselves, from a business leadership standpoint, kind of streamline some of certification and access points? Those kinds of things are really helpful.

And finally, I would mention, you know, again, Detroit is doing a lot of this already, but we just want to pilot in a couple of other cities in partnership with the University of Washington to streamline services for neighborhood-based businesses.

And I know I'm going long, but if you'll indulge me for one second, because this a big bugaboo of mine. If you are high-growth business there are tons of incubators and accelerators out there for you. Everybody loves sexy startups and, you know, they get less money if they are in the middle of the country. But do you know what? Everybody loves their startups. You have that.

If you are a laundromat, if you are a dry cleaner, if you are a restaurateur, if you are retailer, if you are somewhere down on the supply chain, that kind of wraparound service to help you scale your business probably doesn't exist. That's what you see this ecosystem in Cleveland and Detroit doing, is replicating what -- you know, sort of young people in hoodies walking into an incubator accelerator. That you walk in there, and all those services are brought together in one place for you, but

that doesn't exist if you are a neighborhood-based business, that's the kind of ecosystem that cities need to replicate.

MS. RUSH: And one of the things -- so, if it's not -- if you can't leave, startup development and entrepreneurship development to a couple of people working in a certain way, you have to really professionalize and push on this and have a system. I guess, like how did Detroit, how did Cleveland, how did you actually -- what leadership did it require to actually put these ecosystems in place?

Like, if I'm a city today, and I'm in a city, and I'm like: oh, I don't have this ecosystem. How do I actually get folks to think about forming one of these ecologies? Can you help us on that? And Anthony, like, if you are an entrepreneur, you know, how do you actually access this stuff? I mean how do you support people in really finding these things? Because I know you are busy running your business, and so can we live there for a minute? Like, what's the role of leadership in businesses and in cities to get those stuff working?

MR. HATINGER: Yes. I'll start. I think where we kind of exist is a space where everything is new, and not that what we are doing is new, but how it's being done is new. And in that we know we have to be able to look at our peers, especially in my sector, kind of transitioning from an urban agricultural space to more of an AG tech space.

We know that leadership is kind of, you know, from within and brought up by the peer group that surrounds us, so in our particular case, seeing that Detroit is a large urban AG city, folks like Kegger in Detroit, as well as a number of smaller stakeholders. Even friends of mine that run small gardens and operations, like Neighborhood BUG, my friend Orland for instance, he is able to teach me things, because I'm not from Detroit.

I have to look at this about: how am I trying to support people, by learning from people and viewing them as equals, knowing that they have the same capacity for creation, and the same capacity for development like someone who is trying to come at it from, you know, and academic perspective. And so I believe that, at least looking at that, you know, our industry is what we call entomoculture, or the edible insect industry, and it's very small.

Globally, you know, only a few thousand companies exist in this space, and we are all

kind of going at this however we can, because we know there's legislative issues, we know there's capital issues, we know there's acceptance issues. And on top of that we are dealing with a system that is quite frankly collapsing, talking about our conventional and industrial AG system.

And these are things that have to be addressed. And we don't really have much time. And so in that we try to find people that have that spark, and they are like, let's do this, do you know. On the other hand, looking at more of a structural and I guess entrepreneurial, you know, seed bed, we've been very fortunate. There's a lot of folks that here that believe in the idea and want us to succeed, but as all the panelists have mentioned, there is a huge gap and disparity on where that leadership kind of lies.

You can get wraparound services, you can get in-kind lawyer time, you know, but that doesn't get you necessarily to the right type of mentorship, or doesn't get you to the right type of place where you can really foster, you know, tacit learning. How can we quickly come across some of these other barriers so that we can get the work done?

And that's what we are trying to solve now, we know that we don't -- we have very few answers, you know, but we are learning in the process, and so I think that that's what's most important.

MS. RUSH: Working in that place of learning?

MR. HATINGER: Right. That's where the leadership has to come from, because --

MS. BELK: In our experience, so what I love about the history that we had around taking that first step, and then the second step, and third step, is just very similar to what you mentioned. So, Janis, thank you for mentioning the idea of a scan. That's where Cleveland started. You know, getting a good sense of the landscape, what were the economic drivers, or lack of thereof in the greater community.

And thank goodness for the philanthropic private sector and public sector coming together as a collaboration to think about that scan, and to think about what are going to be the major strategies that we would collaborate on and focus on in order to move the city forward.

And there were a number of major initiatives that came out of that, so I think that process worked really well, in terms of aligning everybody and focusing what are scarce resources against some of the most critical things. That happened in our commodity 12-plus years ago and then one of the great

things that came of it, was a philanthropic fund of funds which emerged to help champion some of those initiatives that's called The Fund for Economic Future, and it's been a really helpful, ongoing strategy leader in our community for some of the work that came out of that initial scan and prioritization.

But something else is also interesting that's come is there are more entrepreneurs, and I don't mean entrepreneurs as leaders of companies, I mean where people who are really interested in this topic, who have emerged from other groups. Maybe it's the YP Group, or it's other leaders who are emerging in the city who are saying, these kinds of issues are important to us, and we are going to get together and we are going to figure out how we can also participate in the leadership around the initiatives of this, that will help our city to grow.

MS. RUSH: Cathy, like I'm a tactician, so I'm like, okay you did the scan, you got the fund together, who the heck drove this? Like, was there an individual? Was it an organization?

MS. BELK: Yes. The public-private philanthropic group of people who came together and reviewed the scan, essentially had the financial and intellectual capital to seed a number of different leaders.

MS. RUSH: Okay.

MS. BELK: And those leaders then drove initiatives across the city for several years informed by this organization, The Fund for Our Economic Future, and others who were helping to evolve the thinking and to provide the direction to the leaders. So, thank you. That's more helpful and tactical. And that's why it's been easy then for younger people, this is especially younger who have of late been interested to participate in the discussions.

They know who to go meet with. You know, they can group together and they can reach out and meet with the folks who are thinking through these issues, and say, I've got a new idea, or we are interested in focusing in a different part of economic or community development. Or we have an idea for a great competition, something really tactical. You know, what does it take to move it forward? And so that's been a way that the work has been more organic, hopefully.

MS. RUSH: And Pam, Detroit is like always -- I'm biased, but I find it very fascinating in terms of how things come together.

MS. LEWIS: Well, yeah. I don't know if we have time for the full story, but we have

touched on it. You know, 10 years ago, which was actually before the Great Recession hit, you know, the vision of the foundation leaders in the community to put together this \$100-million fund, I think what was unique about it, is they put together an organization, a New Economy Initiative that's really a project that sits within the community foundation, that can deliver and sort serve as a process manager, of an entrepreneurial ecosystem.

We look at Denver or Silicon Valley, a lot of entrepreneurial ecosystems are driven by entrepreneurs and the private sector, right? For us it's really looking at it as an ecosystem was driven philanthropy. And we have the privilege because philanthropy doesn't usually play in the economic development space in this way, usually it was left to the Michigan Economic Development Corporation, but because inclusion was such a key factor in what we wanted to do, we had this room to explore and play in, and we weren't just grant makers.

We were also being conveners where we make a grant to an organization but we make sure that that organization understands what role they play in the ecosystem so that they can see themselves as a part of an ecosystem. And how that impacts another organization, and then we pull them together so they can talk and get to know each other.

You'd assume they knew each other but they didn't, and so we use our grant dollars to influence relationships. We also did a lot of work of how we track data so that people could see the work as a process, as an ecosystem, and not just independent organizations doing stuff.

And then we could socialize and evangelize the notion of inclusion, and not just who you serve but who are you hiring, and have those conversations across the board. And then could catalyze things. You know, any idea as a small business plan competition that NEI now stepped out of their role as grant maker, and stepped out of their role as convener and actually became a program developer.

And this is a program that really celebrates what we call the bent-ups, you know, those companies that you say aren't as sexy the startups, where we are giving like \$0.5 million a year to 30 or so companies within the City of Detroit, Hamtramck and Highland Park, and it's not really about the -- and its 400 words to apply, very low entry to the capital, but it's not really the capital.

It's now all of those 1,800 applicants in our systems. We know who they are, we know that they need, we are talking to them now, and we are helping them to connect to the small business

support ecosystem that was layered on and developed through philanthropic support through NEI funding.

And so those are the creative ways that we've been using the structure like NEI, that's not a foundation and it's not an NGO delivering service, to be that process manager of sorts within the city.

MS. RUSH: Yes. It's so funny. It's some other kind of unsexy stuff. You know, like the collaboration, who does the scan, what kinds of capital that it seems like really drives the stuff. So, look, I'm a convert to this, but I do have one kind of nagging question in my head which is that: it is in theory a beautiful idea that small business and entrepreneurs can do something big businesses can't do. They can employ people in neighborhoods, that they can serve customers in neighborhoods and help provide the local communities.

And I'm just wondering. Is it realistic to think that the people who live in our Legacy and Rust Belt cities, often who've been disadvantaged in terms of educational attainment, in terms of skill sets, are going to be employed, I mean by small businesses? Like what needs to happen for more Detroiters to benefit from these jobs that are being created?

I mean, you mentioned you actually work on skills development, can you tell us a little bit about what that looks like? How do you really connect these jobs to the everyday person in the neighborhood?

MR. HATINGER: Yes. And it's a work in progress, of course, you know. We are a very small team, and we have no employees yet, and so what we are trying on the backend is: How do we develop this framework? How do we put together the skill sets necessary that are easy enough to pick up where certain qualities are innate to people? And we learn this a lot in gardening, in the sense that -- and some of my work in the past, in college, if a child or a group of children grow vegetables with you, and you teach them the process, they are much more likely to eat them. Right, for instance?

So we know it's an each-one-teach-one system where at this stage we have to meet people where they are at. And if you get over the bias and the disgust, from that point on it's more about what we create together. So, with our program currently, we are looking at a STEM group called Flying Classrooms, that does these deep-dive experiential learning with students.



And so we are starting with a pilot, it's very light. We are doing a month intensive with some culinary students that are part of a technical training center, Davis School and Bright Hope School. And so we are taking them from the ground up. Why does this matter? You know, now do we integrate new food systems? What is your role in this as someone getting into culinary as the future of food, insects are going to be?

And then from there we kind of build, like, these are your skill sets, you are already cooking, you are already learning, this is just another food. It's about culture, and so we are trying to make it not a third world food, not a poverty food, but empowerment food, right.

And so if we can work on it from that basis of being able to say, look, you can make something, it's nutritious and it has a lot of importance to the system. From there, we'll be able to take those skills and turn them into, like: okay, this is how you run batch manufacturing, this is how you run specialty processing, this is how you create your own food product, in the consumer-facing good, and in a vastly-growing sector. And we know that it has to be building blocks based on where we are also.

MS. RUSH: Is that expensive? Like how does that fit in your business model, because it's so --

MR. HATINGER: Yes. It is expensive. It's a very small market, and so for us our cricket powder is \$40 a pound, and that's very cost, but it's nutritionally very dense. And so we know that this will become commoditized, and what that entails is a lot of policy shifts, and a lot of capital shifts to be able to create a product that accessible to people.

Right now it's not really accessible, because it's niche and novelty, but we know that it's a necessity. They predict by 2050 we'll be eating about 100 million metric tons of insect protein. That's only 30 years away, you know. So we know by working with the youth, that immediately these are the people that are going to be eating this, these are the people that are going to be working with this. And this is just one small piece. Do you know?

MS. RUSH: Yeah, yeah, yeah.

MS. BOWDLER: Anthony, I'm ready to join your food (crosstalk).

MR. HATINGER: You are ready?

MS. RUSH: I know. Yes.

MS. BOWDLER: We'll have to -- will shop at the chapulines markets, yes.

MR. HATINGER: Yes. Exactly!

MS. RUSH: Yes. This is now you.

MS. BOWDLER: Can I pick up on your question on, is small business really going to drive employment? And I think the short answer is yes, but with some caveats. So, one is that we already see small business driving employment for inner city residents in particular. If we think about Detroit in particular, you have a large number of the unemployed population with really high barriers to unemployment. Low literacy rate, returning citizens.

If you factor in, major employers might require a credit check, you are talking about a lot of barriers to entry for which small businesses we hypothesize part of the reason why they over-indexing on these hires is because they might be more forgiving on some of these things.

We also know that in Detroit there's a lack of entry-level jobs. Again, like the kinds of jobs that are going to get people on the path. We want to put them on career pathways, we want to get to the place where they are doing middle skill jobs, but in fact a lot of Detroiters need that early job entry. And they are having to travel to the suburbs to get them right now.

And so I think a big part of the economic development strategy for Detroit, which I think it was, you know, our company has been there for a long time, and as a native Midwesterner, I've personally been to Detroit, but the first time I showed up in my JPMorgan capacity, I think this is one of the first things that Tom Malone said to me was, you know, if we could get our Black-owned businesses in the city to hire one or two people, we would solve unemployment in the city.

Now, of course it's not that easy, of course, but it does give you as sense of, you know, this is a solvable problem, but it's going to require the kinds of supports that have been described on the panel to get businesses who right now employ two people, to the place where they are going to employ four people, and that's a 100 percent increase in employment. That's significant and it doesn't happen by accident.

MS. RUSH: Go ahead.

MS. LEWIS: No, I was sitting here thinking, and I don't even know if this is even in line with the question, but in terms of skills and readiness, it's kind of a now-or-later, do you know that candy?

MS. RUSH: Yeah. (Laughter)

MS. LEWIS: A now-or-later proposition, because there's so many needs of now, because you going with the population that education attainment is not that, but at the same time, some of the things that we've been thinking about is, how can you use this whole culture change around seeing entrepreneurship as a potential path. And not only that everybody is going to be -- every kid should be an entrepreneur, but that your city is a place that supports you, where there's opportunity for people that look like you.

And so the role of how we put those images in front of the young people matter. What stories we tell, how we promote what's going on, and show the diverse faces of the people participating in that. And then also, what we start to see. I think the beauty of Detroit is that there are so many great needs, that we drawing and attracting and even retaining so many young people that are not creating businesses just to benefit them, and their bottom line, but businesses that are intended to benefit the society they are a part of.

And even in that you see -- you know, the more we can lift those up, the more you can also show the young people that these are things that you can also do. And a lot of those entrepreneurs are including young people in that process. So, I don't know if that was applicable but that's where my head was at.

MS. BELK: I think that's really relevant, we've seen a lot of that too in our community that talking to students in a way that's very relevant about these roles has been a big initiative of a couple different groups. The other thing I was thinking about, too, is a system, a system, which is, it's hard for a small business that needs to hire one or two people to find 5 to 10 people to fill that job.

And the system that can take those 40 growing small businesses and try to make it more efficient to find the hundred people who are good applicants for that, that's a barrier today that we trying -- you know, we want to work through. Because I think that's what will fill the jobs at some kind of scale in addition to creating them.

MS. RUSH: We are about to open it up for questions, so I hope you have some in your mind. And before we do that, I'll just take a very brief kind of stroll down the panel. If you guys can just share one kind of pithy, in this world of tweets, one pithy takeaway that you hope people would observe

from today's discussion.

Like for me, it's that it's tempting to think about, you know, just regular business incentive programs, like taxes, when you think about growing business in the city. But rather like the role that neighborhood and community development plays in terms of giving workers places to live, and also customers with spending power. But I'd love to hear that and then we'll go to questions.

MR. HATINGER: Just one? I would say the big thing is, how are we looking to, you know, create new markets by looking at necessity, so I think necessity is what is driving invention. And in that necessity of people, where do we find this common place where we can make the world better together. I think that has to come in forefront of any business development because we have enough going on in the world right now that we don't need anything superfluous. We need to be able to create opportunities for people that have intrinsic value

MS. RUSH: Yes. That's great.

MS. BELK: Doing this work in a way that is truly inclusive, creates different work. And I think that is the most -- at least the economic imperative that we do this work in a way that is truly inclusive and allows everybody to be able to participate.

MS. LEWIS: And I would add, startups and bent-ups are the key to inclusive economic development.

MS. BOWDLER: Yes. Building on all of that, for me it's the both ends that your city is going to need your high growth and your neighborhood-based businesses. It needs big businesses and small businesses, all of these things work together, you know, through supply chains, to sharing of customers by creating vibrant places where highly talented people want to live, where low- and moderate-income people can get the services they need, and we should not think of this space or its solutions monolithically.

MS. RUSH: Thank you. So, yes, this is exciting. Let's start in the back.

SPEAKER: My name is Kirk Reno. I grew up in Detroit, and in that neighborhood that Janis mentioned the villages, and I want you to think about a young family in that neighborhood, maybe you've got kids, and maybe you have a job at the Vegan Soul Food Restaurant now on Agnes. But last week there was a drive-by shooting in the neighborhood, and the schools are not so great.

So, I'm thinking, well it's not capital, I've got a job there maybe, but I have to decide for my family, do I move to the suburbs and feel more secure, where the school choices are better? So, don't we have to address security and education, it's the key people in the city jobs that are creating them?

MS. LEWIS: Absolutely. I mean, all of those factors are, it's one big complex thing. Education, you know, the role that education plays, the educational system plays matters in terms of, we can attract talent but how are we going to retain them. How do you continue to develop young people that re productive and that will stick around, and go on to college? A huge factor, safety, it's all a factor.

I think the advantage that we have today that we probably didn't have, you know, a decade ago is city leadership that really is taking on those challenges in a very bold way. The work that the Mayor has done to address flight, to getting street lights turned on, et cetera. And then of course we just named the new Superintendent of Schools, who has his work cut out for him.

And I think none of us -- you know, it's funny doing this work, because you always do this work with all of that in mind, because you know that, you know, we have this one thread that we are knitting, you know, together but it really is relying upon all these other threads coming together.

But you do see strong, real ,leadership, philanthropy coming out in all types of ways, not just around economic development, around education, around place making, around all of those types of issues. It's a big, complex issue, yeah. And so you are exactly right, and they all rely on each other. Yes.

SPEAKER: Yes. I grew up in Hamtramck, moved away a long time ago, so I'm glad you are doing things there. And I also went to the University of Michigan so, you know, you do have good universities, Wayne State and Michigan. And so how are these universities playing into what you do?

MR. HATINGER: Yes. Me, in particular, they have been invaluable resource. We are looking at a few different institutional partnerships for research, for some downstream applications of our product, for instance. They come in with a totally different set of values and structures that I think really approachable to young folks starting a business. It's not enough, definitely not enough. I exist in a space that seems kind of people don't want to believe it, and so that makes it difficult to kind of bridge a gap where I can actually have a real conversation with people, but beyond that I think they have to play a

much bigger role in the universities in the sense of how we are fostering talent, how are taking students and creating opportunities, because I dreamt this opportunity. Like my background, you know, was not directly pointing this way when I started school.

And so I know that the universities can take a very -- I think more in-depth role, and how are bridging these gaps. Because there are resources, there's funding, you know, there's data, and there are also students. And so that's something that we can do, but I know that's not, you know, necessarily as relevant to a bent-up, like what Pamela is saying.

MS. RUSH: Are there bridges between your programs in universities that exist today?

MS. BOWDLER: I'll mention two, and Pam can probably speak to many more. But I think one of the most powerful examples in the city, at least in the space where I work is TechTown in Wayne State. And so TechTown really started as a way to commercialize technology coming out of Wayne State, and Ned Staebler and the leadership team there really recognize, I think similar to how you were describing it, Cathy, that, wait there's all this entrepreneurial activity happening out in communities, out in neighborhoods.

By the way, the entrepreneurs coming in the door don't reflect the diversity of the city. How do we get out there and in different ways? So a place like TechTown, with its name, TechTown, and being that the university now has a retail boot camp, which I've neglected to mention the Entrepreneurs of Color funded, the Detroit Development Fund runs, and we support in partnership with W.K. Kellogg Foundation.

Several of the largely retail businesses, 39 out of 44 based in the neighborhoods, many of them going through the retail boot camps at a place like TechTown, and that's a unique partnership with that university. We are also working with the University of Michigan Law School to create -- to bring law students who are providing pro bono legal advice to business startups. There is probably plenty more that is happening, but those are two that we are working with.

MS. LEWIS: Yes. A couple of different plays. The University of Michigan now, more so on the technology commercialization side, and the support of startups, but the Michigan Life Science Incubator in Western Wing County is a part of the University of Michigan, and that's been helping to really advance a lot of biomedical and life science type entrepreneur, but doing that in a way that is important

not to just to Ann Arbor, but them having connections with the incubators and accelerators, and the early-stage seed funds in Detroit.

Wayne State, even to TechTown, but they also have the Blackstone LaunchPad Program, where there's an entrepreneurial program for students. They also do a collaboration with a LaunchPad Program, TechTown, and other service providers where students are going through the boot camp in the summer.

And then you have Michigan State who I can't leave out, because they are my alma mater. You know, the work that they are doing to support Eastern Market, and Food Lab as they are supporting food entrepreneurs. And so all of them are very interested. Oregon and Michigan State are very interested in what happens in the City of Detroit, and you see them showing up in a big way, and working very closely together.

MS. RUSH: It takes a village (crosstalk).

MS. LEWIS: Lots to care about, yeah.

MS. RUSH: Yes. Particularly professionally, yes. I'm curious who is on the line.

SPEAKER: In a similar vein to the question that was just asked, Mary Rocco said that you had some great examples of private and nonprofit support for small businesses, and she wanted to know: what is the role and capacity of the public sector?

MS. RUSH: Do you want to take the one on Cleveland?

MS. BELK: Sure. So I had mentioned, in Cleveland that the public sector had been an important partner. And I think there's many, many ways that they have been an important partner with some of the issues we were just talking about. For example, security and school systems, and knowing that those things were incredibly important to the emerging and burgeoning entrepreneurial ecosystem as well.

But other ways that they've been involved is to work with organizations in Cleveland to help us do some place-making, so that small businesses have the spaces that they can move into, but there's also a culture and a vibrancy that's created around key commercial corridors. And in doing that, it's really visible.

You know, the growth of the businesses, the growth of an entrepreneurial culture

becomes more visible and it becomes more attainable for people who are living in the neighborhoods around that. And the city planning group, and the city leadership and the county planning group and leadership in our community have been really helpful in anchoring those places.

MS. RUSH: Go ahead. Let's get to more questions. Oh. Go ahead. Thank you.

MS. SEGERO: Thank you so much. Good morning, ladies and gentlemen. Thank you, Mr. Rip, for your wonderful presentation and support; thank you, all of you. My name is Rosemary Segero. I'm a president of a company called Segeros International Group, I'm based here in Washington, D.C., and we forecast on innovation and manufacturing, especially here in the U.S., but the forecasters are in Africa, on agriculture, a forecast more or the rural area agriculture. How do we learn from international people what we are doing here in the U.S. state to state, and internationally?

I'll be going to Saudi Arabia to look at how small and medium businesses, we can learn from each other, and other Middle East countries. If we learn from each other, instead of Africans yearning to come to America because they are looking for jobs, they can still work, and other countries can still work in their countries, and the Americans, they make America great again in their own countries (Laughter).

So, we come together and come up with this international club, of SMEs, I think this would be a very good learning, you know, learning from each other, entrepreneur, SMEs. And how do we, how do you support us, instead of the actual SMEs, how do we do this? Thank you so much. And I appreciate you discussion.

MS. BOWDLER: Sure. I'm happy to take a quick shot at that. So Small Business Forward is a global program, and we have strong anchors in South Africa, Brazil, Mexico, Colombia, and U.K., we are moving into Europe and a -- we probably do a small amount of grant-making in Asia as well. And, you know, I think the thing about having this bird's eye view is you see very universal themes with context and cultures that vary.

So the same sorts of things that we are talking about here in terms of what entrepreneurs need to thrive, and kind of the knottiness of the issues, you know, that we have to untangle, are the very same challenges that we see entrepreneurs facing in South Africa and the U.K.

So I think your point is a really good one in terms of where are the international platforms



in which we can trade good ideas and we can, as Cathy brought up in her initial remarks, really learn from the various models that are out there. I think there is a few of these platforms out there, it's certainly a place where I'd love to see our work grow.

This summer there is a major conference in Paris, unfortunately I'm not going, although several of my colleagues will go, but where we are going to start exploring how we are creating more sort of exchange across the globe. I think it's an area that's really ripe, given that there are these really common challenges, but everybody is coming up with sort of unique and innovative interventions.

MS. RUSH: So, right there, with the green T-shirt, you've been waiting. You've been waiting patiently.

SPEAKER: Yes. A lot of hands in front of me. Thanks very much for this panel. My name is Clare, I work in consulting here in D.C., grew up in Corktown. My questions is to, how do we encourage this wealth of capital into parts of the city that haven't quite come so far as what Corktown has done in the last 10 years, really getting capital where it's needed? I know we talk to it a little bit on the panel, but a little more detail will be great.

MS. RUSH: Yes. So, how do you very intentionally kind of work on that, specifically, Pam?

MS. LEWIS: So, I think there's a couple of initiatives in addition to NEI, and maybe you guys can help me here a little bit too. You know, with our work how we've invested in programs that are right in the neighborhood matter. The amount of capital we've been putting into our small businesses challenges are going right into the neighborhood. The Mayor is also -- has his own programs where he is helping with the federal dollars, and philanthropic dollars, activating spaces for entrepreneurs in their neighborhoods.

And then there is the Detroit Strategic Fund that is really hitting on, right now I think they are starting with three or four very specific neighborhoods that have some level of momentum but a lot of promise where there's a lot doubling down in terms of investment, and not just around entrepreneurship, but around the place around activating that community in a very holistic way.

MS. BOWDLER: If I can -- Oh, I'm sorry. I didn't mean to cut you off.

MS. LEWIS: Please go ahead, if you know more about that.

MS. BOWDLER: Well, I want to jump in on a couple of points. So, one thing that I think Detroit has done very well, with seeds planted under Rip's leadership, the philanthropy in the city, but really with Mayor Duggan picking up the torch is identifying these neighborhoods where we are really going to concentrate activity. You are hearing about a ton of good stuff that's happening in Detroit, but it's a big place with a lot of challenges.

And so my getting specific on where neighborhoods are going, and to the gentleman's question earlier, really concentrating city resources, philanthropy resources, the intellectual capital, as starting places to then build out and create anchor communities has been incredibly important. So the Strategic Neighborhood Fund starting in three places: the hardest-hit neighborhoods where LandLink really went after the Blake problem.

This is all really helpful. So then, on top of this one thing that -- and I would say a number of the programs really are focused on getting business out into the neighborhoods, and they've been mentioned: Entrepreneurs of Color Fund, when we worked with W.K. Kellogg, and the Detroit Development Fund to put that up, it was really a focus on businesses that were out in neighborhoods that were not getting access to capital.

And one of the examples maybe the gentleman mentioned, Vegan Soul in West Village is now opening in Grandmont Rosedale, it will be that neighborhood's first sit-down restaurant. And so there's nothing else like it in that neighborhood, and they are able to move to that place, and again all the follow-on positive effects.

So that's just one tiny example, but I think the combination of, you've got a set of service providers that are focused on neighborhoods, and then you've got city leadership to say, let's bring all those resources together in place, and be very specific and strategic about it, has been incredibly helpful for Detroit.

MS. LEWIS: Yes. The micro loan space has been interesting, because the Entrepreneurs of Color Fund, as well as the Detroit Development Fund, and the Michigan Women's Foundation work in micro lending. And we are just launching a new fund, thanks to Capital Impact, and Fisher Foundation, and a little bit, but they've moved about \$3-or-more million to 64 or so companies, none of which are within that Greater Downtown footprint. They are all within the other zip codes of the

city.

And we also have the social entrepreneurs that are -- there's and interesting collaboration with Digital Literacy, a group called Allied Media Projects, and Rocket Fiber, one of our new startups that brought Gigabit Fiber into the community, where they are actually putting Gigabit Fiber in three neighborhoods. You know, so you have the work of philanthropy, you have the work of the state, and you also have the work of social innovators that are doing these interesting innovative projects together to move resources into the neighborhoods.

MS. RUSH: So we have time for one final question. I think we'll go with you.

SPEAKER: I was curious, how do an organization like Kresge and JPMorgan, the kind of older and newer funders, but also coming from a different mindset. How do you work together, and where are you different? (Laughter)

MS. BOWDLER: Well, I'm happy to start. As I mentioned, JPMorgan Chase has an 80-year history in the City of Detroit. So, while I might have had some newness, my firm didn't. But when, you know, Jamie Dimon, our chairman and CEO likes to tell the story frequently of, you know, kind of his talk with folks who are really describing where Detroit was, and saying, hey, you are the biggest bank in the city, do something. And Jamie turning around to the rest of us saying, we are the biggest bank in the city, why don't we do something.

We are like, okay. So, you know, a bunch of us set off on a fact-finding tour, and what was a place -- about Detroit was in this moment, so this was late 2013, still in the throes of bankruptcy, but the amount of collaboration that existed in the city, and the amount of table setting that had already by Kresge, Kellogg, Skillman, let me not list them all because I will leave somebody, it was really incredible, and really the leadership role of Kresge can't be understated.

So that as we came to town and said, hey, we want to help, there was this table that was already set, that said, great, here is the plan. Here is what we are working on, and we said: here's the few things we think we are really good at. And they said, great, here it is, here is what we are all working on. And so it gave us a way to invest in a way that aligned already with our strategic priority areas, in places where we could bring time and talent to the table, not just our dollars. But plug into a broader hole.

That's been the really exciting thing about partnering with Kresge in Detroit, it it's started -  
- it's a really high bar, because when everybody asks us, what's the next Detroit, where are you going to  
put your next 100 million? We are like, wow. I mean, both the depth of the problem, but also the level of  
coordination that was happening in the city, really doesn't exist in a lot of places. And so it's made for  
really the seeds of recovery had been laid, and I think allowed us to plug in, in a really unique way.

MS. RUSH: There's just such a series of things and actions that need to be supported  
and taken, and we each do different things, and we each have different strengths, when it comes to what  
our sectors can do. What our capital can do. What kind of table setting we can do. And I think it's been  
about -- creating kind of a web of figuring out who plugs in where, and how do we cover all of the things  
that need to be done in the city, based on our areas of expertise? And it's meaty work.

So, I just can't thank you enough for being here, for listening, for being interested in  
Detroit, and also how we drive small business forward in our legacy city.

So thank you very much. And thanks to this panel, who makes it very easy. (Applause)

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