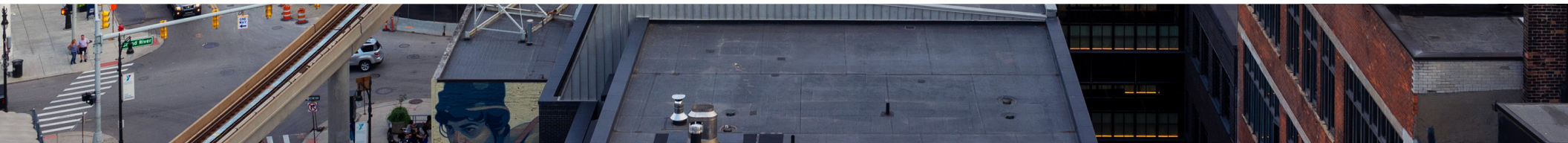




# THE 2019 DETROIT REINVESTMENT INDEX

A MEASURE OF DETROIT'S COMEBACK

**DETROIT**  
FUTURE  
CITY



Photography  
**Tafari Stevenson-Howard**

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# THE 2019 DETROIT REINVESTMENT INDEX

A MEASURE OF DETROIT'S COMEBACK



# ACKNOWLEDGEMENTS

## **DESIGN TEAM:**

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# INTRODUCTION



The Detroit Reinvestment Index tracks perceptions of Detroit's revitalization among several groups in order to gain a better sense of local and national perspectives of economic growth in the city.

This, the fourth installment of the report, marks the first time that Detroit Future City – through funding from The Kresge Foundation – has produced the Detroit Reinvestment Index. DFC teamed up with FTI Consulting, which had previously worked directly with The Kresge Foundation to produce the three earlier editions of the survey.

The Detroit Reinvestment Index began as a survey of national business leaders to gauge their perceptions of Detroit's comeback and their views on Detroit as an investment opportunity, but it has been expanded each year to include other groups. This year's survey includes residents of Detroit and its suburbs in order to track perceptions of how redevelopment affects them, with the goal of helping to inform policy decisions and mitigate negative effects of redevelopment.

This edition of the Detroit Reinvestment Index surveyed two main groups: 300 business leaders from around the country and 500 residents, 300

from Detroit and 200 from the surrounding suburbs, a statistically representative sample of the population. The business leaders who participated are senior leaders with high-level decision-making responsibilities at global companies.

This edition of the Detroit Reinvestment Index found that the number of national business leaders with favorable views of Detroit continues to increase. They also see the city as a positive investment opportunity and continue to show confidence in Detroit's ability to return to being a sustainable American city.

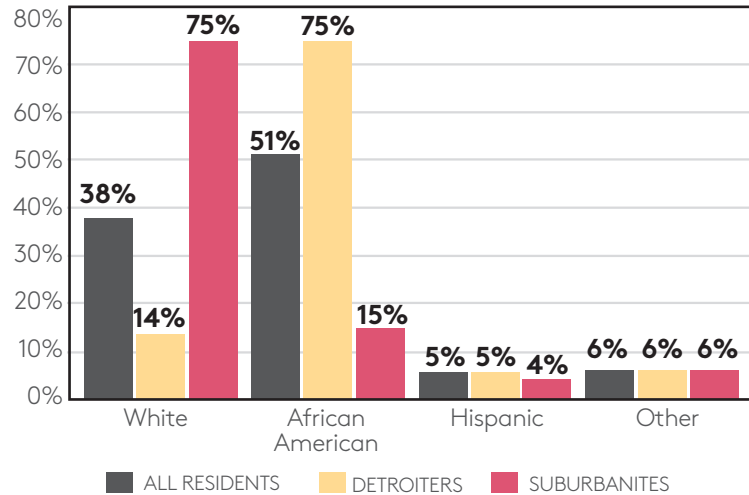
Residents also have a generally positive view of the revitalization occurring in the city, and believe that many of the changes are benefiting them.

Even though the economic differences between Detroit and its suburbs have been widely discussed, there is not a large difference in the perceptions of their residents on the changes that are occurring in the city.

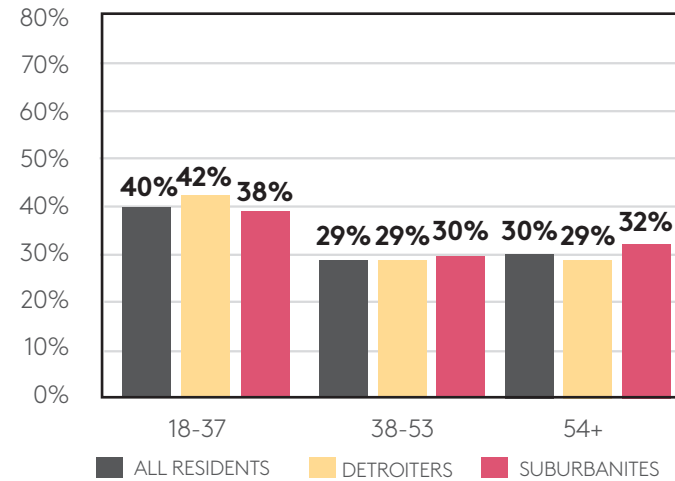
Though Detroit residents perceive a direct benefit from the changes that are occurring within the city, there are still concerns that the revitalization is not reaching all parts of the city, and there are those who say they are being negatively affected by redevelopment.

# DEMOGRAPHIC BREAKDOWN OF RESPONDENTS

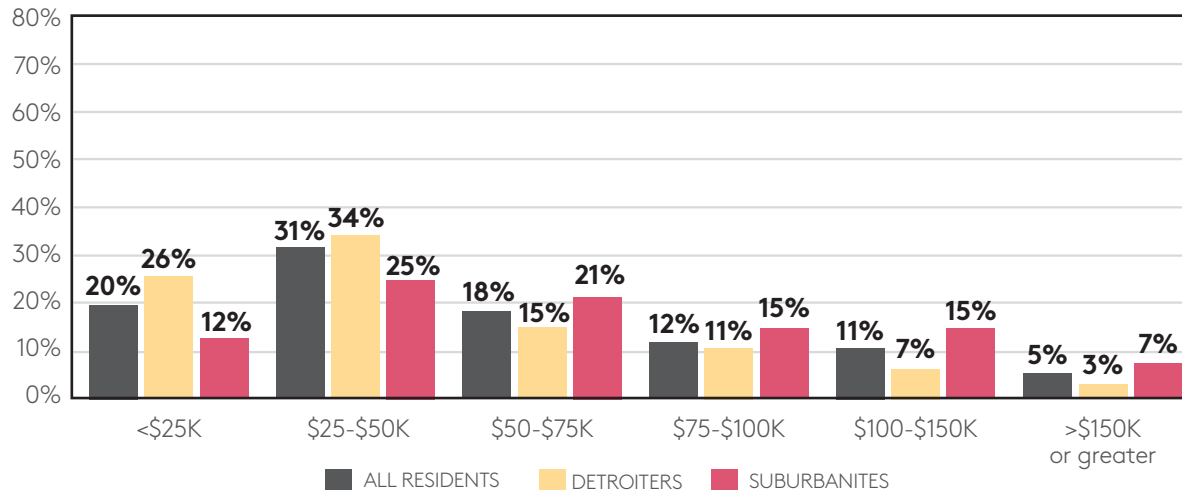
## RACE



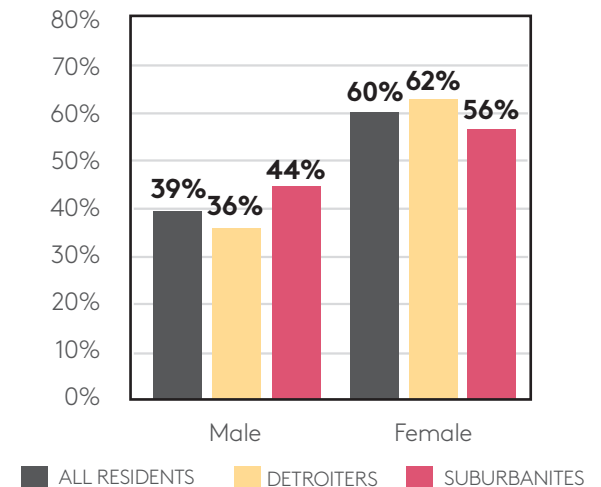
## AGE



## INCOME



## GENDER

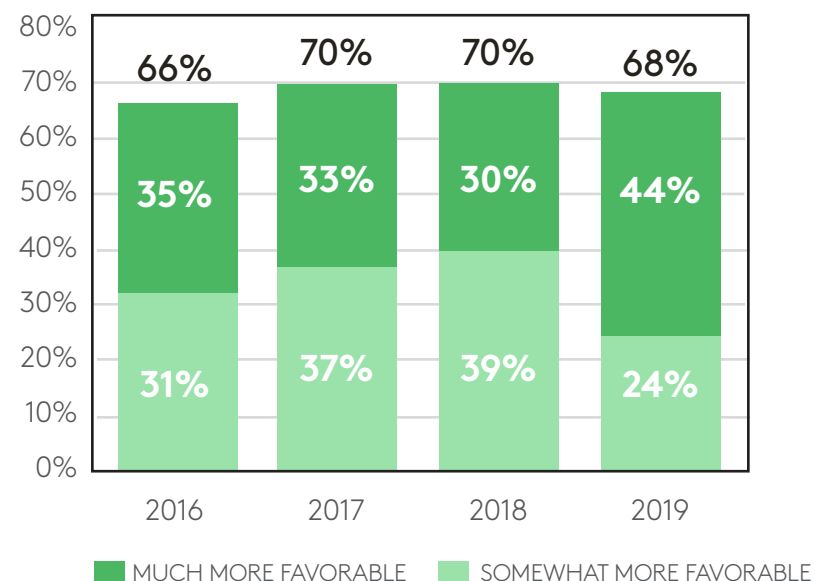


# NATIONAL BUSINESS LEADERS

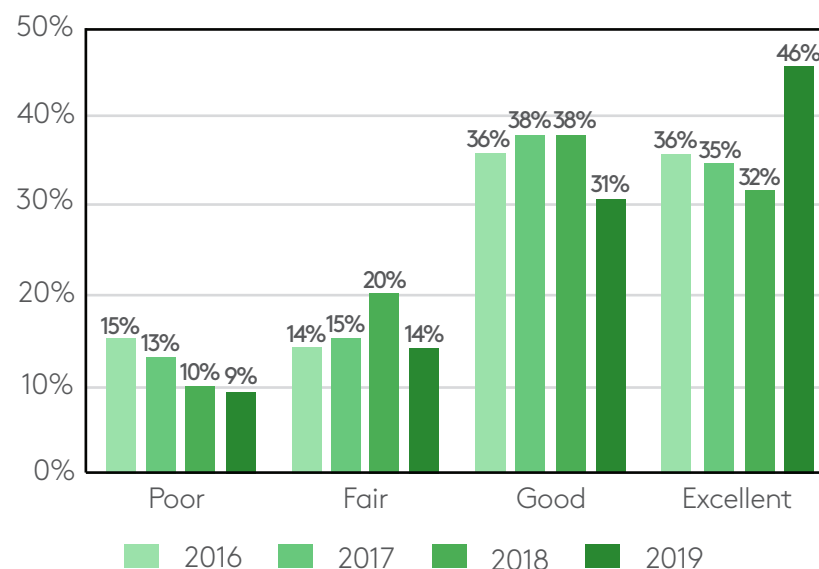
As in previous iterations of the Detroit Reinvestment Index, national business leaders continue to have positive opinions about Detroit, with two-thirds having favorable views. That trend is also growing, as shown by a 14-percentage-point increase since last year's report in the number who said their view had become "much more favorable."

This continued positive feeling toward the city is matched by 77% of respondents viewing Detroit as a positive opportunity for investment. There also was a 14-percentage-point increase in the share of business leaders who consider the city an "excellent" investment opportunity.

AMONG **NATIONAL BUSINESS LEADERS**, IMPRESSIONS OF DETROIT REMAIN FAVORABLE



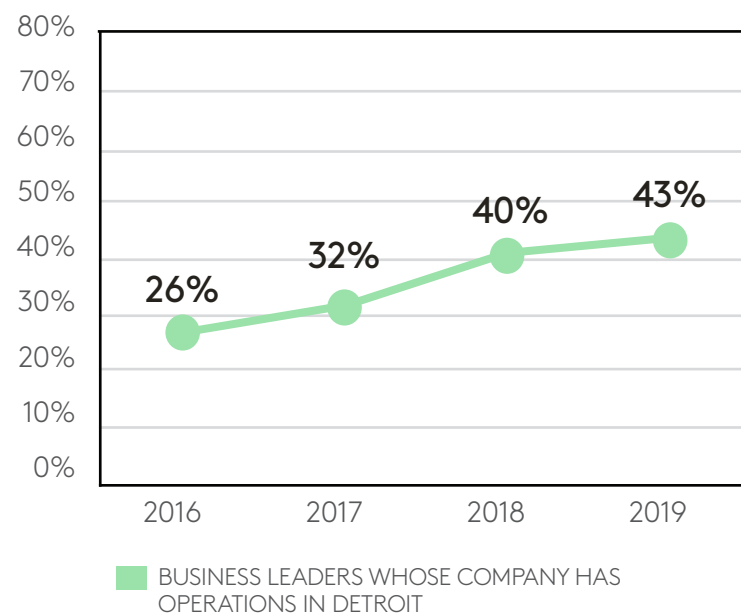
PERCEPTION OF DETROIT AS AN EXCELLENT BUSINESS OPPORTUNITY HAS GROWN



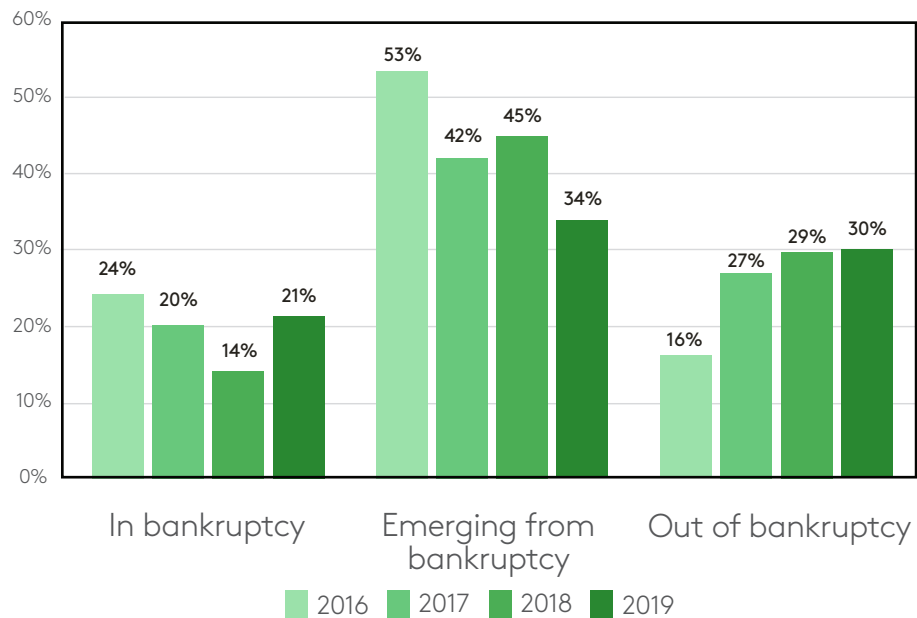


As the positive views toward investing in the city have grown, so has the share of respondents who currently have business operations in Detroit. Since 2016, this has grown from only 26% of business leaders surveyed to 43%.

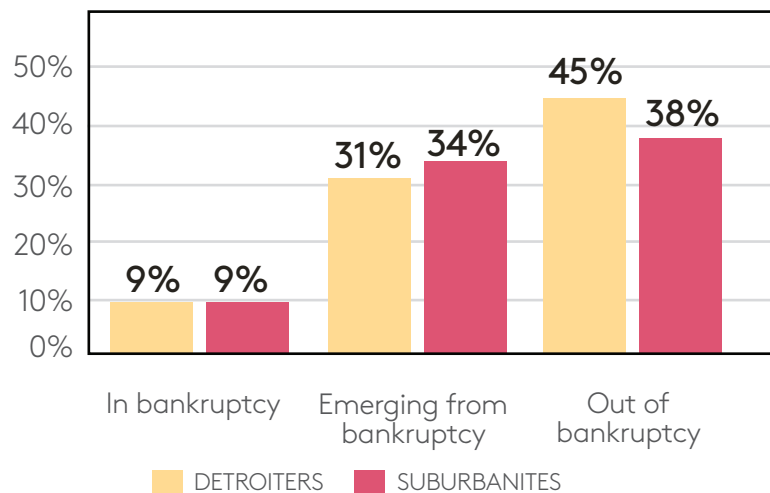
YEAR AFTER YEAR, CURRENT BUSINESS OPERATIONS AND INVESTMENTS IN DETROIT HAVE STEADILY INCREASED



A CHALLENGE TO TACKLE, ESPECIALLY AMONG **NATIONAL BUSINESS LEADERS**, IS THE MISCONCEPTION SURROUNDING DETROIT'S CURRENT FISCAL SITUATION

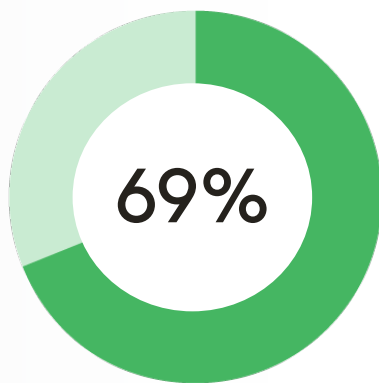


RESIDENTS OF METRO DETROIT HAVE A BETTER GRASP OF DETROIT'S FISCAL SITUATION THAN NATIONAL BUSINESS LEADERS



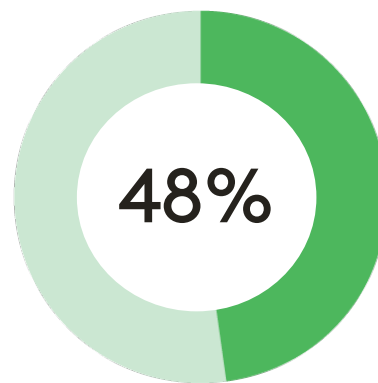
## NATIONAL BUSINESS LEADERS WILLING TO INVEST IN DETROIT

*Among the 21% who believe  
Detroit is in bankruptcy*



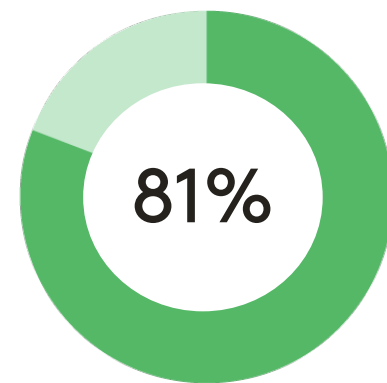
WANT TO INVEST

*Among the 34% who believe  
Detroit is emerging from  
bankruptcy*



WANT TO INVEST

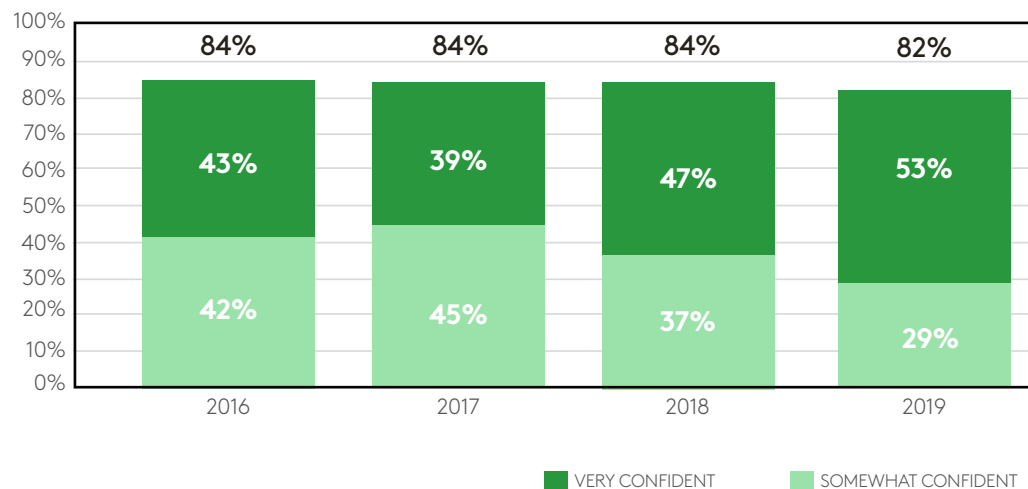
*Among the 30% who  
believe Detroit is out of  
bankruptcy*



WANT TO INVEST

Confidence in Detroit's ability to bounce back remains high among business leaders. Though the total share of those confident in Detroit's revitalization dipped slightly, there was a continued increase in the growth of positive feelings about the city's revival, with more than half indicating that they are "very confident" that Detroit can become a sustainable American city again. This perception was shared by residents, both city and suburban, with 86% being "confident" and nearly half being "very confident."

### NATIONAL BUSINESS LEADERS DON'T NEED CONVICING WHEN IT COMES TO CONFIDENCE IN DETROIT'S ABILITY TO RECOVER



NUMBERS MAY NOT SUM CORRECTLY DUE TO ROUNDING

As confidence in Detroit remains high, there are questions about how Rust Belt cities like it can compete with other cities around the country that offer a greater range of amenities and higher quality of life for their residents. When asked whether they would prefer to locate operations in a city with a higher cost of living but lots of amenities, or a city with a lower cost of living but fewer amenities, business leaders opted for the latter. This indicates that Detroit, and other cities like it can, in fact compete.

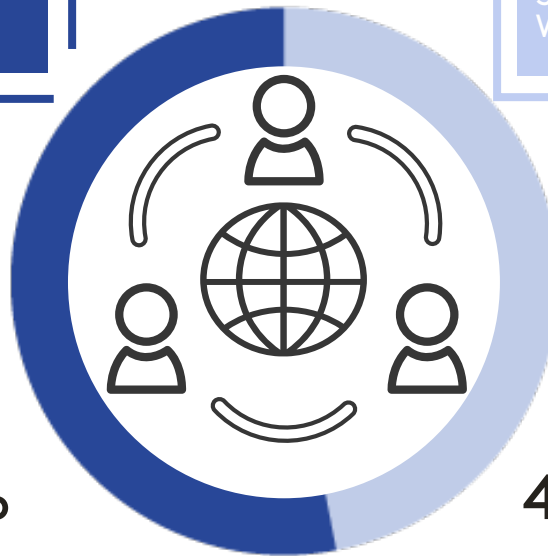
## CITIES LIKE DETROIT CAN COMPETE FOR BUSINESS INVESTMENTS AND OPPORTUNITY

*WHEN ASKED WHICH OF THE TWO OPTIONS THEY PREFERRED, BUSINESS LEADERS SAID...*

LOCATING TO A CITY THAT HAS HIGH COST OF LIVING, BUT HAS LOTS OF AMENITIES AND ENTERTAINMENT OPTIONS FOR EMPLOYEES WHO LIVE THERE.

LOCATING TO A CITY WITH A LOW COST OF LIVING, BUT HAS LESS ACCESS TO SERVICES AND AMENITIES FOR EMPLOYEES WHO LIVE THERE.

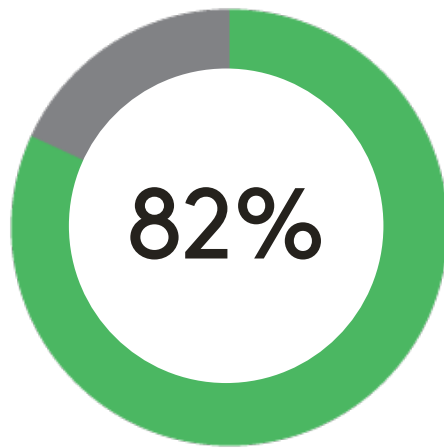
53%



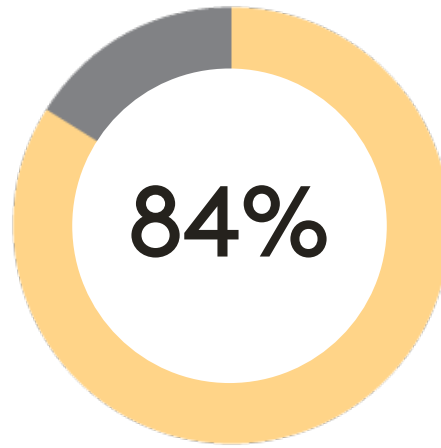
47%

## CONFIDENCE IN DETROIT'S COMEBACK

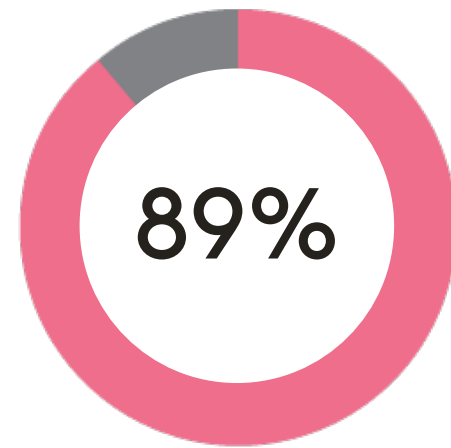
### NATIONAL BUSINESS LEADERS



### DETROITERS



### SUBURBANITES



*Showing % of total who are  
confident in Detroit's ability to  
be a great American city*

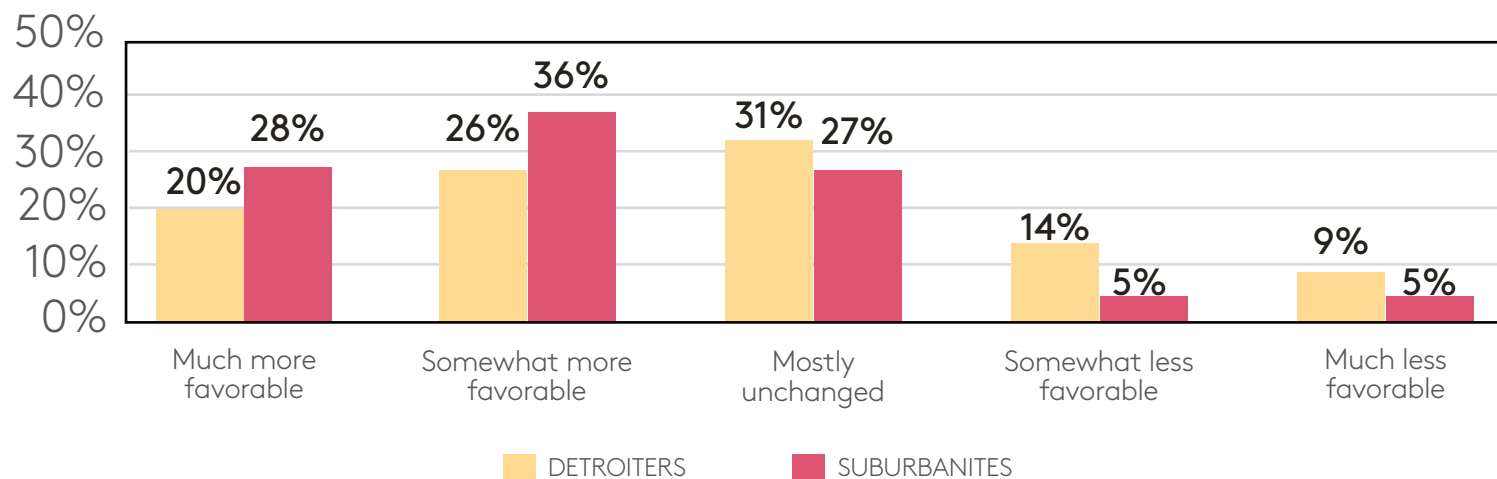


Though there is opportunity for industrial cities like Detroit to compete for business, there is also a gap between what national business leaders view as important needs and what they perceive Detroit has to offer. Business leaders identified quality of life for their workforce, a city with potential, a place looking to attract new investment, access to a pipeline of talent that meets the specific needs of their business, and an effective local government, as important attributes for a city. Of these top five factors, only one, a place looking to attract new investment, was in the top five of what the business leaders associated with Detroit. Among their desired qualities in a city that they found lacking in Detroit were quality of life for residents and an effective local government.

# PERCEPTIONS OF HOW DETROIT IS CHANGING

Much like with national business leaders, opinions about Detroit have become more favorable among residents across the region. This is most notable among those in the suburbs, 63% of whom have had their impression of the city become more favorable over the last five years. Many Detroit residents also view the city more favorably, with 47% now having a more favorable impression of the city.

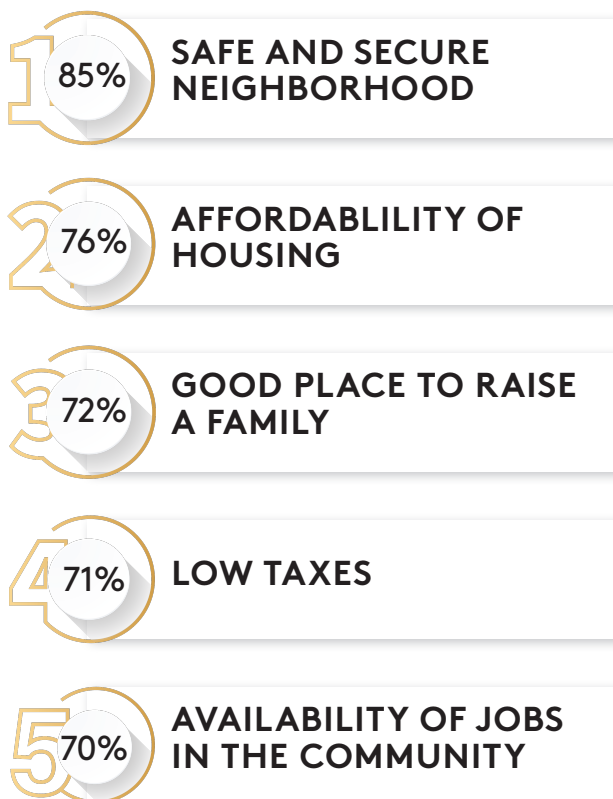
BASED ON EVERYTHING THEY HAVE SEEN, RESIDENTS VIEWS ARE BECOMING:



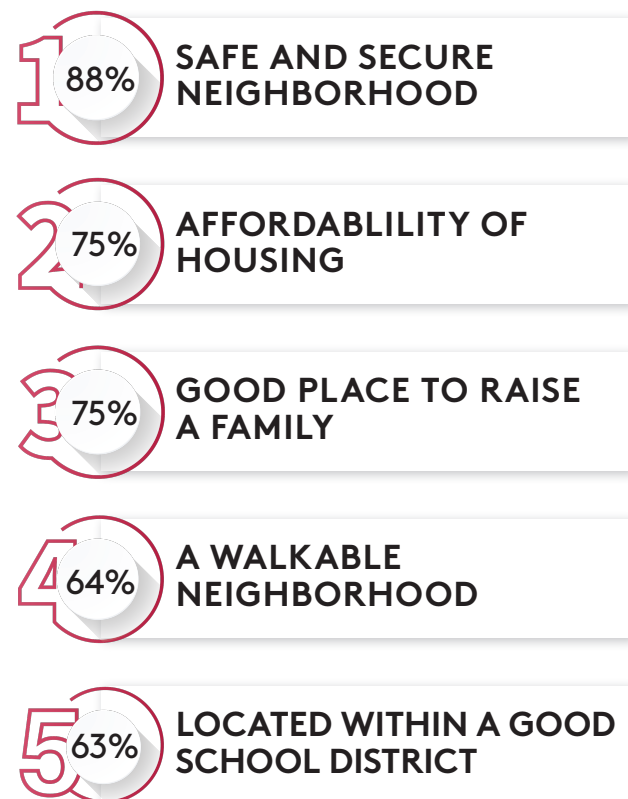
When asked what they found most desirable in an ideal neighborhood, residents of both Detroit and its suburbs have similar views. Their top three characteristics are a safe and secure neighborhood, the affordability of housing and a good place to raise a family.

## FOR RESIDENTS, AN IDEAL NEIGHBORHOOD INCLUDES:

### DETROITERS



### SUBURBANITES

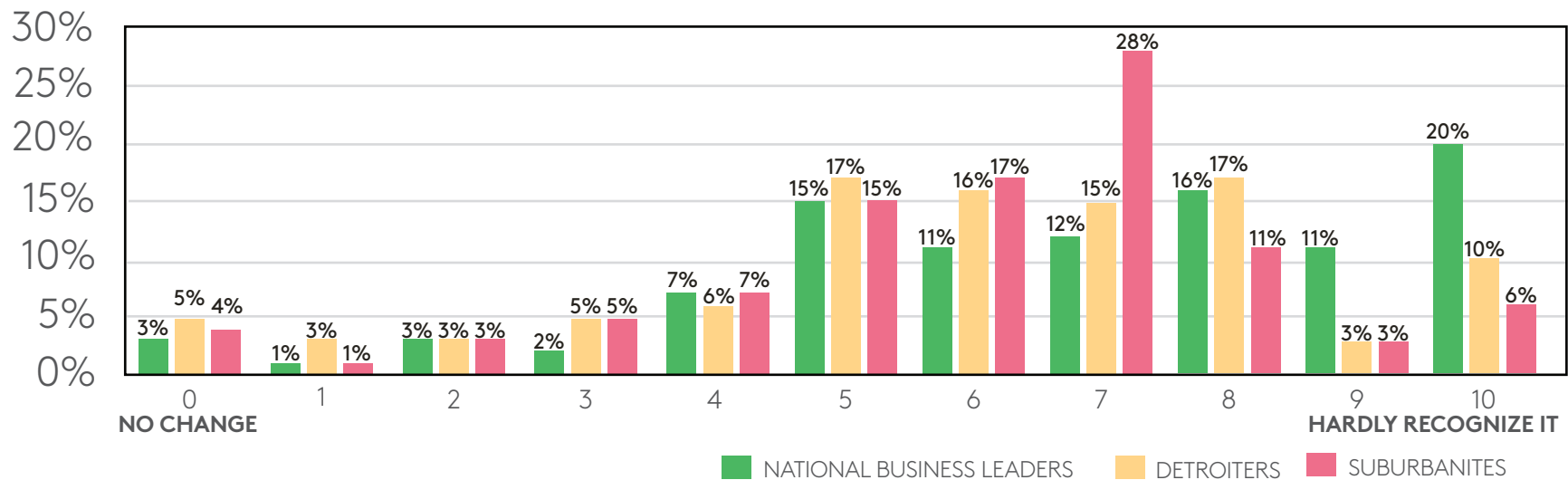


# A CHANGING CITY

There has been much publicity and fanfare over the last several years about redevelopment and how Detroit is changing. When asked how much change they have seen in Detroit, the majority of residents from Detroit and the suburbs and national business leaders say that they have noticed change in the city, but most of their perceptions did not rise to the “hardly recognizable” level.

*Not only has change been noticeable, but it has been viewed as positive by both Detroiters and their suburban counterparts.*

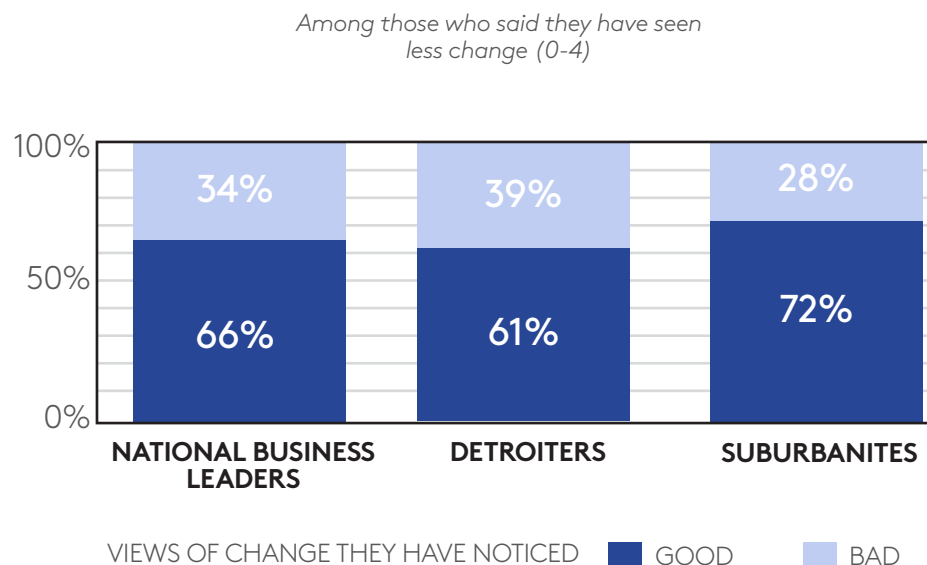
## MORE PEOPLE ARE NOTICING CHANGE IN DETROIT



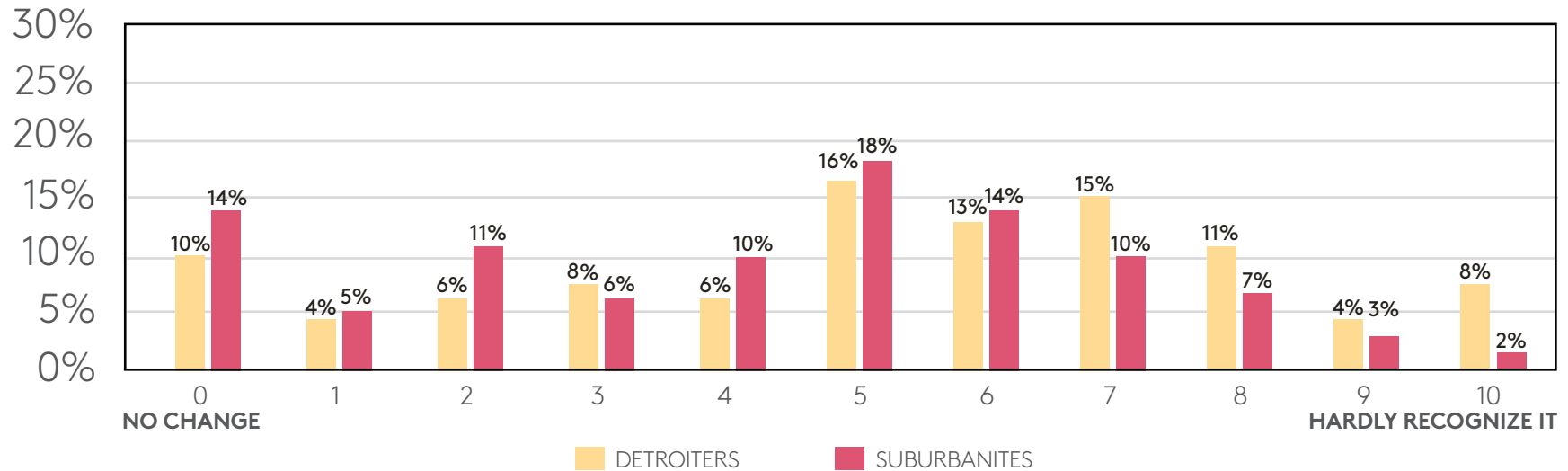
Not only has the change been noticeable, but it has been viewed as positive by both Detroiters and their suburban counterparts. Though respondents generally view the changes in the city as positive, those who have noticed more change view it more favorably, accounting for 82% of Detroiters and 93% of suburbanites. This is not to say that those who have not noticed as much change have a negative view of change. In fact, 61% of Detroiters and 72% of suburbanites who perceived less change still view the change as good.

Respondents in both Detroit and the suburbs agree that the amount of change in Detroit has been noticeable, but they have noticed less rapid change in their own neighborhoods. This is an indicator that some areas have seen more dramatic change than other parts of Detroit. Similar to the city as a whole, those who have seen more change tend to have a more positive opinion about it.

### THOSE WHO HAVE SEEN GREATER CHANGE RATE THE CHANGE MORE FAVORABLY

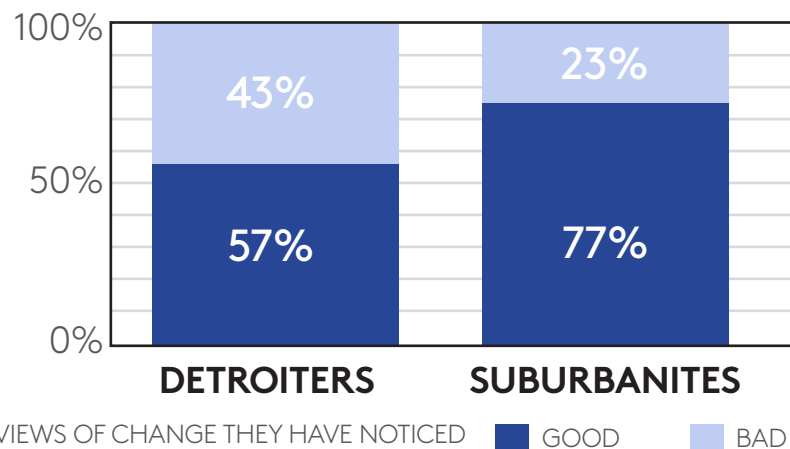


## RESPONDENTS ARE SEEING LESS RAPID CHANGE IN THEIR NEIGHBORHOOD THAN IN DETROIT AS A WHOLE

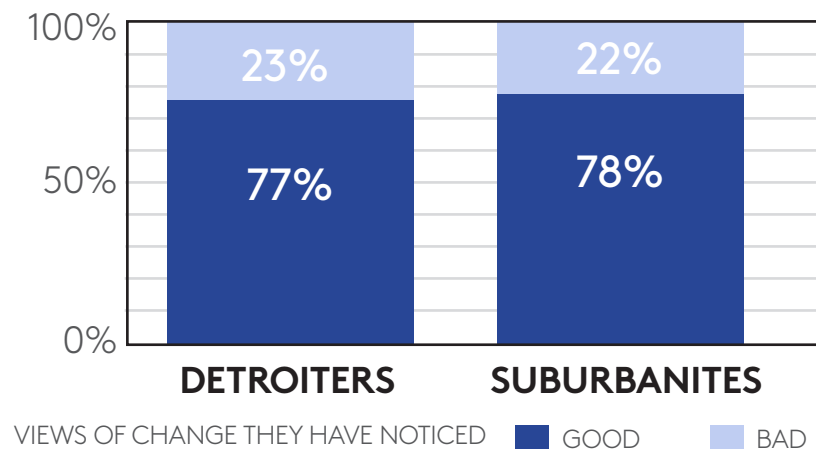


## DETROITERS WHO HAVE SEEN MORE CHANGE IN THEIR NEIGHBORHOOD RATE IT MORE FAVORABLY

Among those who said they have seen less change (0-4)



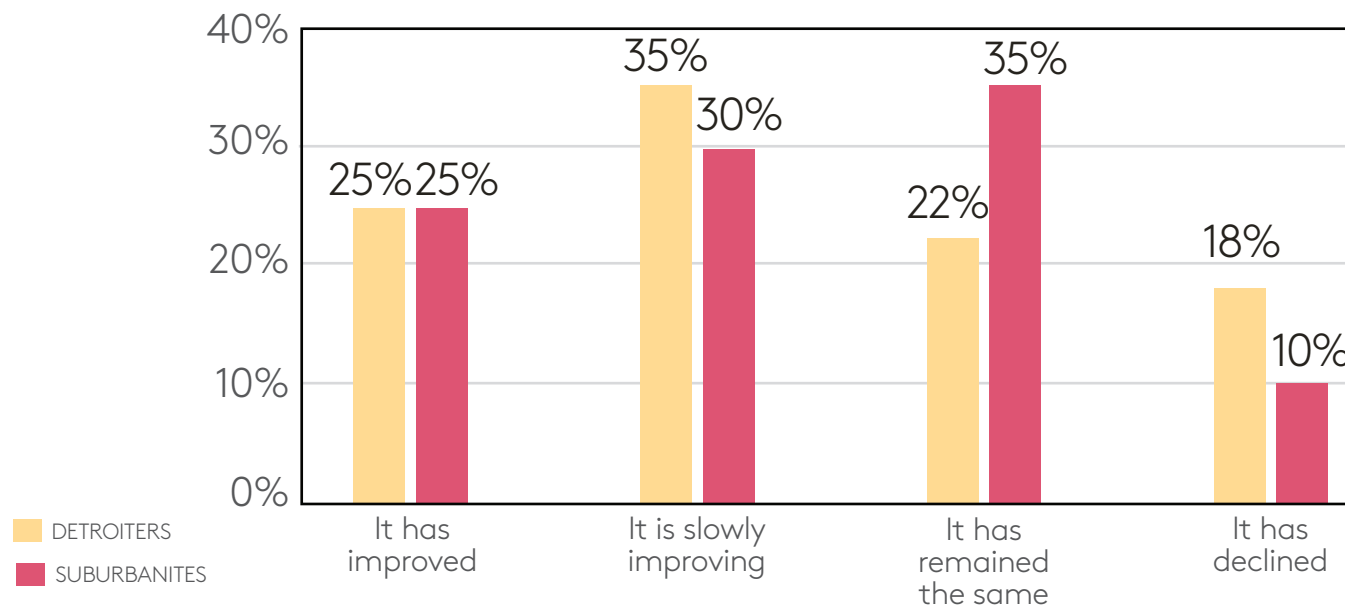
Among those who said they have seen more change (6-10)



There are many ways a place can change, and neighborhoods are dynamic places that are frequently evolving. Not all change is positive, however, as some neighborhoods may improve while others decline. When asked how their neighborhoods have changed over the last five years, 60% of Detroiters and 55% of suburbanites said that their neighborhoods have improved. Though residents have noticed differences, the change has been more gradual. For example, change for many means that “a few people have moved in, some houses are being fixed, but more works needs to be done.”

Though residents from all over the city have noticed improvements, there were some areas of the city where the majority of respondents are clearly seeing improvements. These are not only limited to ZIP codes in and around the Greater Downtown, such as 48226, 48216 and 48201, but also in ZIP codes such as 48221, which includes the University District and Bagley neighborhoods; 48223, home to Grandmont-Rosedale; and 48214, on the city’s east side.

OVER THE PAST 5 YEARS, RESIDENTS HAVE SEEN THEIR NEIGHBORHOODS IMPROVING



Though there has been much discussion about the changes that are happening in Detroit's

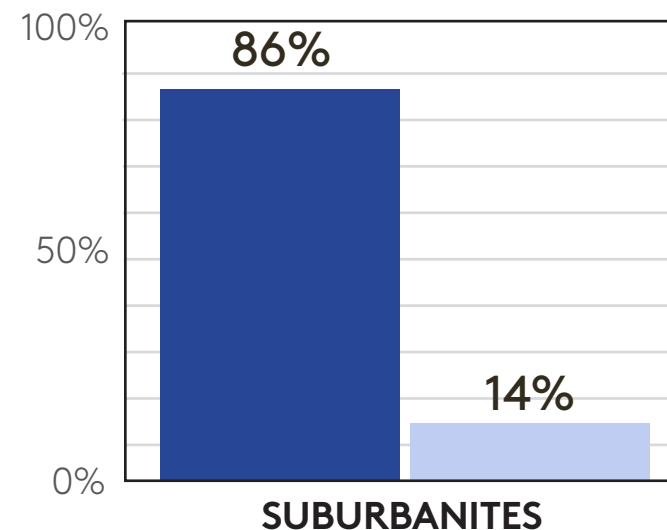
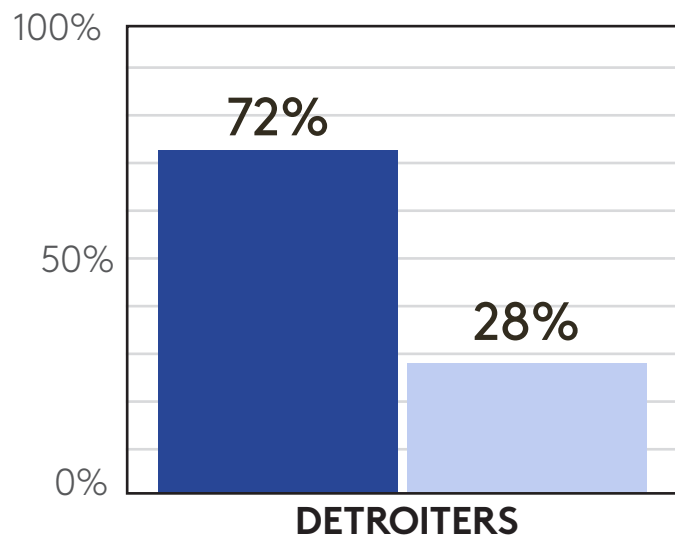
neighborhoods, the majority of residents said those changes are bringing a substantial positive upside.

A STRONG MAJORITY OF ALL RESIDENTS AGREE THAT CHANGE BRINGS MORE UPSIDE FOR THEM AND THEIR NEIGHBORHOODS

WHEN ASKED WHICH STATEMENT THEY AGREED WITH MORE, RESIDENTS SAID...

SOME PEOPLE HAVE SAID THAT HAVING MORE PEOPLE IN A NEIGHBORHOOD BRINGS UP THE PROPERTY VALUES OF THE NEIGHBORHOOD, DRIVES BUSINESSES TO OPEN THERE, AND BOOSTS THE ECONOMY OF THE CITY.

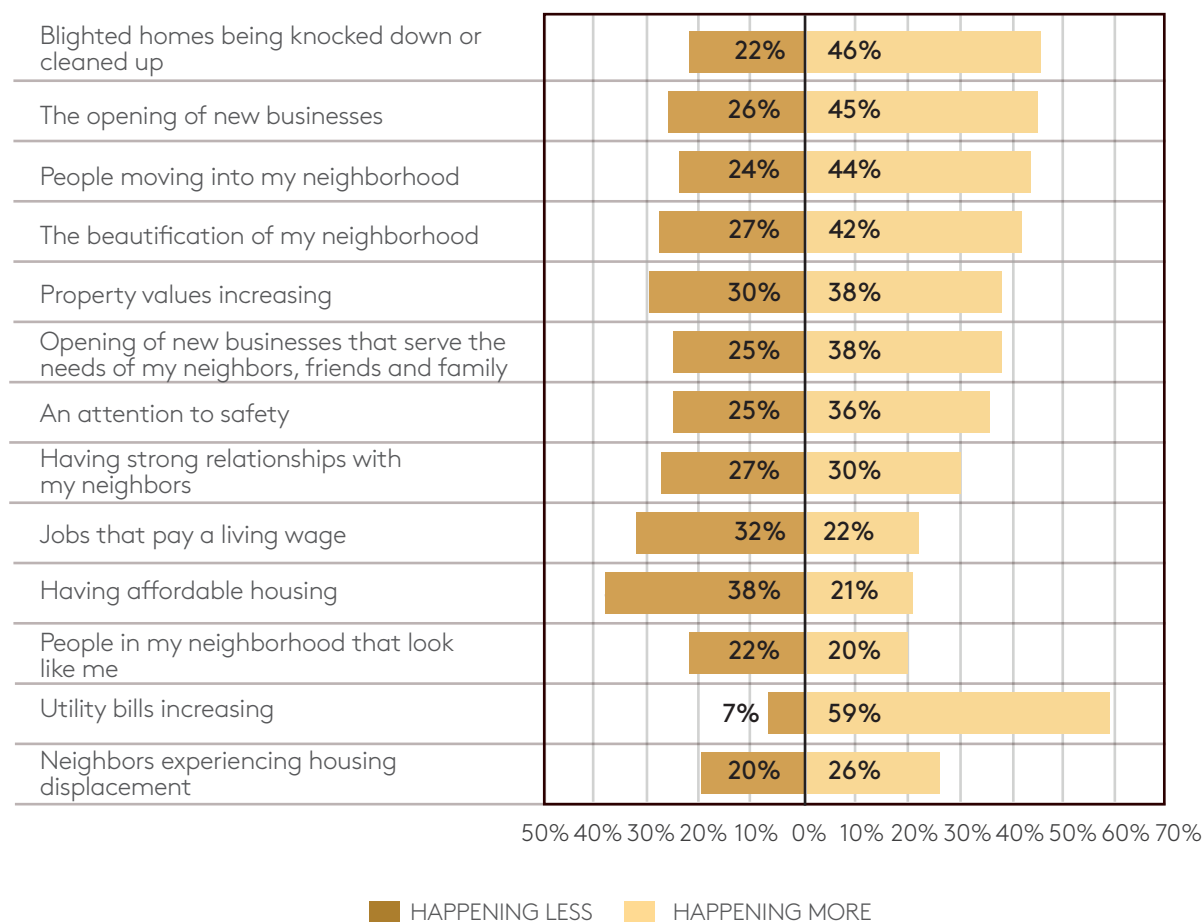
OTHER PEOPLE HAVE SAID THAT "PEOPLE LIKE ME ARE BEING FORCED OUT BECAUSE WE CAN'T AFFORD THE CHANGES," OR "WE CHOOSE TO FIND A NEIGHBORHOOD WHERE WE FIT IN MORE. CHANGE IS NOT ALWAYS GOOD."



Detroit residents were asked about the types of change in their neighborhood. In Detroit, the biggest differences that people have noticed are the removal of blighted homes, the opening of new businesses, people moving

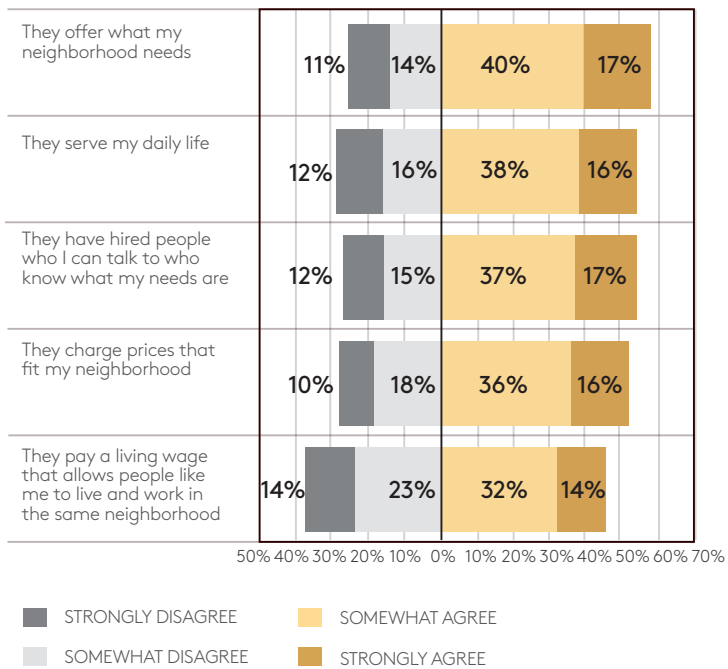
in, and the beautification of their neighborhoods. Yet not all of the changes have been positive, as Detroiters have also noticed declines in the affordability of housing and the escalating cost of utilities.

## WHAT'S HAPPENING LESS, WHAT'S HAPPENING MORE AMONG **DETROIT RESIDENTS**

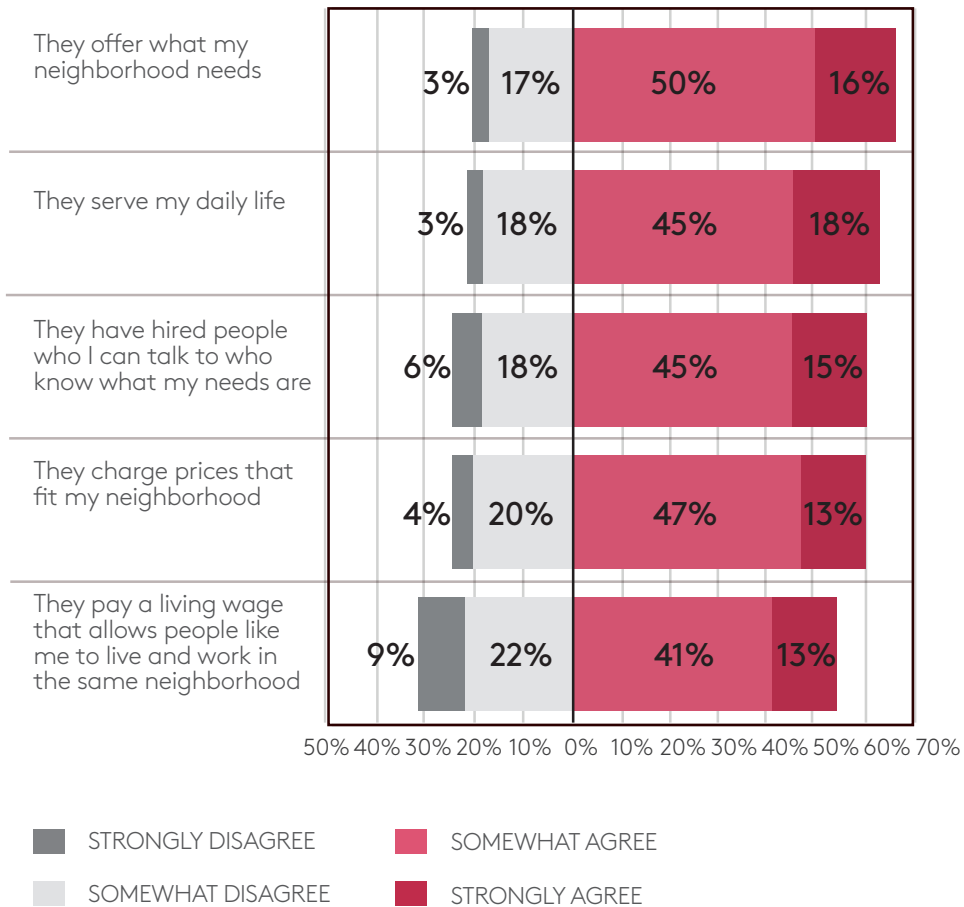


When Detroiters were asked about their views of new businesses opening in their neighborhood, their opinions were positive. The majority of residents say that these businesses offer what their neighborhood needs and serve their daily lives.

#### DETROIT RESIDENTS' VIEWS ON NEW BUSINESSES



## SUBURBANITES' VIEWS ON NEW BUSINESS



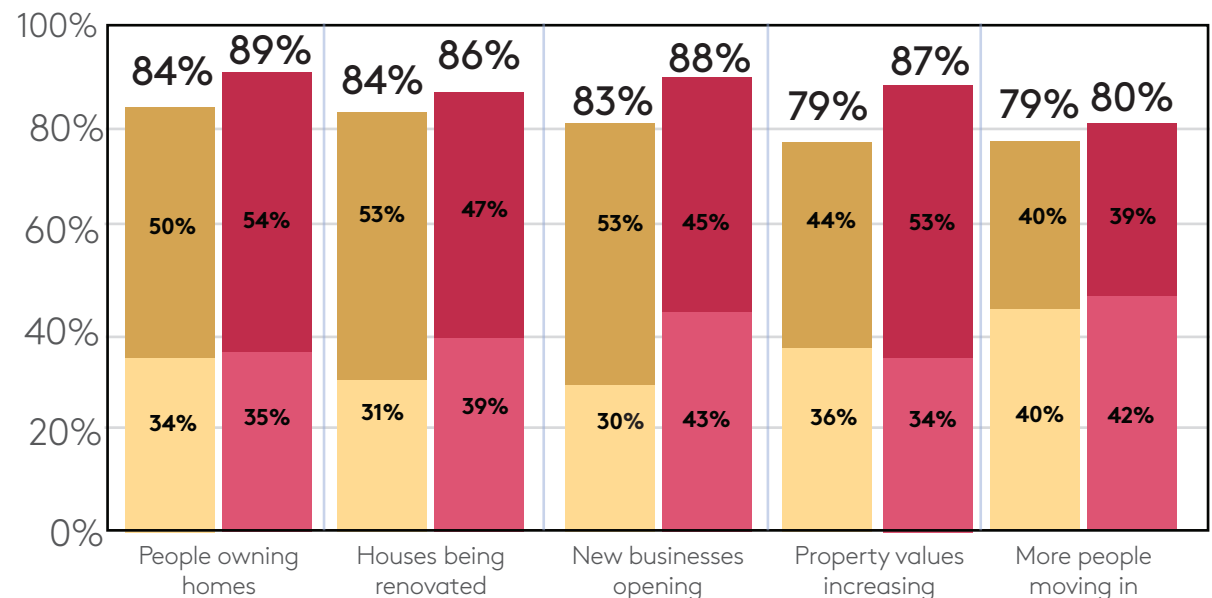
# RESIDENTS PERCEIVE A BENEFIT FROM CHANGE THEY SEE

An important and frequently asked question when discussing revitalization in Detroit is whether those currently living in the city will benefit from the changes happening within their neighborhood. When asked whether change in their neighborhood would benefit them, the overwhelming majority of residents, both city and suburban, believe that it will.

## RESIDENTS SEE A BENEFIT TO CHANGES IN THEIR NEIGHBORHOOD



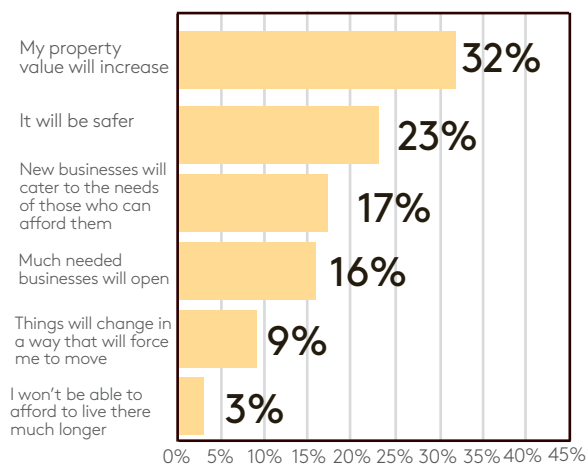
NUMBERS MAY NOT SUM CORRECTLY  
DUE TO ROUNDING



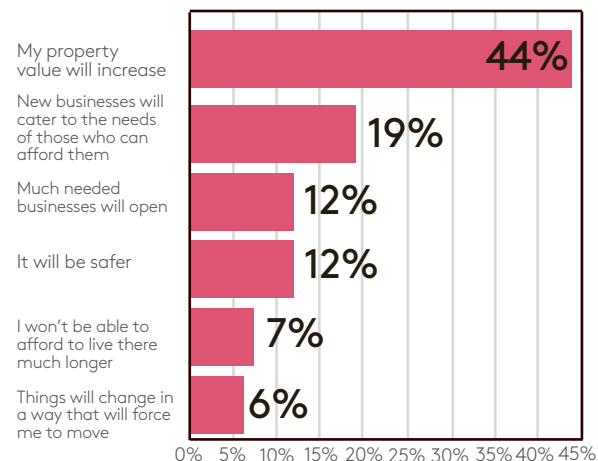
When asked about the effect of new people moving into their neighborhood, both Detroit and suburban residents were far more likely to associate this with positive results, including increased property values and safety, and new businesses opening, as opposed to negative outcomes, such as being forced out or no longer being able to afford to stay.

## THE EFFECT OF NEW PEOPLE MOVING INTO THEIR NEIGHBORHOOD

### DETROITERS



### SUBURBANITES



# THE IMPACT OF REDEVELOPMENT

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A major concern related to redevelopment is how it will affect current Detroit residents. Some people are concerned that redevelopment will lead to the displacement of those who currently live there. To better understand this question, the Detroit Reinvestment Index asked residents whether they had been forced to move, or were concerned that they would be, because of redevelopment, increased rent or higher property taxes.

The majority of residents have not been forced to move out of their neighborhood or were not fearful it would happen. However, some were still fearful that they would be. Fourteen percent of Detroiters responded that they had already been forced to move because of redevelopment, 15% because of increased rent, and 14% cited higher property taxes. Of suburban residents, 8% had been forced to move because of redevelopment, 13% over increased rent and 10% because of higher property taxes.

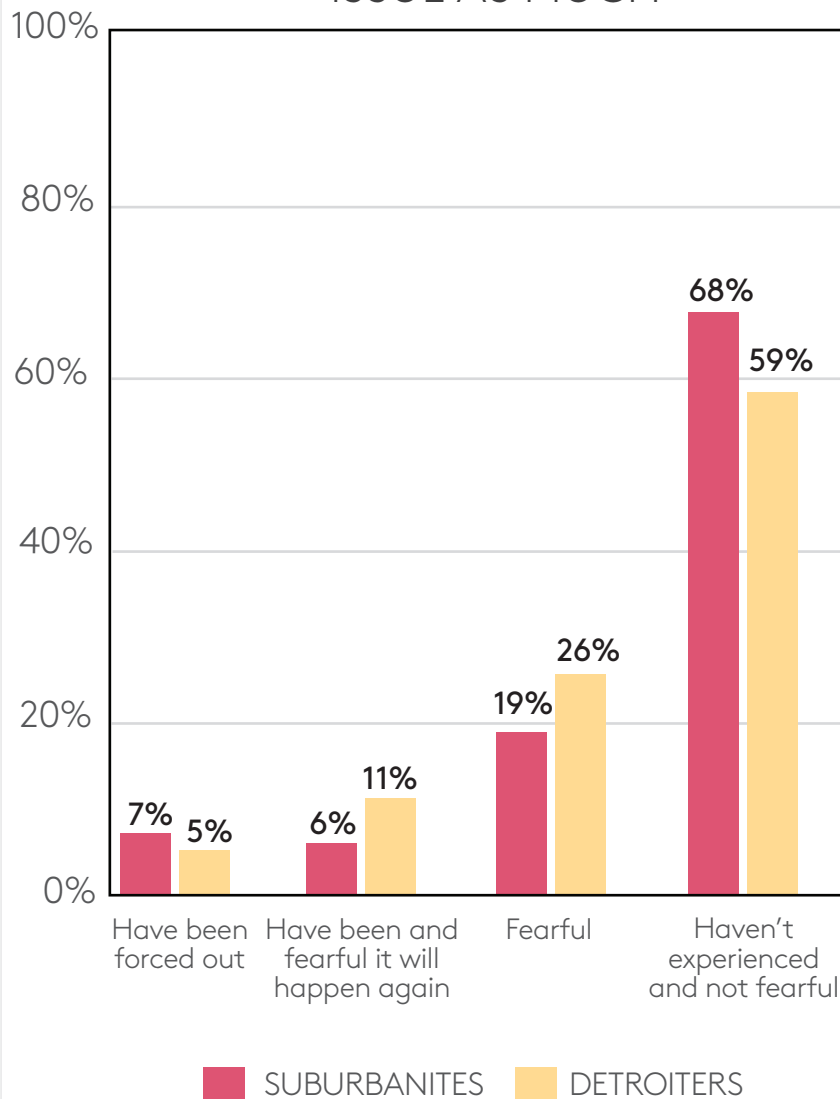
There is also a number of residents who are fearful about having to move again in the future. Perhaps unsurprisingly, the group that feels most vulnerable is renters, with 54% being fearful that an increase in rent could force them to be displaced. This is of considerable concern in Detroit, where renters make up 53% of households<sup>1</sup>.

Sixty-two percent of renters responded that they believe they will be unable to afford to stay within the next five years. Homeowners are much more likely to believe that they will be able to stay in their neighborhood for more than five years.

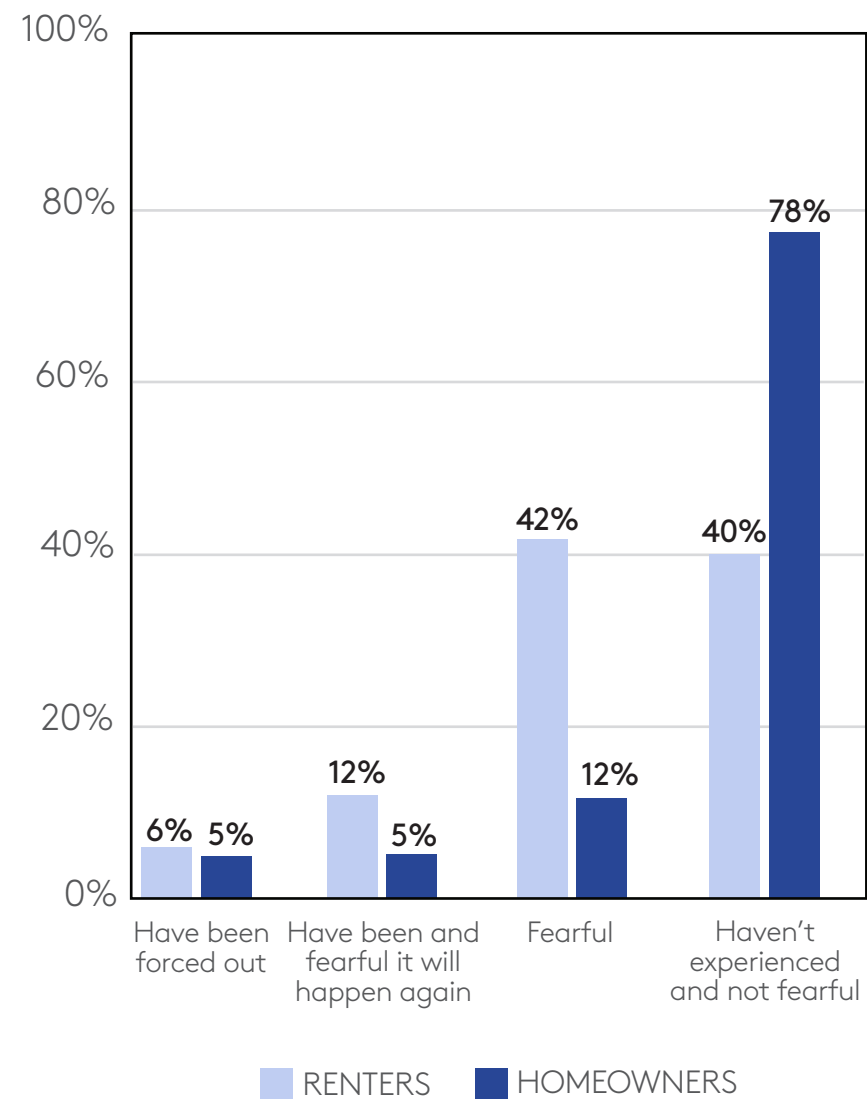
<sup>1</sup>American Community Survey, 2017.

*Renters within Detroit are the most likely to believe that they will not be able to afford to stay in their neighborhood for the foreseeable future...*

THOUGH DETROITERS ARE MORE LIKELY TO RAISE CONCERNS ABOUT INCREASED RENTS DISPLACING THEM FROM THEIR NEIGHBORHOODS, SUBURBANITES DO NOT FEAR THIS ISSUE AS MUCH

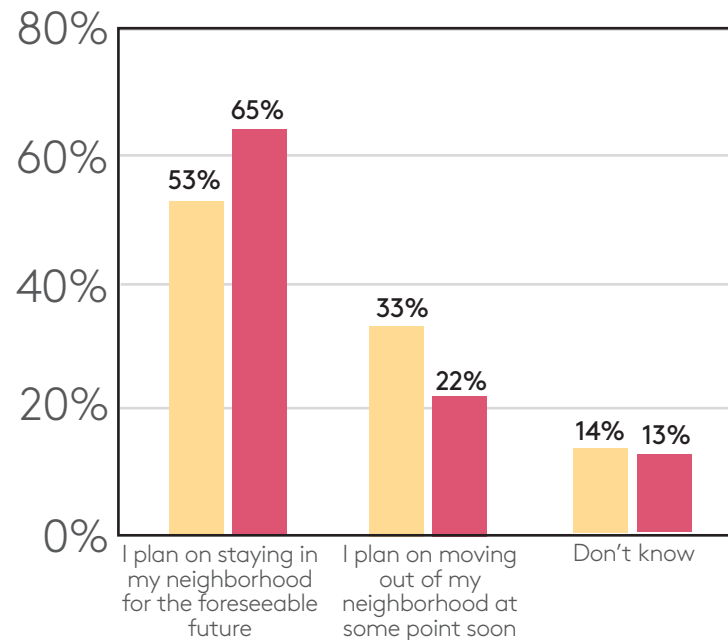


IT COMES WITHOUT SURPRISE THAT RENTERS ARE MOST CONCERNED ABOUT INCREASING RENTS FORCING THEM TO MOVE OUT OF THEIR NEIGHBORHOODS



# WHERE PEOPLE WANT TO LIVE

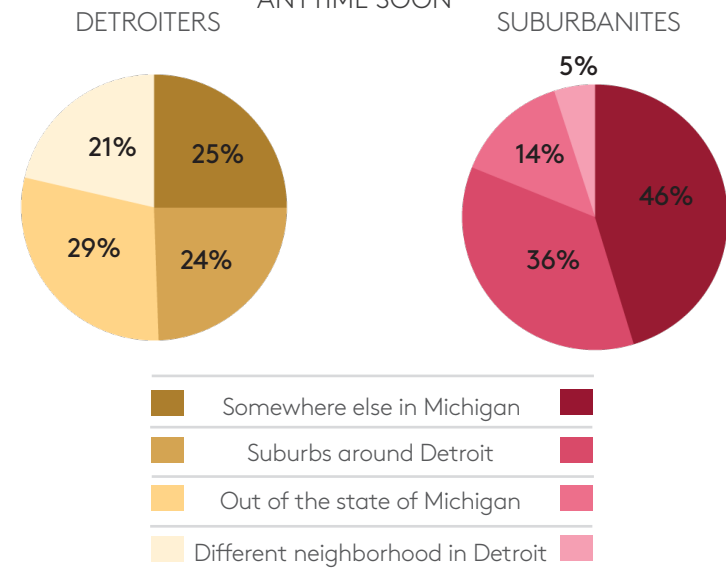
Though there are concerns about affordability in their respective neighborhoods and other factors, the majority of Detroiters plan to stay in their neighborhood for the foreseeable future. However, a third of Detroiters plan to leave their neighborhood at some point soon. To put this number into context, it is common for people to move in any given year. About 15% of Detroit's population lives in a different residence than they did the year before<sup>2</sup>. This is only slightly higher than the national average of 14%.



Those considering moving out of their neighborhood are split on where they plan to go. Twenty-one percent of Detroiters who plan to relocate to a different neighborhood within the city, while 25% would leave for the surrounding suburbs, and 29% say they would move out of the state entirely. Among suburbanites who plan to relocate, only 5% plan to move to Detroit.

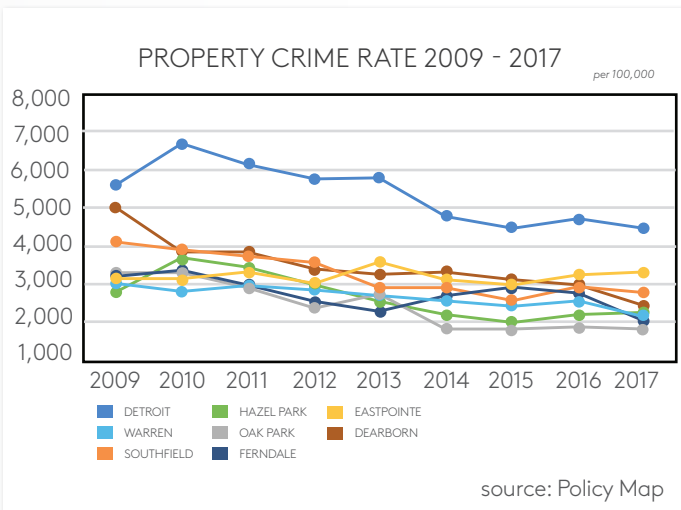
<sup>2</sup>American Community Survey, 2017.

OF THOSE WHO PLAN ON MOVING, MOST DO NOT PLAN ON RELOCATING OUTSIDE OF METRO DETROIT ANYTIME SOON



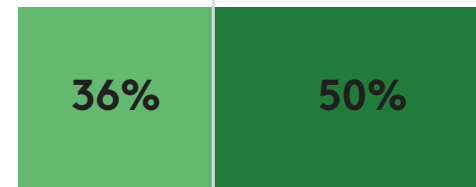
NUMBERS MAY NOT SUM CORRECTLY DUE TO ROUNDING

One of the main drivers for residents' desire to move is crime. A perceived increase in crime was also one of the leading reasons for saying that their neighborhood is getting worse. Of the 27% of Detroiters who think that their neighborhood has gotten worse, 55% blame that decline on crime. This concern was also shared by national business leaders. When asked whether they thought a low crime rate could be used to describe Detroit, only half of the business leaders agreed. Though there have been improvements over the last decade, the rate of both violent and property crimes in the city remains markedly higher than surrounding suburban communities, and over the last several years, the rate of violent crime in the city has increased.



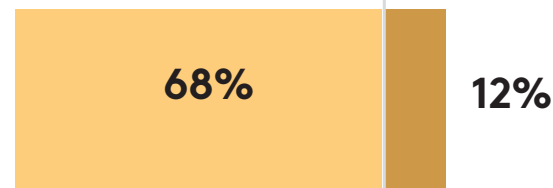
## HOW WELL DOES "A LOW CRIME RATE" DESCRIBE DETROIT?

### NATIONAL BUSINESS LEADERS



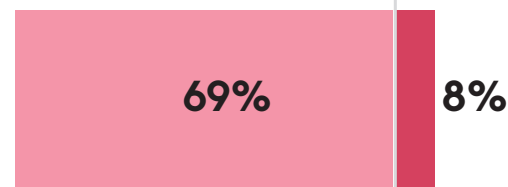
■ TOTAL GOOD DESCRIPTION  
■ TOTAL BAD DESCRIPTION

### DETROITERS



■ TOTAL GOOD DESCRIPTION  
■ TOTAL BAD DESCRIPTION

### SUBURBANITES



■ TOTAL GOOD DESCRIPTION  
■ TOTAL BAD DESCRIPTION

Posie  
ATELIER

Posie  
ATELIER

the Lip Bar

the Lip Bar

DROUGHT

DROUGHT

1435  
Suite 120

1435  
Suite 120



Posie  
ATELIER  
OPEN

NEW  
MATTE LIPSTICKS  
AND LIP LINERS IN  
STORE NOW!



# CONCLUSION

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As in the previous years of the Reinvestment Index, the perception of Detroit is improving, with large portions of both national business leaders and Detroit and suburban residents' views of the city becoming more favorable. This continued improvement in perception strengthens Detroit's desirability as a place for businesses to invest.

Part of the ongoing revitalization of the city is based on continuous change. Though the majority of residents view these changes as positive and benefiting them personally, it is important to consider the negative externalities of redevelopment in the city. This survey found that renters perceive themselves to be most vulnerable to the negative consequences of redevelopment and change, and we must identify policies to mitigate any negative impacts. This is especially important as renters not only account for a majority of the city's households, but they are also a growing demographic in Detroit.

*The majority of residents view the changes happening in the city as positive and benefiting them.*

As the city continues on its path toward revitalization, it is important to keep in sight where we are in the process. Only in the last five years has Detroit started to make notable progress in turning around what had been 60 years of decline. There is still plenty of opportunity for Detroit to guide redevelopment and provide a better opportunity to rebuild a city that balances the needs and desires of everyone. The Detroit Reinvestment Index can be used as a data point to help provide clarity on some of the issues facing the city and can offer insight on the views of residents and national business leaders as the city continues its renaissance.



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