

Race, Entrepreneurship, and Urban Revitalization in Detroit

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Abstract

Recent revitalization in Detroit, Michigan has been characterized by a proliferation in entrepreneurship and gentrification-driven redevelopment. Given the rapid expansion of gentrification in many U.S. cities, scholars have focused on the costs and benefits, especially for poor and minority residents. Drawing on U.S. Census, Survey of Business Owners data, 89 in-depth interviews, and 22 months of ethnography, my dissertation examines how experiences of business-ownership differ between Black and white entrepreneurs in gentrifying neighborhoods and Black entrepreneurs in non-gentrifying neighborhoods.

In the first chapter, I analyze recent trends in business development among Black and white business owners in Detroit. I find that, despite growth in Black entrepreneurship in Detroit from 1997 to 2012, significant racial disparities in overall business development persist. Black-owned businesses in Detroit are far more likely to be non-employee businesses, have lower sales, hire fewer employees, and have smaller payrolls than their white counterparts.

In the remainder of the dissertation I examine differences in business-owners' experiences. First, I find that Black and white business-owners are motivated to start and operate businesses by different factors, and race is particularly salient for Black business-

owners. Next, I find that racial disparities exist in business-owners' perceptions of access to social and financial capital. While Black business-owners in gentrifying and non-gentrifying neighborhoods both perceive barriers to accessing social and financial capital, the nature of barriers is distinct. In sharp contrast, white business-owners described a strong sense of access to local business organizations and networks, with a number of them taking active leadership roles. In addition, disparities in experiences of hiring and employment exist between Black and white business-owners. However, I find that Black business-owners navigate constraints stemming from financial limitations in distinct ways. Whereas, Black business-owners in non-gentrifying neighborhoods tend to rely on informal employment arrangements—hiring locals for single tasks and paying them under-the-table, Black business-owners in gentrifying neighborhoods accessed youth workers through local summer employment programs. On the other hand, white business-owners engaged in formal employment arrangements.

I also explore how business-owners navigate changing neighborhood conditions. Black business-owners in gentrifying neighborhoods are often forced to navigate rising rents, unstable consumer base, and higher and more frequent user fees associated with licenses, permits, and inspections that exacerbate financial constraints. Black business-owners in non-gentrifying neighborhoods have lower rents, but they must contend with deteriorating infrastructure and less desirable building conditions. They also were more likely to be assessed blight tickets—issued for an array of violations related to property maintenance. White business-owners located in gentrifying neighborhoods generally expressed fewer financial concerns. Finally, I explore business-owners' perceptions about

the future of their neighborhoods and the city, more broadly. I find that, while Black and white business-owners agree that revitalization is necessary, they often differ in how they believe redevelopment should proceed.

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Dedication

For my grandmother, Drewery Elaine Wilkins Lane

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Chapter 1: Introduction

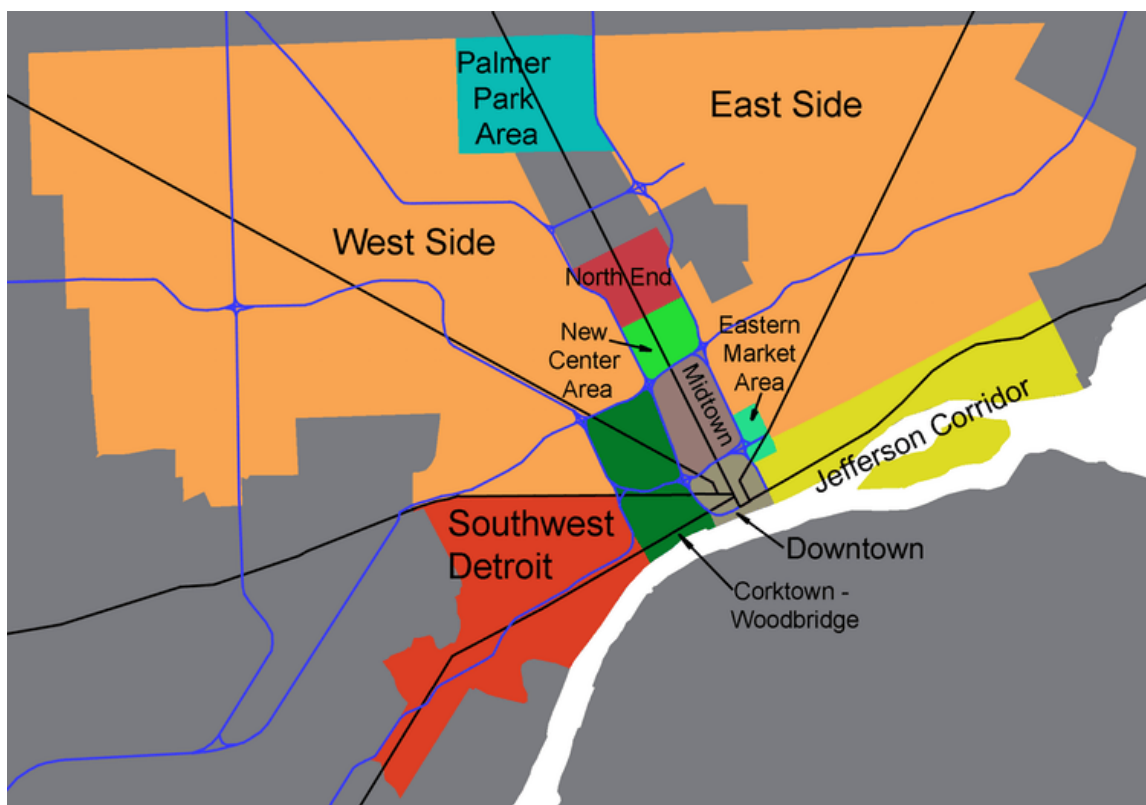


Figure 1: Map of Detroit, Andrew Jameson/Wikipedia

“We are not a part of what’s going on downtown. We aren’t a part of what’s going on down there, and we were never meant to be.” Barry¹, a 63-year-old Black business-owner in one of Detroit’s many struggling neighborhoods described a much talked about point of contention for many long-time, Black Detroiters. For Barry, the idea that he was included in Detroit’s revitalization was almost laughable. Not much had

¹ I use pseudonyms to protect participants’ identities, and I do not identify their businesses or business locations other than by general area.

changed in the Northwest Detroit neighborhood where his store is located. His establishment, one of few still open within a mile-radius, had been in operation for nearly eighteen years—long enough to see the city through advanced decline, bankruptcy, and a “supposed” comeback. Barry, a self-possessed merchant, was confident that his business would go on as long as he lived, but he was ambivalent about the future of Detroit.

Is Detroit really in the midst of revitalization? And, what does it mean for Black business-owners, many of whom, like Barry, live and work outside of areas receiving significant capital investment? Is it just a matter of spatial disconnection, or is something more at play? Even Black business-owners in neighborhoods that have undergone significant investment, express a sense of exclusion from broader redevelopment.

Carolyn, an 81-year-old Black business owner located in the heart of Detroit’s central business district, indicated feeling cut-off from the changes happening around her: “I don’t feel at all connected to downtown. None. I figure that’s for young White people.”

Scholars and the popular press have turned their attention toward Detroit for insights on the future of the U.S. urban landscape². Recent redevelopment has signaled to

²In a 2012 video segment on *The Atlantic*’s CityLab, entitled “The State of Detroit,” Richard Florida described Detroit in the following: “So much has been said of the crisis of Detroit or the ruin of Detroit. I think what’s really interesting is, enough’s been said about that. It’s really an interesting place to look at as a laboratory of rebuilding.” (<http://www.citylab.com/work/2012/05/detroit-rising-part-1-state-detroit/2009/>) Accessed April 9, 2017. In addition, Katz and Bradley (2013:140) characterize Detroit as “an incredible living laboratory where the future of American cities is being demonstrated.” More broadly, there has been a recent call for more sociological scholarship on Detroit (Silver 2015).

It is worth noting that no Black businesses or people are featured in the “Detroit Rising” series, save a brief mention of the Motown music and artists. In addition, no neighborhoods outside of the larger Downtown are featured.

many that the city is amid a renaissance driven by economic and cultural entrepreneurship. In a May 2012 article³ for *The Atlantic-Cities*, urban theorist, Richard Florida wrote: "...This is less a story of top-down government efforts, and much more a story of the organic efforts of the entrepreneurs and artists, designers and musicians who have chosen to live in Detroit and be the stewards of its resurgence." The popular national press – ranging from the *New York Times* to *Huffington Post* - has emphasized Detroit's attractiveness as a destination for young entrepreneurs, artists, and tourists (Ager 2015; Conlin 2011, 2015; Kugel 2015) and described the city as a burgeoning art, food, and entertainment capital (Binelli 2012; Guarino 2016). Celebrations of Detroit's "comeback" notwithstanding, many express concerns that these depictions exclude Black entrepreneurs and residents from visual and discursive accounts of Detroit's "revival" (Clarke 2015; Abbey-Lambertz 2014, 2015; Terek 2015).

Barry and Carolyn, members of Detroit's Black business-class, are part of a significant number of Black Detroiters who feel that the city's revitalization has not been inclusive. For them and many other Black Detroiters who I spoke to during my time in the city, Downtown is both a spatial area and a metaphor for exclusive redevelopment.

Moreover, scholars have noted the unevenness of redevelopment in Detroit, demonstrating that most significant capital investment has been concentrated in the seven square miles that comprise the Downtown and Midtown districts (Reese et al. 2017). Much of the rest of the city continues to show declines in population, employment, and

³ This article accompanied the aforementioned video.

incomes, while property vacancies and poverty levels have increased⁴. In effect, Detroit has splintered into two distinct cities: one Black and disadvantaged, the other white and privileged (Reese et al. 2017; Reese and Sands 2017; Sands 2015; Pierce and Turner 2016; Kamin 2017). Given the concentration of most of Detroit’s Black population and black-owned businesses outside of the central redevelopment zone, this pattern of uneven reinvestment is cause for concern.

Concerns about exclusion and displacement are amplified by widespread comparisons of Detroit to a “blank slate.” Indeed, developers have compared the city to the undeveloped “frontier” claiming that to revitalize the city, all must concede “to the idea of an unsettled America that drew people to the West during the gold rush⁵.” Both the concerns and the metaphoric descriptions are indicative of the varying experiences and depictions of gentrification.

Existing sociological research has characterized the past three decades as a period of profound urban transformation guided by a reliance on gentrification (Ellen and O’Regan; Hackworth 2007; Hyra 2008, 2012, 2017). The rapid expansion of gentrification as a revitalization strategy has led to greater focus on its costs and benefits, especially for poor and minority residents (Hwang and Sampson 2014; Freeman and

⁴ While most communities in Michigan experienced population growth, Detroit, as a whole, continues to lose population—though recent data indicates that population loss is slowing. The city lost 2,376 residents between 2016 and 2017, which was the smallest annual population loss since 1950 (Tanner 2018). Based on 2013-2017 American Community Survey data, Detroit’s poverty rate is 37.9 percent (more than three-times the national average of 12.3 percent), and the median household income is \$27,838 (less than half that of the national median household income).

⁵ See Gallagher (2018) for “blank slate” and Duggan (2011) for “gold rush”

Braconi 2004; Freeman 2005, 2009; Patillo 2007; Smith 1996; Vigdor 2002; Wacquant 2008; Slater 2006). However, apart from a few scholars (Curran 2007; Meltzer 2016), gentrification theorists have focused almost exclusively on the impact of gentrification on residential landscapes, paying little attention to the ways that existing local businesses fare in the context of gentrification. What's more, research on black-owned businesses in the context of a gentrifying city is almost non-existent (for an exception, see Maurrasse 2006). Considering that neighborhood conditions, especially in cities, are shaped by the commercial enterprises that serve the community, I argue that the fate of small businesses in the context of gentrification deserves greater attention. Furthermore, I contend that the paucity of research examining how gentrification affects Black businesses, represents a lacuna in our understanding of the impact of gentrification on racial stratification.

My dissertation contributes by analyzing the racial pattern of challenges and successes that arise for business-owners in the context of gentrifying neighborhoods and a gentrifying city. I focus on the experiences of Black and white business-owners in Detroit. Using in-depth interviews with 89 Black and white Detroit business owners and 22 months of ethnographic observations at local business and community meetings and events, I examine how business owners make sense of and negotiate business ownership and operation in the context of both gentrifying and non-gentrifying neighborhoods. In addition, I supplement interviews and observations with survey and archival materials. I investigate the following questions: 1) What are the historical differences in Black and white business development in Detroit? 2) How do business owners perceive and negotiate access to and ownership over local business resources, such as capital

investment, consumer base, and networks? 3) How do business owners characterize the experience of business-ownership and operation in the context of urban redevelopment?

For each of these questions, I consider variation by race.

To frame my analysis, I link the gentrification and entrepreneurship literatures into much needed dialogue with literature on racial inequality. I argue that gentrification, in many cases, exacerbates the financial precarity that Black business-owners face compared to their white counterparts. To be clear, Black business-owners, in both gentrifying and non-gentrifying neighborhoods face financial challenges, but for Black businesses in gentrifying neighborhoods, the threat of rising rents, increased city oversight and fees, and unstable customer bases amplify feelings of insecurity. I contend that the neighborhood and city-wide redevelopment efforts, while shoring up new business development resources, actually exacerbate existing racial disparities in access to social and economic capital. Just as others have demonstrated that gentrification intensifies racial inequalities in the residential landscapes, I argue that the process aggravates pre-existing racial disparities in business ownership, as well.

This study provides one of the first qualitative studies of business-owners in the context of gentrifying neighborhoods. I explain how the experiences of white business-owners in gentrifying neighborhoods and Black business-owners in both gentrifying and non-gentrifying neighborhoods differ. My dissertation illuminates some ways that urban transformation shapes the experiences of business-owners in complex, yet nuanced ways. This project serves as an entry-point into a burgeoning body of research that brings business-owners into considerations of gentrifications' impact on disadvantaged groups.

In addition, it invites future research on the significance of place in considerations of racial gaps in entrepreneurship. Furthermore, this research has implications for policy, as it demonstrates the need for serious consideration of how business development programming might better address structural barriers to accessing business resources.

Gentrification and its Costs

This dissertation, in contrast to much of the existing gentrification scholarship, will illustrate some ways that gentrification shapes small business-owners experiences. Much quantitative research suggests that the prominence and impact of gentrification has been overstated. In particular, recent quantitative studies, often examining the process across neighborhoods or cities, suggest that the displacing effects of gentrification have been inflated (for a recent review of variation in quantitative and qualitative studies of gentrification, see Brown-Saracino 2017). In contrast, a considerable number of qualitative studies, focusing on micro-level analyses of neighborhoods, contends that gentrification is a deeply unequal process that displaces vulnerable communities in favor of those with higher incomes and higher status. Its effects have been noted in cities across the country. Many scholars have documented the physical displacement of long-standing, mostly minority residents (Betancur 2011; Deener 2012; Hyra 2008; Lloyd 2006; Patillo 2007; Taylor 2002; Newman and Wyly 2006; Wyly et al. 2010). Moreover, a parallel body of scholarship has also traced the displacement of longstanding business establishments in favor of those that appeal to the tastes of more affluent newcomers (Centner 2008; Deener 2012; Zukin et al. 2009).

While the literature on gentrification's impact on commercial establishments is growing, our understanding of how gentrification shapes business-owners' experiences is still underdeveloped. Existing research has tended to focus on the displacement of mom-and-pop establishments, emphasizing how tastes of newcomers govern the survival or success of long-time business-owners, with little attention to how broader patterns of inequality might yield divergent outcomes for business-owners in the context of gentrification. I argue that newcomers' tastes are not the only factor shaping commercial displacement brought on by gentrification. Racialized disadvantage in factors influencing entrepreneurial success play a significant role in shaping the fate of small businesses in gentrifying neighborhoods.

Small Businesses and Gentrification

Changes to the commercial landscape during the course of gentrification has received considerably less attention than residential outcomes. What research exists offers mixed results. Meltzer (2016) finds that business displacement is not systematically higher in gentrifying New York City neighborhoods than it is in non-gentrifying neighborhoods. However, Meltzer finds that when businesses in gentrifying neighborhoods do close, they sit vacant for longer periods of time than they do in non-gentrifying neighborhoods and are more likely to be replaced by chain establishments. While Meltzer provides insights into the impact of gentrification on businesses, her work tells us little about specific mechanisms that might produce distinct outcomes for some businesses while not for others.

When communities undergo gentrification, the consumer base and costs of operation for local businesses may shift (Carree and Thurik 1996; Zukin 2008; Meltzer and Schuetz 2012). Consumer preferences are strongly associated with social characteristics, such as income, educational attainment, and race and ethnicity (Waldfoegel 2008). So, it follows that the new pool of residents associated with gentrification may have tastes that differ from the goods and services that existing local businesses provide. Along this line, a number of studies document the ways that commercial districts are refashioned in response to and in anticipation of an influx of new residents and tourists (Centner 2008; Deener 2012; Zukin et al. 2009). While the findings of these studies suggest that the consumption practices of new-comers drive changes in the commercial composition of gentrifying neighborhoods, other research suggests that rising rents may also be a determining factor. That is, increased property values in gentrifying neighborhoods may drive out existing businesses whose revenue does not increase with the influx of new residents (Meltzer 2016). Moreover, rezoning—in particular the marking of some urban spaces for new purposes may lead to commercial displacement. Curran (2006) finds that small, local manufacturers in Williamsburg, Brooklyn are displaced as real estate developers vie to convert industrial space to residential space. Taken together, these studies illuminate some mechanisms—changing patterns of consumption, rising rents, and urban rezoning—that may displace small businesses in gentrifying communities. However, these studies treat all business owners as though they have comparable experiences of business ownership and do not consider

how the sociohistorical development of business-ownership among various social groups might impact business trajectories in the context of gentrification.

A few studies provide insights in that area. For example, Zukin et al. (2015) show that the fate of local businesses in communities undergoing gentrification vary depending on the nature and degree of government intervention and the sociohistorical development of neighborhood commercial activity. Focusing on “shopping streets” in cities, such as New York, Shanghai, and Berlin, the collection emphasized how aesthetic markers signal a transition from “local” to “global” consumption spaces. They conclude that the impact of local government initiatives on gentrification vary by place; however, in many cases these policies are instrumental in generating *retail churn*. Migrant-owned shops are replaced by establishments that cater to the tastes of “hipsters.” While this collection provides insight into the ways that various ethnic groups negotiate gentrifying spaces, it does not provide insights into the experiences of non-immigrant, minority-owned businesses.

Maurasse (2006) focuses on gentrification in Harlem, a community that historically served as a center for African-American residential and commercial activities. While his primary focus is on the experiences of residents, Maurasse attempts to trace the impact of the Upper Manhattan Empowerment Zone program on local, black-owned businesses. He argues that the program ultimately led to the displacement of many black-owned businesses in Harlem due to an underinvestment in small businesses compared to overall business investments. As a result, many of the local businesses have been replaced by corporate businesses, or chains. While Maurasse provides insights into

the impact of gentrification on black-owned businesses, he does so through the perspective of residents who remain in the community. That is, he focuses on how residents make sense of the new corporate presence in the neighborhood, without providing much insight into how Black business-owners contended with community transition. In contrast, my study documents business-owners' experiences from the business-owners' perspective, rather than from residents' perspective. Moreover, I document how broader patterns of inequality map onto patterns of business startup and success in gentrifying neighborhoods.

Racial Disparities in Rates of Entrepreneurship and Urban Change

An extensive body of research in the entrepreneurship scholarship documents black-white disparities in rates of entrepreneurship and firm success, with many studies pointing to unequal access to capital as a primary driver (Darity Jr. et al. 2018; Bates 1997, 2006; Bogan and Darity Jr. 2008; Blanchflower, Levine, and Zimmerman 2003; Wingfield 2008). The racial wealth gap in the U.S. is significant and bears on racial disparities in access to capital among business owners. Because Black entrepreneurs have lower levels of wealth, they have less financial capital to invest directly into businesses or to use as collateral to obtain business loans (Fairlie and Robb 2008). Additionally, research suggests that lending discrimination further restricts Black entrepreneurs' access to capital (Blanchflower, Levine, and Zimmerman 2003; Cavalluzzo, Cavaluzzo, and Wolken 2002), and research suggests that Black business-owners do not rely on family members or friends for business loans to the same extent as other groups (Fratoe 1988).

Besides a lack of access to capital, lower rates of business ownership among blacks has been attributed to other factors, such as education and training, social capital, and discrimination (Singh and Crump 2008; Fratoe 1988; Butler 1991; Bates 1997; House-Soremekun 2002; Feagin and Imani 1994; Bates 2001). Research suggests that Black business-owners are more likely to have lower levels of education than other business-owners (Singh and Crump 2008). Additionally, Black business-owners have less exposure to entrepreneurial role models and training in businesses run by close relatives than other minority and non-minority business owners (Fratoe 1988). Most notably, Oliver and Shapiro ([1995] 2006) use the concept, *economic detour*, to describe the conditions of legally-sanctioned discrimination, segregation, and violence encountered by Black business-owners that prevented full participation in the open market and help to explain the underdevelopment of Black entrepreneurship relative to other groups⁶.

Despite much attention to factors shaping rates of business ownership, scholars have tended to neglect empirical analyses of the role that neighborhood context plays in business outcomes. There are, however, a few exceptions. Restrictive covenants in real estate and business licensing that have historically confined Black businesses to predominantly-Black neighborhoods cast a long shadow on Black business development (Bogan and Darity Jr. 2008). Immergluck (1999) shows that businesses in minority

⁶ Coupled with longstanding discrimination in the housing and credit markets and the criminal justice system, for example, the *economic detour* has worked to fortify Black wealth disadvantage. Given the strong relationship between wealth and entrepreneurship, we might conclude that a lower rate of Black entrepreneurship begets lower rates of Black entrepreneurship.

neighborhoods have lower borrowing rates than those in white neighborhoods. Other studies have underscored the significance that perceptions of Black neighborhoods play in shaping the outcomes of Black businesses. For example, Kaplan and House-Soremekun (2006, 2009) find that Black businesses in Cleveland, Ohio tend to be located in predominantly Black neighborhoods, and tend to experience higher levels of crime, resulting in increased costs of insurance and store loss. They suggest that higher levels of neighborhood crime may also impact business tenure by dampening the consumer and employee pool. Similarly, Dayanim (2011) finds that minority businesses located in Philadelphia's minority neighborhoods have limited connection with economic activity. Specifically, she finds that, businesses located in the central business district and midrange minority neighborhoods receive proportionate amounts of city contracts, while businesses located in predominantly minority areas do not secure contracts in proportion to their numbers. Additionally, she finds that businesses located in predominantly Black areas tend to have fewer employees, regardless of the race of business owner. Scaling out, Wang, Gleave, and Lysenko (2014) find a negative relationship between the spatial concentration of blacks within local labor markets and their business ownership in Miami, but not in Atlanta. In Detroit, they find that a higher percentage of U.S.-born blacks is actually associated with a higher probability of business ownership.

Bates (2006) suggests that place-based urban revitalization policies have tended to focus on improving the economic standing of depressed urban communities through subsidies and tax incentives designed to attract major investors, rather than investing in local minority-owned business (see also Sawicki and Moody (1996)). Moreover, Bates

(2006) suggests that the implicit message from many proponents⁷ of place-based revitalization initiatives is that “black-owned businesses are too marginal to contribute substantially to urban revitalization” (233). Thus, the Black businesses and residents in inner-city minority communities are unlikely to be the beneficiaries of place-based revitalization policies.

Taken together, these studies provide evidence that place matters for business outcomes—in particular, the racial makeup of both the neighborhood and city in which a business is located matters. But, what about when a place is in flux? This research examines how these processes of exclusion play out in gentrifying neighborhoods in Detroit, aiming to unite two previously distinct literatures into fruitful conversation.

Data and Methods

This study is based on U.S. Census Bureau Survey of Business Owners (SBO) data for Detroit, Michigan and in-depth interviews that I conducted between 2017-2019 with Black and white business-owners in Detroit. Interviews were supplemented by ethnographic observations of local community and business organization meetings and business visits. I will discuss each data type in turn.

Secondary Data: Census Data

To answer questions regarding spatial and temporal trends in Black and white business development in Detroit, I employ 1997, 2002, 2007, and 2012 U.S. Census

⁷ Bates cites Porter (1995, 1997), specifically.

Bureau Survey of Business Owners (SBO) data for Detroit city, Michigan. The Survey of Business Owners provides comprehensive, regularly collected (every five years) information on economic and demographic characteristics for businesses and business owners by gender, ethnicity, and race. SBO samples include all firms operating during the year of data collection with receipts of \$1000 or more⁸. The Census Bureau compiles lists of businesses from a combination of business tax returns⁹ and data collected on other economic census reports. Businesses are classified based on the North American Industry Classification System, United States, manual for the year data was collected.

The Census Bureau uses administrative data from various sources¹⁰ to estimate the probability that a business is minority- or women-owned. The probabilities are then

⁸ The sample does not include businesses classified in the following North American Industry Classification System Codes (NAICS) industries: 1) crop and animal production, 2) scheduled air transportation, 3) rail transportation, postal service, funds, trusts, and other financial vehicles, except real estate investment trusts, 4) religious, grantmaking, civic, professional, and similar organizations, 5) private households, 6) public administration.

⁹ The U.S. Census Bureau obtains electronic files from the Internal Revenue Service (IRS) for all companies filing IRS Form 1040, Schedule C (individual proprietorship or self-employed person); 1065 (partnership); any one of the 1120 corporation tax forms; and 941 (Employer's Quarterly Federal Tax Return). The IRS provides certain identification, classification, and measurement data for businesses filing those forms.

¹⁰ Social Security Administration, Lists of minority- and women-owned businesses published in syndicated magazines, located on the Internet, or disseminated by trade or special interest groups, Word strings in the company name indicating possible minority ownership (derived from most recent prior SBO), Racial distributions for various state-industry classes (derived from most recent prior SBO) and racial distributions for various ZIP Codes, Gender, race, and Hispanic or Latino origin responses of a single-owner business to an SBO previous survey or to the 2000 Decennial Census.

used to place each business into one of nine frames¹¹, including Black or African American, non-Hispanic white men, and women. The SBO universe is stratified by state, industry, frame, and whether the company has paid employees. The Census Bureau selects large companies (based on volume of sales, payroll, or number of paid employees), including those operating in more than one state, with certainty. These companies represent only themselves—they have a selection probability of one and a sampling weight of one. Except for large companies¹², the remaining SBO universe is subjected to stratified systematic random sampling.

The SBO data provide information on 1) Total number of businesses (with or without paid employees) 2) Sales, receipts, or value of shipments of businesses (with or without paid employees), 3) Number of businesses with paid employees, 4) Sales, receipts, or value of shipments of businesses with paid employees, 5) Number of paid employees for pay period¹³, 6) Annual payroll, 7) Number of businesses without paid employees, and 8) Sales, receipts, or value of shipments of businesses without paid employees for Detroit-city, Michigan.

¹¹ Sampling frames include American Indian, Asian, Black or African American, Hispanic, Non-Hispanic white men, Native Hawaiian and Other Pacific Islander, Other (a different race was supplied as a write-in to another source), Publicly-owned, and Women.

¹² The certainty cutoffs vary by sampling stratum, and each stratum is sampled at varying rates, depending on the number of firms in a particular industry in a particular state. The remaining universe is subjected to stratified systematic random sampling.

¹³ Paid employees consist of full- and part-time employees, including salaried officers and executives of corporations, who were on the payroll during the pay period including May 12 of year

I used the SBO data to answer the following questions: On average, how do black-owned businesses compare to white-owned businesses in size, number of paid employees, and receipts? On average, how does black-owned business growth compare to white-owned business growth during periods of redevelopment? Using 1997, 2002, 2007, and 2012 SBO data, I performed descriptive analyses to illustrate and compare the trajectory of black-owned and white-owned business development in Detroit-city between 1997 and 2012.

Interviews

From August 2017 to May 2019, I conducted 89 in-depth interviews with black¹⁴ and white business-owners in Detroit, Michigan. All business owners included in this sample owned businesses with permanent, brick and mortar locations in gentrifying and non-gentrifying Detroit neighborhoods. I focused on businesses that have a physical (non-residential) locations, because I was interested in the impact that neighborhood changes might have on business conditions. I focus on business-owners in gentrifying and non-gentrifying neighborhoods to draw out distinctions between their experiences of owning and operating businesses in Detroit. Additionally, business-owners in non-gentrifying neighborhoods are likely to be impacted by revitalization efforts in neighboring communities. For instance, a growth of establishments in a neighboring

¹⁴ I did not interview other non-white minority business-owners. While they are likely impacted by recent changes in Detroit's urban landscape, I am exclusively concerned with variations in the experiences of Black and white business-owners.

gentrifying community may draw the consumer base of establishments in non-gentrifying communities away.

Gentrifying neighborhoods were selected based on analyses using American Community Survey data conducted by *Governing.com*.¹⁵ Once in Detroit, I got a better sense of neighborhoods that were not only undergoing socioeconomic transformation, but that were also undergoing substantial capital investment. In the end, I included four gentrifying neighborhoods: Midtown, New Center, Live6 (Livernois & Six Mile), and West Village.

The comparative design examines variation by race and neighborhood type—comparing Black to white in gentrifying neighborhoods and Black in gentrifying neighborhood to Black in non-gentrifying neighborhoods.¹⁶ I attempted to recruit from non-gentrifying neighborhoods that were in close proximity to gentrifying neighborhoods, but I also included business-owners outside of these neighboring

¹⁵ The neighborhoods were identified by *Governing.com* as neighborhoods undergoing gentrification in a recent article (*Daily Detroit* 2015). Using 2009-2013 American Community Survey data and historical data from the US2010 project of the Russell Sage Foundation and Brown University, *Governing.com* identified census tracts experiencing growth in the top third percentile for both inflation-adjusted median home values and percentage of adults with bachelors' degrees. To qualify as a gentrifying tract, the median household income and median home value needed to fall within the bottom 40th percentile of all tracts within Detroit Metropolitan Statistical Area at the beginning of the decade.

¹⁶ In the end, it was very difficult to locate white owned businesses in non-gentrifying areas. Once I made initial contacts with Black business-owners in non-gentrifying neighborhoods, I attempted to recruit nearby white business-owners using snowball sampling; however, I was largely unsuccessful in making contact.

communities¹⁷, as well. My sample included 25 Black business-owners in gentrifying neighborhoods, 42 Black business-owner in non-gentrifying neighborhoods, and 21 white business-owners in gentrifying neighborhoods¹⁸.

The primary way that I identified businesses was by visiting neighborhoods of interest. In addition, I attended neighborhood organization meetings. I handed out flyers to business owners at their place of business. Many business-owners provided referrals of other business-owners, both within and outside their immediate neighborhood. In addition, I contacted some business-owners via email, using contacts from their websites. I introduced myself in flyers, email, or in person as working on a project about small businesses and local revitalization. After receiving responses, I usually met respondents at their place of business—although, I conducted a few interviews at local business organizations and cafés.

I used open-ended semi-structured interviews, which are appropriate for understanding business-owners' experiences. During interviews, I asked participants to walk me through the process of starting the business, experiences of ownership, and experiences of challenges and successes. In addition, I asked participants to describe the neighborhood, changes that had occurred, and how neighborhood changes impacted their businesses. Business-owners were asked to describe their sense of inclusion in local

¹⁷ The introduction of neighborhood names to many Detroit communities is a relatively new phenomenon—one found most commonly among gentrifying communities (Portelli 2019).

¹⁸ In addition, I conducted one supplemental interview with a white business-owner in a non-gentrifying neighborhood.

revitalization efforts, who was driving these efforts, and whether they felt they had access to emerging resources associated with revitalization. Interviews ranged from thirty minutes to two hours. I digitally recorded all interviews, which were professionally transcribed. I used Dedoose qualitative research software to analyze them.

Observations

I conducted observations of public community and business organization meetings from August 2017 to May 2019 with a focus on how residents and business-owners discussed revitalization efforts in Detroit. On average, I attended two to three meetings per month. Meetings were held at various locations around the city, and all were open to the public. In addition, I visited all businesses included in my sample—often visiting these establishments multiple times during my fieldwork period. I kept a journal of field notes, and I used this data to supplement interviews with information about local revitalization projects and programming. In addition, I obtained first-hand observations of how residents across the city perceive revitalization efforts. By conducting observations in business establishments, I was able to corroborate business-owners' accounts of success or challenges and observe the overall condition of the neighborhood and storefront.

Overview of Chapters

In the forthcoming chapters, I use the Survey of Business Owners, in-depth interview data, and fieldnotes from participant observations to trace the nature of

disparities among Black and white business-owners in Detroit. I focus on how neighborhood context shapes existing inequalities.

In Chapter 2, “Racial Disparities in Entrepreneurship: History and Recent Trends,” I provide a brief historical overview of Black business development and illustrate trends in business development among Black and white business owners in Detroit, from 1997-2012. Despite growth in Black entrepreneurship, significant racial disparities in overall business development persist. Black-owned businesses in Detroit are far more likely to be non-employee businesses. Moreover, black-owned businesses have lower sales, hire fewer employees, and have smaller payrolls, even though blacks make up the overwhelming majority of the city’s population.

In Chapter 3, “Race and the Reasons for Starting a Business,” I provide some background on the business-owners I studied by exploring their motivations and inspirations for starting a business. I found that white business-owners cited personal and community enrichment as reasons they opened businesses. Black business-owners described similar motivations, though race was a salient factor in their decision-making. They cited a desire to connect to continue the legacy of Black entrepreneurship in Detroit, and in the diaspora more broadly. These findings demonstrate that race matters in the process of business formation, and they foreshadow results that follow about the significance of race for business stability in a gentrifying city.

In Chapter 4, “Unequal Access to Social Capital and Financial Capital,” I examine how Black and white business-owners’ perceptions of access to local business

social and financial capital differ. Black business-owners in non-gentrifying neighborhoods expressed a sense of isolation from local business organizations and networks. Black business-owners in gentrifying neighborhoods identified barriers that impeded access to local networks, citing unproductive local business organizations, time constraints, and exclusive organizations as main factors. In contrast, white business-owners described a strong sense of access to local business organizations and networks, with a number of them taking active leadership roles. Because participation in local business organizations and networks was strongly linked to access to business capital, Black business-owners perceived less access to business capital. Many Black business-owners in gentrifying neighborhoods saw local business grants and loans as inaccessible, while white business-owners, for the most part, perceived a relative ease of access.

In Chapter 5, “Unequal Experiences of Hiring and Employment,” I examine business-owners’ employment capacity. While most business-owners see the provision of jobs to local residents as a central objective of business ownership, Black and white business-owners differ in employment capacity. Due to financial constraints, Black business-owners often have fewer to no employees compared to white business-owners I interviewed. I explain how Black business-owners navigate hiring and employment in light of financial constraints. Black business-owners in both gentrifying and non-gentrifying neighborhoods rely on family members to staff their businesses, citing the flexibility of those arrangements as primary reason. Black business-owners in non-gentrifying neighborhoods more often rely on temporary and infrequent informal employment arrangements—hiring locals for single tasks and paying them under-the-

table. Black business-owners in gentrifying neighborhoods had access to youth employees through local youth employment programs. However, this was also temporary, with placements restricted to summer months when students were out on recess. On the other hand, white business-owners. White business-owners engaged in formal employment arrangements. As a mark of their resources, many invoked a “social entrepreneurship” ethos, highlighting their fair employment practices, which led in many cases to greater media coverage and increased patronage.

In Chapter 6, “Contending with the Costs of Neighborhood Change,” I identify the shifting costs of operating a business in a gentrifying city, and I explain how business-owners navigate those costs. Black business-owners in gentrifying neighborhoods navigated rising rents, unstable consumer base, and higher and more frequent user fees associated with licenses, permits, and inspections that exacerbated financial constraints. Black business-owners in non-gentrifying neighborhoods had lower rents, but they were also forced to contend with a deteriorating infrastructure and less desirable building conditions. They also were more likely to be assessed blight tickets—issued for an array of violations related to property maintenance. White business-owners located in gentrifying neighborhoods generally expressed fewer financial concerns.

Chapter 7, “Detroit Futures” explores business-owners’ perceptions about the future of their neighborhoods and the city, more broadly. I find that, overall, Black and white business-owners agree that revitalization is necessary. However, business-owners differ in how they believe redevelopment should proceed. Some white and Black business-owners in both gentrifying and non-gentrifying neighborhoods worry that

revitalization efforts have not been inclusive. They identify strategies for addressing the lack of inclusiveness, including shifting the emphasis away from newcomers to long-time Detroiters, addressing the city's racial divide, and participating in or resisting neighborhood redevelopment efforts.

The final chapter summarizes my findings and outlines contributions of this study to both the gentrification and entrepreneurship scholarship. I discuss the limitations of this study and identify areas for future research. Finally, I conclude with a brief discussion of policy implications.

Chapter 2:

Racial Disparities in Entrepreneurship: History and Recent Trends

Entrepreneurship has long been touted as a means for individuals to achieve financial independence and security in the U.S. More than a pathway to economic independence for individuals, small businesses are central to the cultural and economic vitality of urban neighborhoods. Small businesses employ local residents, facilitate the flow of capital through community economies, and generate opportunities for other entrepreneurs (Muske et al. 2007). Moreover, small businesses often reflect the priorities and uniqueness of the local area (Sutton 2010). Thus, small businesses represent a pathway to opportunity for both individuals and communities—even more so for racial and ethnic minorities.

For groups, including racial and ethnic minorities, immigrants, and women, who experience discrimination, poverty, and other disadvantages disproportionately, entrepreneurship serves as an alternative to traditional labor market participation. For many Black entrepreneurs, business ownership is a way to circumvent racial discrimination in the labor market (Wingfield and Taylor 2016)—a strategy that dates back more than a century. The notion that entrepreneurship represented a mode for the collective advancement of oppressed peoples can be found in the works and orations of Black scholars and activists, including W.E.B. Du Bois, Booker T. Washington, and Abram Harris (Gold 2016; Butler 1991; Walker 1998). African Americans' internalization of the entrepreneurial ethos is evidenced by much research. Recent surveys suggest Black Americans aspire to business ownership at rates exceeding those

of whites and other racial and ethnic groups, except Latinx (Holland 2001; Moore 2016). Moreover, the initiation rates of self-employment activities among blacks is nearly three times that of whites (Butler 1991), and blacks are more likely to pursue new venture creation than whites and Asians (Kollinger and Minniti 2006).

In Black communities, Black businesses are central to community vitality. Job sprawl¹⁹ has been particularly detrimental for Black employment (Stoll 2005) and is most common in large northeastern and midwestern metropolitan areas, including Detroit, Chicago, and Philadelphia, among others (also see Farley et al. 2000 for specific focus on spatial mismatch in Detroit). Because black-owned businesses employ Black workers predominantly, promoting black-owned business formation and expansion can be a powerful means of improving Black employment (Bates 2005; Bates 2006). Boyd (1990) contends that the benefit of Black businesses extends beyond the provision of employment; he suggests that the visibility of Black businesses may be their most important attribute. These businesses may serve as a catalyst for the spread of entrepreneurial activity in local communities (Sutton 2010). Additionally, a strong Black business presence may translate to political power. Small business owners have significant political influence in the U.S. Thus, proportionate representation of blacks in business ownership promote increased political representation (see Fairlie and Meyer 2000).

¹⁹ Job sprawl is defined by low-density, geographically spread-out patterns of employment growth (Stoll 2005:2).

Racial Disparities in Entrepreneurship

Despite significant interest and participation in entrepreneurship among blacks, racial disparities in rates of business ownership persist as Black entrepreneurs face obstacles in start-up, operation, and growth. Much scholarship has attributed lower rates of entrepreneurship among blacks to racial disparities in access to financial capital (Darity Jr. et al. 2018; Bates 2006; Bogan and Darity Jr. 2008). Individuals with access to family wealth, through transfers from immediate family members or through kin networks, have markedly higher rates of entrepreneurship and are more likely to start larger businesses (Evans and Jovanovic 1989; Hosseini 2016)²⁰. If family wealth is a significant factor shaping entrepreneurial participation, blacks are at an extreme disadvantage. Recent data shows that the Black households have less than seven cents for every dollar held by white households (Darity Jr. et al. 2018)²¹. In fact, many Black families have a negative net worth (Hamilton et al. 2015). Even among the wealthiest U.S. households, racial disparities persist:

The 99th percentile Black family is worth a mere \$1,574,000 while the 99th percentile white family is worth over 12 million dollars. This means over 870,000 white families have a net worth above 12 million dollars, while, out of the 20 million Black families in America, fewer than 380,000 are even worth a single million dollars. By comparison,

²⁰ Aspiring entrepreneurs with wealthier personal networks may engage in what is commonly referred to as the “friends and family round.” That is, they may raise start-up funds from their personal network. Not only does it secure funding to get a business off the ground, but it also signals to other potential investors that a business is a secure investment.

²¹ Citing Moore’s and Bruenig’s (2017) analysis, Darity Jr. et al. (2018) note that if the family car is removed from the net worth calculation, the median Black household has only about one cent on the dollar compared to white households.

over 13 million of the total 85 million white families are millionaires or better (Moore and Bruenig 2017).

Given the bleak odds that Black entrepreneurs have access to family wealth, it follows that Black entrepreneurs would rely on financial institutions to access the capital needed to start and operate a business. However, blacks fair little better in this arena, as they are less likely to get approval for bank loans than their white counterparts (Blanchflower, Levine, and Zimmerman 2003; Wingfield 2008). When banks do give loans to Black businesses, they are smaller than those given to comparable white-owned businesses (Bates 1991). As a result, Black businesses rely disproportionately on consumer forms of debt- especially credit cards- to finance start-up costs (Bates 1997). These financial constraints channel Black entrepreneurs into business sectors that are not capital intensive²² (Bates 2006) and hinder business development by preventing business formation, restricting business size and tenure (Bates 2006).

A Brief History of Black Entrepreneurship in Detroit

The presence of blacks in Detroit dates back to the beginnings of the city's history. Though many of the earliest blacks in the city were enslaved²³, many more arrived by way of the underground railroad. In 1836, all formerly enslaved persons in

²² All businesses require capital investment over their life-course. However, capital intensive businesses are those that require a substantial amount of capital investment for the production of goods or rendering of services. These businesses often require expensive, high-tech tools and machinery. Generally, capital intensive businesses generate high profits.

²³ Between 1773 and 1782, Detroit's enslaved population nearly doubled to 179 persons. In 1805, 13 free blacks resided in the city. By 1830, there were 32 slaves in the state of Michigan (Moon 1994).

Michigan were manumitted. Within three years, Black institutions such as Second Baptist Church and Bethel A.M.E. Church, were established, and the Detroit Board of Education organized a separate school for Black children (Moon 1994). By the late 19th century, racial tension between white and the growing population of non-white Detroiters began to rise; and, when a large number of Europeans immigrated to the city, providing a cheaper pool of workers for local employers, blacks gradually lost their hold on skilled positions they once held (Moon 1994). Thomas (1992: 15) documents the emergence of Black entrepreneurship in late 19th century Detroit:

Composed of skilled artisans such as bakers, coopers, mason, plasterers, along with small-scale entrepreneurs such as lunchroom owners, and cigar-store keepers, the new Black middle class embodied the spirit of future Black survival and progress in Detroit. From the 1880s to about 1910, Black middle-class entrepreneurs established saloons, hotels, news dealerships, candy stores, funeral homes, groceries, drugstores, moving companies, coal yards, lumber yards, and especially financial and realty agencies.

As Black migration ramped up in the first half of the 20th century, Detroit became a major destination for African-Americans seeking to escape the oppressive conditions and low wages of the South. As U.S. involvement in World War I kicked off in April 1917, blacks were prohibited from serving in the Marines, Coast Guard, or Air Force. Cut out of military service and lured by Henry Ford's offer of a \$5.00 daily wage, 1,000 blacks arrived in Detroit each month between May and July 1917. By the spring of 1920, more than 1,000 Black migrants were arriving in Detroit by train every week. As the Black

population in Detroit grew²⁴, so did white hostility. Membership in the Detroit Ku Klux Klan grew significantly, with 1,000 admitted in 1923 alone. That same year, crosses were burned in front of City Hall and the Wayne County Building (Moon 1994). By 1930, there were more than 120,000 blacks in Detroit, and most were settled in a 30-square-block area on the city's eastside, known as Black Bottom. And, the early 1940s saw a second, larger wave of Black migration into Detroit (Thomas 1992; Boustan 2007).

In Paradise Valley, the adjoining Black commercial district, Black business development could barely keep pace with the constant influx of Black migrants into the Black Bottom community. Still, Black Bottom and Paradise Valley were not impervious to the rising racial tensions in the city. The riots of 1943²⁵ tore through the communities, leaving many business owners to try to restore property and merchandise with little help from the federal or local governments (Williams 2009). By 1946, Black Bottom and Paradise Valley had been devastated by the construction of what is now known as the Chrysler Freeway. A smaller Black enclave near Highland Park was destroyed with the construction of the John C. Lodge Freeway also. Williams (2009) details the residential and commercial loss that played out over the next decade:

²⁴ Between 1914 and 1920, Detroit's Black population grew from 5,751 to 41,532 (Williams 2009).

²⁵ "On June 20, 1943, tensions between Black and white defense industry workers over housing and jobs exploded into a devastating race riot that spread across the city. By the time the two-day riot ended, 34 people were dead, including 25 African Americans, most of whom were killed by Detroit police. Nearly 700 people were wounded, three quarters of whom were black. More than 1,800 people had been arrested, more than 85 percent of them African American. Detroit suffered an estimated \$2 million in property damage" (Gates, Jr and Yaconove 2013:200).

Actual construction had been delayed, and for 10 years after [Mayor Edward] Jeffries Detroit Plan, Black Bottom lay dormant, and the city did nothing to help business owners or Black residents to relocate. Shopkeepers had no real reason to invest in improvements, as condemned buildings were buried under asphalt and cement... statistics show that, by 1950, 423 residences, 109 businesses, 22 manufacturing plants, and 93 vacant lots had been condemned for the first three-mile stretch of the Lodge Freeway from Jefferson to Pallister... Destruction continued to make way for the Edsel Ford Expressway with the demolition of approximately more [than] 2,800 buildings (Williams 2009: 10).

Following the demise of the Black Bottom and Paradise Valley communities, most of Detroit's poor Black community settled on Twelfth Street on the city's near Westside, while middle-class Blacks moved to the La Salle Boulevard, Chicago Boulevard, and Boston-Edison neighborhoods (Williams 2009). While Paradise Valley was gone, the expanding Black population meant that the goods and services provided by Black-owned businesses were in high demand. By 1953, Detroit had the largest number of independently-owned Black businesses of any U.S. city (Sugrue 2014). However, the latter half of the 20th century also saw more urban renewal that threatened the stability of many of the Black residential and enterprise districts across Detroit.

Between 1949 and 1971, at least 27 urban renewal projects were underway in Detroit much to the detriment of Black residents and business owners throughout the city. Darden (1987) describes the displacement of businesses during the Elmwood Park Phase I renewal program in the 1960s²⁶. He notes that, of the 64 businesses located in the

²⁶ Darden (1987) notes that reliable information about the experiences of relocation and displacement in the urban renewal program is made possible because the city's

Elmwood Park Phase I site, only about half stayed in business. Black businesses had made up half of those businesses in the original site; however, more than 57 percent of the Black businesses did not survive relocation. Darden (1987) notes that many of these Black businesses were neighborhood establishments that depended on a base of local patrons, and they simply could not survive as their neighborhoods were destroyed. The Paradise Valley, Black Bottom, Highland Park, and Elmwood Park Phase I renewal projects are but few examples of the trauma that urban renewal inflicted on Detroit's Black residential and business communities. And, the period after WWII brought a number of large-scale shifts—most notably, deindustrialization, white flight, and depopulation—that destabilized Detroit's economy and further flung many of the city's Black business owners into precarity.

Employment had always been tenuous for Black workers in Detroit.²⁷ And, in the 1950s, they were the hardest hit by the series of recessions that struck Detroit. These recessions—four in total—drove area auto-manufacturers to reduce their workforce, close plants, and relocate to other areas of the country, marking the onset of widespread

Community Renewal Program eventually contracted Wayne State University social scientists Eleanor P. Wolf and Charles Lebeaux to conduct an assessment of relocation in urban renewal project areas.

²⁷ Black workers were disproportionately represented in unskilled positions in the manufacturing and service sectors. Sugrue (2014:92) notes: “In World War II-era Detroit, primary sector employers, especially the auto and steel industries, discovered a readily available surplus of African American labor, particularly among new migrants from the South. Employers were more than willing to take advantage of that surplus, offering inferior jobs to Black migrants, many of whom were desperate and grateful for employment in industries from which they had been systematically excluded before World War II.” Often when they tried to break into more skilled positions, they were met with overt discrimination and racial policies that systematically excluded Black workers.

deindustrialization in the region. Though the population of working-age men and women increased, Detroit lost 134,000 manufacturing jobs between 1947 and 1963 (Sugrue 2014). Unemployment became commonplace among factory workers who had previously enjoyed stability. The subsequent loss of buying power among many Detroiters impacted local businesses.

In addition, the same freeways that tore through Paradise Valley and Black Bottom made it possible for whites to move away from the city. With fewer employment prospects in Detroit, the 1950s began the era of white flight in Detroit—though, the initial wave was largely restricted to the most affluent whites (Thompson 2004). From 1970-1980, Detroit became a majority Black city²⁸, as more than 310,000 white Detroit residents relocated to the suburbs. By 1982, the city lost nearly 64,000 more residents—most of whom were white²⁹ (Thompson 1999). Detroit’s economic base diminished, and whites took “the majority of the important service, professional, and leadership activities of the Detroit Metropolitan system” with them to surrounding suburbs and counties (Thompson and Sinclair 1977:14). Thompson (1999:163) notes:

By 1980, more than 20 percent of Detroit’s largely Black population lived below the nation’s poverty line, and the infant mortality rate in the city had risen to 24.2 percent. Whereas Detroit became more impoverished after 1973, by 1974 neighboring white Oakland County became the county with the nation’s highest average household-effective buying income. Whereas the per capita income in Detroit was

²⁸ Blacks comprised more than 67 percent of Detroit’s population in 1980.

²⁹ While Detroit sustained significant population loss during this period, its population loss was not substantially different from that of some other major cities (McDonald 2014).

only \$6,215 in 1980, in neighboring Grosse Pointe Shores, it was \$25,183.

However, white flight also left an opening for blacks to take over the city's political landscape. In 1974, Detroiters elected the city's first Black mayor, Coleman Young, who held office until 1993. In fact, blacks held many of the executive positions in the city's public institutions and nonprofit organizations. Indeed, blacks controlled most of Detroit's major institutions, such as churches, schools, newspapers, and radio stations. Gold and Darden (2010:158) note that, during this period, Black mayors across the nation opened the government-procurement market to minority-owned businesses: "Many cities headed by Black mayors aggressively sought to steer city contracts to minority-(and women-) owned businesses in the 1970s and 1980s, via set-asides, loans, training programs, and other policies."

During the 1990s, population loss slowed to rates lower than those in the 1950s and 1960s (McDonald 2014). By the end of the decade, the percentage Black population increased to 81.1 percent—up from 67 percent in 1980 (McDonald 2014). To many onlookers, Detroit showed signs of recovery. According to McDonald (2008), during the 1990s, poverty rates declined from 32.6 percent to 26.1 percent, the murder rate fell 16 points to 41 per 100,000 population, the populations living in high-poverty areas declined dramatically from 421,000 to 108,000, high school dropout rates fell 8 points to 30 percent, and median family income in real terms increased by 17.1 percent—the largest gain in any of the major central cities in the region. Boosted by growth in casinos and the wagering tax, the municipality operated without deficits in the latter half of the decade.

And, by the end of the 1990s, Black businesses made up more than 43 percent of all businesses in Detroit.

Nevertheless, the reversal of decline was short-lived. As the city headed into the 21st century, Detroit began to lose residents and jobs again, and it ranked as the poorest large city in the U.S. From 2000-2010, the population of Detroit decreased by nearly 25 percent, and more than 50 percent of the cities manufacturing jobs were eliminated, spurring the collapse of the local housing market (McDonald 2014). Over the decade, the poverty and murder rates increased, while the median family income fell (McDonald 2014). On the business front, Detroit had a commercial vacancy rate higher than the national average. With few major chain groceries or big box and department stores, the city was seemingly deemed an undesirable market for corporate retailers. Though decreased competitions should have been a boon for small- to medium- businesses, the ever declining economic and social conditions meant the business terrain in Detroit was rocky, particularly for the most vulnerable entrepreneurs.

Despite well-documented racial disparities in entrepreneurship, Michigan passed Proposal 2, an electoral proposition that prevented local public entities from directing much needed resources to minority-owned businesses. The law banned any state-supported affirmative action initiatives, including minority business development activities, such as set-asides, training programs, loans and other policies. Ultimately, Proposal 2 would diminish strides made during the 1970s and 1980s towards achieving demographic parity among business owners and ensured that little relief was on the horizon for struggling minority entrepreneurs in Detroit.

In sum, Black entrepreneurship in Detroit has surely been shaped by racism and harsh economic and social conditions, but it has also flourished, particularly, during periods of Black political dominance. Over the course of the city's history, a notable Black business community has emerged. As of 2012, black-owned businesses made up 78 percent of all businesses in Detroit, making it the city with the highest proportion of black-owned businesses among the nation's 50 most populous cities (US Census 2015). In fact, Detroit trails only New York in the sheer number of Black businesses. Moreover, compared to other major U.S. cities, Detroit's Black-owned businesses create more jobs and have higher wages per employee. The city's Black-owned businesses make up a greater share of businesses with employees than in any other major U.S. city; and, they exceed Black businesses of other cities in sales and receipts, fraction of all employees, and fraction of entire payroll (Gold and Darden 2010).

Compared to other cities, Detroit's Black business community is thriving in terms of shares of total businesses. However, when Detroit's racial demographics are considered, Detroit lags behind other Black majority U.S. cities. Using 1997 and 2002 Census data, Gold and Darden (2010) reveal that, in terms of the Black business participation rate (BPR), which is calculated by dividing the number of Black businesses by the Black population in the city, Detroit's 25.17 is considerably lower than other large Black majority cities, including Washington, D.C. (35.53), Atlanta (33), Jackson, Mississippi (30.5), and Memphis (29.24). In the following section, I extend Gold's and Darden's (2010) analysis by examining Black business development from 1997-2012. In

addition, I move beyond their analysis to consider the development of white businesses during the same period.

How Black and White Businesses Compare from 1997-2012

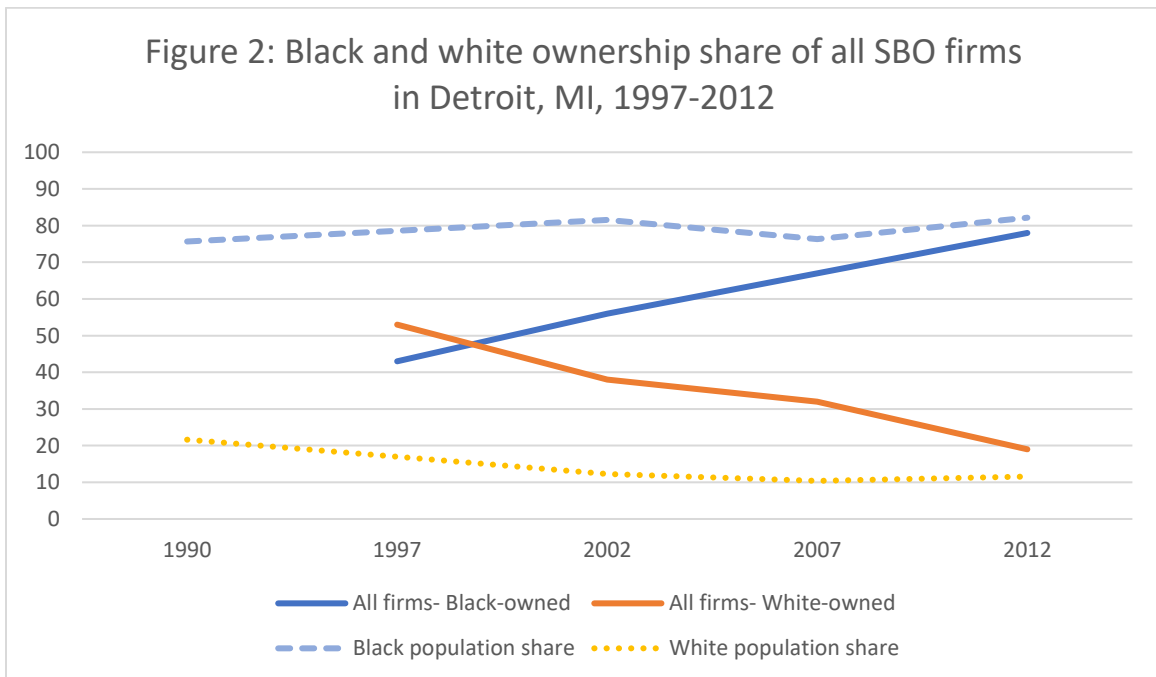
Detroit is the most populous city in Michigan. In 2010, just over seven percent of Michigan's population resided in Detroit; and, in 2012, 7.4 percent of Michigan's businesses were in Detroit. However, Detroit's racial composition is a near inversion of the state's demographic makeup. As of 2010, more than 82 percent of Detroit's population was black, while less than 8 percent was white. Despite an overwhelming Black majority, black-owned businesses are grossly underrepresented among all Detroit businesses. This is in stark contrast to the aforementioned comparisons between cities. Recall, Gold's and Darden's (2010) analysis showed that Detroit's Black businesses made up a larger share of businesses than did Black businesses in other U.S. cities. However, when within city comparisons of Black and white businesses are considered, a imbalanced story emerges.

Table 1 displays summary statistics for black-owned and white-owned businesses in Detroit. Between 1997 and 2012, the total number of businesses in Detroit increased from 26,085 to 61,868. The proportion of those businesses owned by blacks increased from 1997-2012, from 43 percent to 78 percent, while the proportion of businesses owned by whites decreased 34 points to 19 percent.

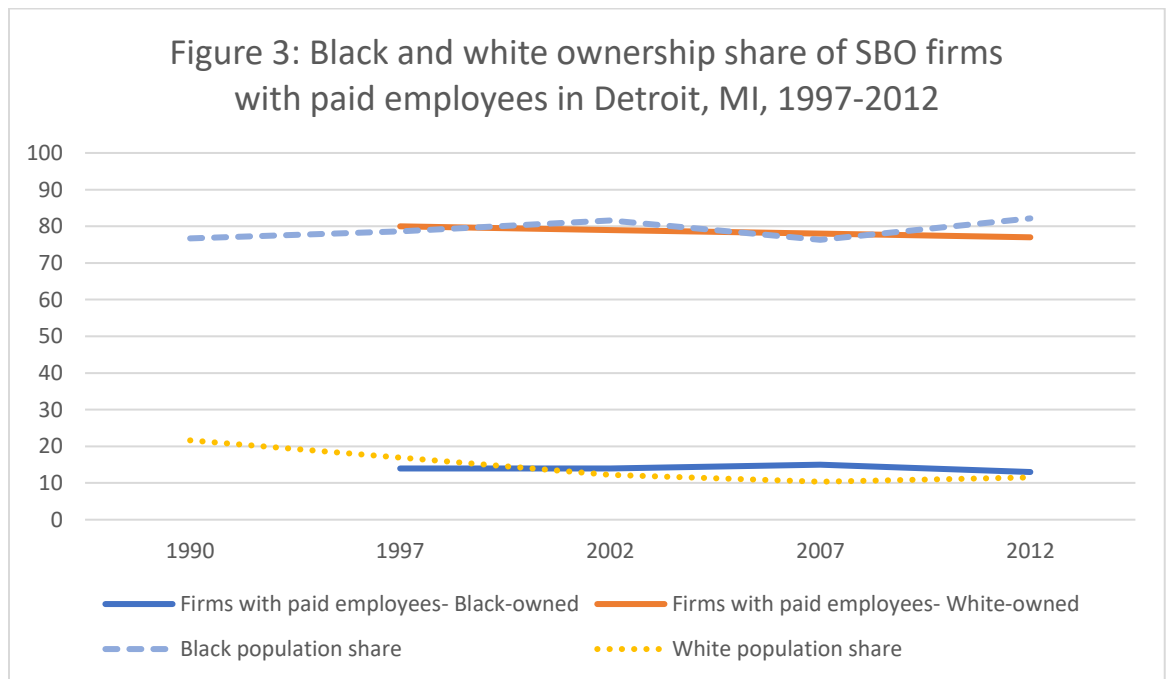
Table 1: Detroit Summary statistics 1997-2012 Survey of Business Owners - all firms									
	1997		2002		2007		2012		
	Black	White	Black	White	Black	White	Black	White	
Firms with and without paid employees	43%	53%	56%	38%	67%	32%	78%	19%	
Sales, receipts, value of shipments	2%	97%	3%	97%	12%	85%	9%	85%	
Firms with paid employees	14%	80%	14%	79%	15%	78%	13%	77%	
Sales, receipts, value of shipments	2%	97%	2%	97%	9%	87%	6%	88%	
Paid employees	5%	92%	5%	93%	14%	81%	12%	80%	
Annual Payroll	3%	96%	3%	96%	13%	84%	9%	83%	
Firms without paid employees	60%	37%	69%	25%	74%	25%	85%	13%	
Sales, receipts, value of shipments	29%	65%	40%	77%	55%	44%	60%	37%	

Source: U.S. Census: Survey of Business Owners, 1997-2012

Figure 2 provides a visual depiction of trends in rates of business ownership in Detroit. When all Detroit businesses are considered, by 2012, rates of business ownership among blacks is nearly proportionate to Detroit’s Black population. On the other hand, while rates of white entrepreneurship appear to be declining significantly, white business owners are still disproportionately represented among Detroit business owners. However, while the overall share of black-owned businesses has increased, Black businesses are underdeveloped compared to their white counterparts. That is, in terms of sales and receipts and job creation, Black businesses underperform. While Black business-owners held 78 percent of all Detroit businesses in 2012, they only comprised 13 percent of all businesses with paid employees. In contrast, white-owned businesses made up 77 percent of all Detroit businesses with paid employees. Figure 3 highlights this point.

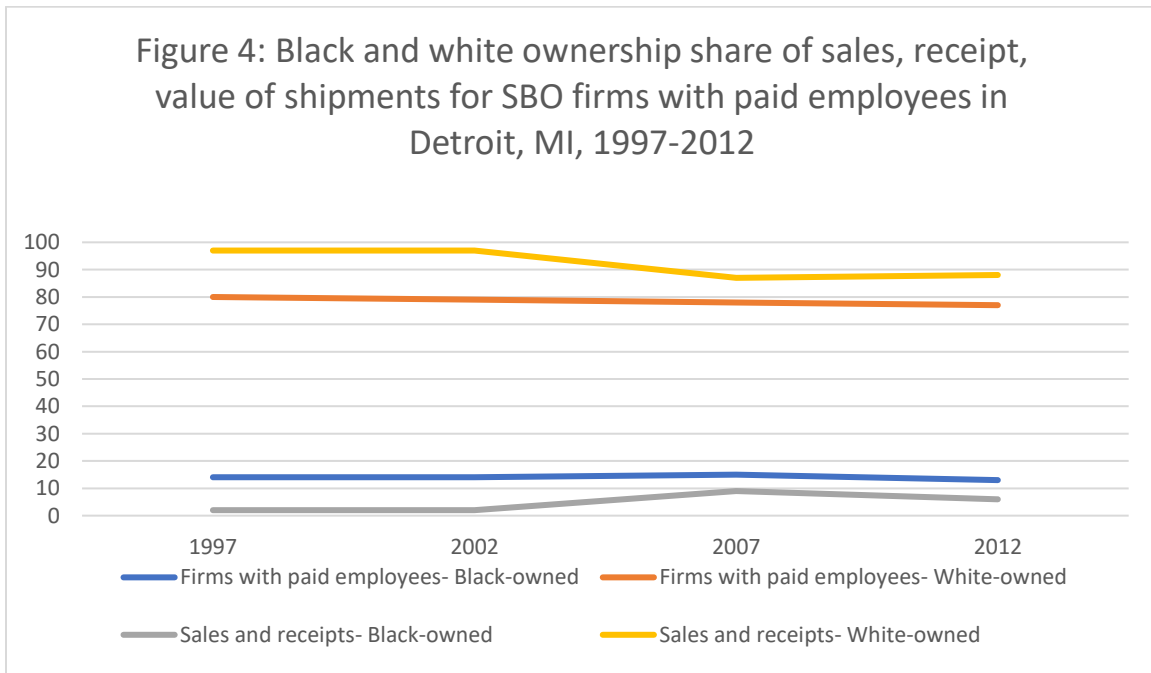


Only a small share of businesses with paid employees are black-owned. Over the 15-year period captured in the SBO data, the total number of Detroit businesses with paid employees fell from 9,293 in 1997 to 6,842 in 2012. Black entrepreneurs owned no more than 15 percent of those businesses, while comprising no less than 76 percent of Detroit’s population. In contrast, white business-owners held more than 77 percent of Detroit businesses with paid employees, while their proportion of the population fell from approximately 17 percent to 11.6 percent during that period.



What is more, among businesses with paid employees, Black businesses owned an even smaller share of sales and receipts (Figure 4). In 1997, Black businesses made up 14 percent of Detroit businesses with paid employees but generated just two percent of sales and receipts among all businesses with paid employees. By 2012, Black entrepreneurs owned a slightly smaller share of businesses with paid employees, but their

share of sales and receipts rose to 6 percent. Though the sales and receipts generated by Black businesses increased during the 15-year period, they are still disproportionately low. Inversely, white entrepreneurs owned 80 percent of Detroit businesses with paid employees in 1997, and those businesses generated 97 percent of the sales and receipts.



By 2012, the rate of white ownership decreased modestly to 77 percent, with those businesses generating 88 percent of sales and receipts among Detroit businesses with paid employees. While white businesses' share of businesses with paid employees decreased from 1997-2012, they maintained the overwhelming share of sales and receipts.

In terms of share of employees, Black and white businesses in Detroit show inverse trends from 1997-2012. Figure 5 shows white businesses employed a smaller share of paid employees in 2012 than they did in 1997, while Black businesses employed a greater share at the end of the period. Despite the decline in share of paid employees

among white businesses, the majority of paid employees (88 percent) worked at white-owned firms in 2012. That same year, 12 percent of paid employees worked at black-owned firms—up from five percent in 1997.

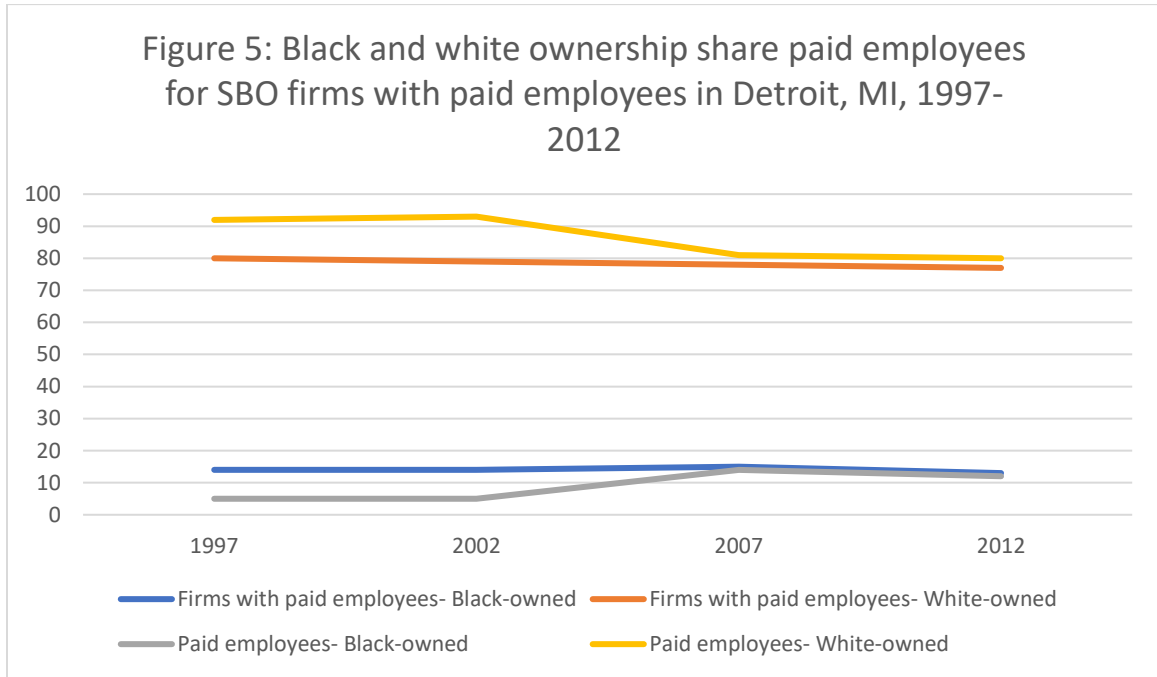


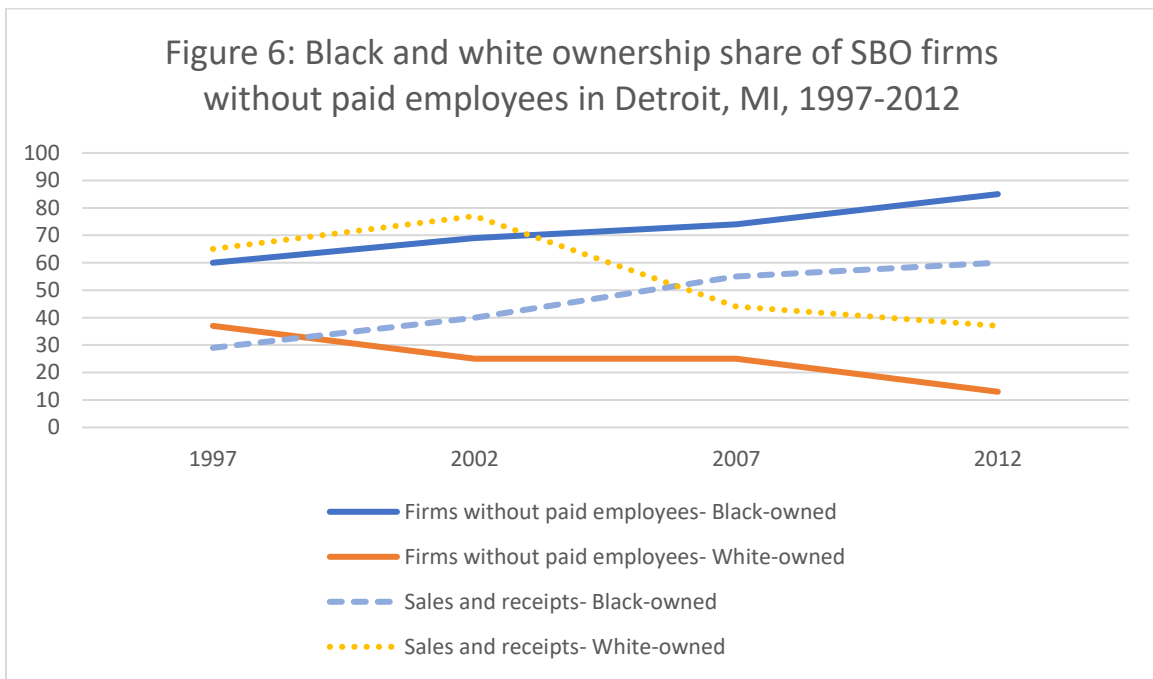
Table 1 displays figures for annual payroll share for black-owned and white-owned firms with paid employees in Detroit. Portraying trends similar to those for sales and receipts, Black businesses’ share of annual payroll increased from three percent in 1997 to nine percent in 2012, while white businesses’ share decreased 13 points (96 percent to 83 percent) during that same period.

The story looks different for businesses without paid employees in Detroit³⁰.

Businesses without paid employees are generally comprised of sole proprietorships or

³⁰ The Census classifies a nonemployee business as “one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in construction industries), and is

partnerships. Sole proprietors are individual business owners, typically independent or freelance contractors (i.e. writers, independent home health workers, and software engineers) and home-based small business operators, (for example, home day care providers, bloggers, and online merchants). Partnerships are similar to sole proprietorships, but they include two or more individuals who co-own the business. In Detroit, the majority of businesses with no paid employees are black-owned, as shown in Figure 6.



In fact, the share of businesses without paid employees owned by Black entrepreneurs increased significantly between 1997 and 2012. Whereas, in 1997, blacks

subject to federal income taxes. Most non-employers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner’s principle source of income.” See U.S. Census Bureau, Non-employer Definitions, at <https://www.census.gov/epcd/nonemployer/view/define.html>.

owned 60 percent of non-employee firms, they owned 85 percent of businesses without employees in 2012. The share of white-owned businesses among businesses without paid employees dropped from 37 percent to 13 percent during the 15-year period. Figure 6 also displays sales and receipts for businesses without paid employees, and, again, white businesses generated a greater share of sales and receipts than Black businesses—that is, until 2007, when Black businesses without paid employees overtook white businesses generating a majority (55 percent compared to white businesses’ 44 percent) of sales and receipts. By 2012, Black businesses generated 60 percent of sales and receipts for businesses without paid employees, compared to the 37 percent generated by white businesses.

Table 2: Share of firms with & without paid employees, within group Detroit, 1997-2012

	Black-owned		White-owned	
	Firms with paid employees	Firms without paid employees	Firms with paid employees	Firms without paid employees
1997	11.28	88.72	54.42	45.58
2002	6.14	93.86	49.74	50.26
2007	2.98	97.02	31.63	68.37
2012	1.61	98.39	39.41	60.59

Source: U.S. Census: Survey of Business Owners, 1997-2012

Table 2 displays the share of businesses with and without paid employees within racial groups. The overwhelming majority of black-owned businesses in Detroit have no employees. In fact, the proportion of black-owned businesses with paid employees has decreased. From 1997-2012, the proportion of black-owned businesses with paid employees fell from just over 11 percent in 1997 to 1.61 percent in 2012. Among white businesses, the proportion with paid employees also decreased between 1997 and 2012.

While more than half (54.42 percent) of all white businesses in Detroit had employees, the proportion of white businesses that had employees had fallen just below 40 percent by 2012. Relatedly, the share of black-owned and white-owned businesses without paid employees has risen during the 15-year period. The rise in rates of non-employee businesses in Detroit, as elsewhere, may reflect the recent and rapid growth of the gig economy³¹ (Donovan, Bradley, Shimabukuro 2016; Kalleberg and Dunn 2016).

Building on Gold's and Darden's (2010) analyses, I analyze Black business participation rates (BPR) from 2002-2012. Recall, Detroit's overall BPR was considerably lower than other large Black majority cities. However, by 2002, Detroit's BPR jumped to 46.84; and, by 2012, the Black business participation rate was 82.52. This means that for every 1000 Black residents in Detroit there were almost 83 black-owned businesses. This rise in BPR meant that, in 2012, Detroit overtook Washington, D.C. (71.45) and Jackson, MS (77.19), while it still lagged behind Atlanta (111.02) and Memphis (97.25). But, when businesses with employees are considered, Detroit's BPR of 1.32 was still lower than those for other Black majority cities: Washington, D.C. (4.65), Atlanta (4.84), Jackson, MS (2.46), and Memphis, TN (1.94). Furthermore, when Black and white BPRs are compared in Detroit, the disparity is substantial. In 2012, the white

³¹ “The gig economy is the collection of markets that match providers to consumers on a gig (or job) basis in support of an on-demand commerce. In the basic model, gig workers enter into formal agreements with on-demand companies (e.g. Uber, Task Rabbit) to provide services to the company's clients. Prospective clients request services through an Internet-based technological platform or smartphone application that allows them to search for providers or to specify jobs. Providers (i.e. gig workers) engaged by the on-demand company provide the requested service and are compensated for the jobs” (Donovan, Bradley, Shimabukuro 2016).

BPR for all businesses was 133.09 (compared to blacks' 82.52), and the BPR for white-owned businesses with employees was 52.45 (compared to blacks' 1.32).

Summary

In this chapter, I document how black-owned business development compares to white-owned business development in Detroit between 1997 and 2012. While at first glance, Black businesses in Detroit appear to be growing steadily, a closer look reveals most of that growth is attributed to growth in non-employee businesses. Despite making up the vast majority of Detroit's population, blacks were substantially less likely to own a business with employees than were whites.

In 2012, blacks owned only 13 percent of businesses with employees, compared to the 77 percent owned by whites. Moreover, black-owned businesses had lower sales and profits, hired fewer employees, and had smaller payrolls. Between 1997 and 2012, among businesses with employees, Black businesses' share of sales and receipts rose from two to six percent, while white businesses' share dropped nine points to 88 percent. In terms of share of employees, Black and white businesses in Detroit show inverse trends from 1997-2012. White businesses employed a smaller share of paid employees at the end of the period, while Black businesses employed a greater share at the end of the period. Despite the decline in share of paid employees among white businesses, the majority of paid employees (88 percent) worked at white-owned firms in 2012. That same year, just 12 percent of paid employees worked at black-owned firms—up from five percent in 1997. Black businesses' share of annual payroll increased from three percent in

1997 to nine percent in 2012, while white businesses' share decreased seven points (96 percent to 83 percent) during that same period. And, when within group comparisons were considered, estimates from SBO data indicate that less than two percent of all Black businesses in Detroit in 2012 were businesses with employees—down from 11.28 percent in 1997. By comparison, in 2012, nearly 40 percent of all white-owned businesses were businesses with employees.

Taken together, these trends reveal that, despite growth in Black entrepreneurship, significant racial disparities in overall business development persist. White-owned businesses clearly outperform black-owned businesses in Detroit. Black-owned businesses in Detroit are far more likely to be non-employee businesses. Moreover, black-owned businesses have lower sales, hire fewer employees, and have smaller payrolls, even though blacks make up the overwhelming majority of the city's population. In the face of a shrinking manufacturing sector and persistent labor market and workplace discrimination in Detroit³², Black workers appear to have turned to self-employment as a viable alternative. In addition, though the data does not differentiate within this category, growth in this sector may be attributed, in part, to greater participation in the rapidly growing gig economy. However, growth in non-employee businesses compared to persistently lower rates of Black ownership among businesses

³² Indeed, a number of recent racial discrimination lawsuits have been filed against Detroit-area employers in both the public and private sector, including General Motors, Beaumont Hospital, and the Detroit Police Department—the latter being corroborated in a report compiled by the department's Committee on Racial Equality.

with employees is likely attributed to the Black entrepreneurs' lack of wealth and access to financial capital.

Despite the city's Black majority, national patterns of business development hold in Detroit. While Detroit continues to have the highest share of Black-owned businesses of the nation's 50 most populous cities (SBO 2015), Detroit's Black businesses lag behind their white counterparts. Fairlie and Robb (2008) demonstrate that, at the national-level, Black-owned businesses have lower sales and profits, hire fewer employees, and have smaller payrolls. The same is true in Detroit. Moreover, the gap is so substantial that it shows little sign of closing in the near future.

In this chapter, I provide a brief overview of the history of Black business development and illustrate trends in business development among Black and white business owners in Detroit, from 1997-2012. Due to a lack of available data, I am only able to present trends prior to Detroit's 2013 bankruptcy. Future research should utilize the new U.S. Census, Annual Business Survey set to release in December 2019 to examine later trends. Moreover, while this data show that, overall, in Detroit, Black businesses are smaller, hire fewer employees, and generate less revenue than their white counterparts, they only capture a snapshot of the state of small businesses. In what follows, I move beyond quantitative measures to examine how Black and white business owners' experiences vary.

Chapter 3: **Race and the Reasons for Starting a Business**

What drives people to start their own business? The Small Business Administration estimates that approximately 1 in 12 small businesses close every year, with 30 percent of small businesses closing in the first two years of operation (Headd 2018). Starting a business requires much of entrepreneurs, including time, money, and hard work. Most businesses are not profitable within the first two years of operation—a fact that undoubtedly contributes to high rates of closure. Given the difficulties associated with business startup and operation, and the likelihood that businesses are not profitable, at least initially, there must be other motivating factors driving entrepreneurs to start businesses. Before proceeding to a comparison of business-owners experiences of operating their businesses in a gentrifying city, I will examine some reasons Detroit entrepreneurs cite for starting businesses.

A 2009 Kauffman Foundation study found that the strongest motivation for starting a business was to “build wealth,” and other popular motivators included a desire to own a company, capitalizing on a business idea, the appeal of startup culture, and a lack of interest in working for someone else (Wadhwa et al. 2009). However, rather than simple motivations, I found that business-owners were driven by missions. That is, the pursuit of business ownership was more purpose-driven than this research suggests.

I find, that rather than monetary motivations, business-owners often identify mission-based reasons for starting businesses. Racial differences emerge in the ways

business owners describe their purpose for starting and operating a business. Many of the white business-owners I interviewed expressed that for them, business-ownership was about personal and community enrichment. Though many Black business-owners described similar motivations for going into business, they also cited desire to create and sustain Black spaces and desire to continue the legacy of Black entrepreneurship in Detroit.

Making an Impact and Self-Discovery: White Business-Owners' Motivations

White business-owners in Detroit describe a desire to make an impact on the community as the central mission informing their decision to start a business. For example, Summer, a 62-year-old white business owner, who opened her business in 2014, cited a desire to increase literacy in Detroit as the central motivation for starting her business. She explained:

Okay, so the motivation was exposing, giving books a higher profile. It was literacy—to get the people to understand books—you can learn from books. Books are educational, and books are entertainment as well. So it's just to up the whole profile of books and then get people—originally it was children, of course—to get children interested in reading. So that was the motivation.

Summer's driving inspiration was to make books more accessible in the city of Detroit. She later pointed out that there were only two bookstores in Detroit, which she felt was problematic in a city that spanned nearly 140 square miles. She had identified a need, and she described meeting that need as a central purpose of her business.

Similarly, Emily, a 37-year-old white business-owner, described a strong desire to give back and make a positive impact on society. However, she also saw business ownership as a path to self-discovery. She had come from a theater background, and she explained that even as a college student, she “was really interested in theater as a way to make change, or social justice, and stuff like that.” Emily said that she had worked at some restaurants and, in the process, realized that she really enjoyed that setting: “I realized that I did really like working with my hands, and I also really liked making things for other people. I liked kind of the sort of hustle of a kitchen.” She went on to say: “I think what I was learning was that I was kind of yearning for something else, and I didn’t quite know what it was.” Emily settled on opening a business that she described as a “good food, do-good kind of place” that prioritized people and environmental sustainability as well as profit.

Jack, a 24-year-old white business-owner, also described his path to business-ownership as one of self-discovery. He said that he had dropped out of college and was working at a large coffee chain before purchasing his business. He explained:

Let’s see. I dropped out of [university]. I was going for a Bachelor’s in Ceramics and Sculpture. I was working at [national coffee chain] fulltime at the time, and this got dropped in my lap, basically. A friend of a friend worked here, and they told me that the owner was selling it, and I just said, “Screw it.”

At 22, I took the leap and bought a business.

Business ownership had fallen into Jack’s lap, as he said. He had decided to leave college, and was working in the service industry, when the opportunity arose to purchase his own business. He went on to express a deep sense of appreciation for the

community's engagement with his business. He continued: " We're just kind of rooted in community and everything's dictated by the community. It's the community meeting space."

Many of the white business-owners I interviewed, expressed similar sentiments. For them, business-ownership was about enrichment, whether at the community- or individual-level.

Creating and Sustaining Black Spaces and Legacies: Black Business-Owners'

Motivations

Though Black business-owners described similar motivations for going into business, race was a salient factor in the decision to start and continue business operation. For some Black business-owners, they were motivated by a desire to create and sustain Black spaces in Detroit.

Felicia, a 43-year-old Black business-owner described using her space to host Black events. She said, "I host Black Love meetings here regularly—monthly, I should say." She went on to describe holding community meetings where community-members came together to discuss the preservation of Black space. "There was a community event here the other night, and it was about preserving Black spaces, and they announced that the building next door will be something cultural, which is cool." When asked about the importance of creating Black space, she offered a fond memory:

There's a mom. I don't know her age. I'm going to guess close to 70. One day an older Black lady and some women came in, and they went back there [she points

to a table in the rear corner of the building], and they placed their orders, and it was a Sunday, because I'm always here on Sundays, and I'm ringing their orders, and I realized what was happening. She's the mom, and she's talking to her adult daughters about life, love—everything. And, it really just brought tears to my eyes, because she was having this women empowerment moment with her family. And, they came here! That was about a month ago. So, yesterday, I saw her, and I said, that's you. And, she said, "yeah, we did the same thing today. That was an honor to me.

Felicia, like many Black Detroiters, had expressed some concern that Black spaces were being erased in Detroit's redevelopment—a sentiment likely informed by the city's historical connection between redevelopment and destruction of Black communities, like Black Bottom and Paradise Valley. Indeed, a recent op-ed summarized the anxiety precisely:

Detroit needs not just places, but whole neighborhoods, where black people feel welcome—it's essential to our emotional and mental well-being. Safe black space is where black people are free from judgement. Free to be loud in conversation, laughter, music, and dress. Free to gather in large groups and not be perceived as a threat. Free to talk openly about race and not be classified as a separatist or race baiter. Free from profiling. Allowed to be seen and acknowledged.

As black people in the city become increasingly anxious about its changing demographics, preserving black spaces will go a long way in easing tensions (Hood 2017).

For others, the history of Black business in Detroit, and the diaspora more broadly, was a source of inspiration, also. For example, Keith, a 69-year-old Black business-owner, saw his business as an extension of what Africans had always done. He explained in the following way:

What I'm doing here is based on what African people have done, and that appeals to the palette of the world. They said we are the originals. We did everything, so therefore, anything we do should have some kind of appeal to everyone on the planet even if they don't know about it.

I got into business by paying more attention to my instincts than anything else. To my amazement, when I began to do the research, I discovered that there's a concept called, ancestor memory, which means that if you relax and make decisions, they won't just be made by stuff in the air. It's based on stuff that's coming out of your brain because that's your ancestors talking to you. Now, it makes sense that I rely on my own instincts and on ideas and I'm still in business. If I probably did the research, I would find that my people were somehow having something to do with commerce even. They were local farmers who sold on the weekend, but something that's there that suggests that the decision that I'm making does not necessarily have no foundation and some kind of system. It has worked.

Keith was motivated, in part, by a belief that he was following a path set by his ancestors. Business ownership was about keeping up a tradition of commerce that Keith believed to be deeply rooted in African culture. Similarly, Fatima was inspired to pursue business ownership to continue a tradition. She explained:

It was innate. See, there going back, I said innate energy that kicks off. Don't be afraid to listen to that inner voice, to that inner spirit, giving you directions from your ancestors. Yeah, I'm gonna' take it there.

I was afraid of that. I didn't understand that part of me. I didn't understand that voice. As I'm older now, I'm coming and saying, "Wow. You guys were there all along." I just was trying to suppress it. I said, "Wow. Africans, we been doin' this

a long time, but we're trying to do business like our white counterparts. Stop it. " You have been hiding success. Look at the Wall Streets and all of that, Black Wall Streets and stuff. How did they do it? They didn't do it like everybody else, and they were highly successful, and they got there quicker.

I started studying the melanin in our bodies, and it was saying how the melanin helps your—It's innate. I started listening to that innate spirit.

For Keith and Fatima, there was something innately African about business ownership, and that relevance inspired them to pursue their own business ventures. In particular, Fatima described a deep belief that her ancestors guided her path to entrepreneurship, and she was also driven by a strong sense of her own innate abilities. Fatima distinguishes between her approach and that of white business-owners, referring to Black Wall Streets as a source of inspiration. For her, black businesses erred when they tried to follow the model of white business development.

Black Wall Streets were thriving Black business hubs that emerged in the late-19th and early-20th centuries, in Southern cities like Durham, North Carolina, Tulsa, Oklahoma, and Richmond, Virginia (Brown 2008; Messer, Shriver, and Adams 2018). Segregated from white commercial and residential districts, these Black communities grew out of an imperative to foster Black independence and financial autonomy. During its height, Tulsa's Greenwood community, was comprised of nearly 200 businesses and was home to a library, two schools, a hospital, and two newspapers (Messer, Shriver, and Adams 2018). However, in 1921, the community, was completely decimated by white rioters (ibid). Richmond's Jackson Ward, referred to as the "Harlem of the South"

because of its lively cultural scene, was a Black banking center in the early-20th century. But, the community was dismantled after a series of urban renewal projects—most notably the construction of Interstate 95 in the 1950s—ripped through the district (Harriot 2018). Similarly, Durham’s Hayti community boasted more than 200 Black businesses, a hospital, a theater, library, and hotels, but it was ultimately devastated by the construction of a freeway in the 1960s (Harriot 2018; Smith 2017).

The fate of these once thriving Black business districts, like the fate of Detroit’s Paradise Valley highlighted the troubling historical connection between urban redevelopment and black business disruption. For Fatima, these Black Wall Streets represented the pinnacle of Black business. The distinctly Black modes of business development that characterized these districts that served as points of aspiration.

Yet, Fatima was also motivated to start a business by a sense that she had reached a glass ceiling in the corporate world. She described moving back to Detroit after quitting her job in New York, where she said she made \$110,000 a year “working for a really amazing company.” She went on to say:

I was just stressed the hell out. I’m sorry, but a black woman in corporate America, I have a glass ceiling. You know what, I’m gonna say?

My glass ceiling, I get there quicker than my white counterpart, because I’m more knowledgeable, and I’ve been through all of the ins and outs of poverty and stuff like that. I haven’t necessarily been through po—but, I’ve been exposed to it. I can survive, and when your quick thinking like that, and you’re creative, you become a threat.

It's very difficult, because you start thinking you're crazy. It's not that you're crazy. It's that they don't understand how did you get there that quick, and it's only been six months. They want you to have a management role, but Jessica have been there for six years. She doesn't understand that. Now Jessica is pissed off at me, which I didn't even know Jessica. I love Jessica., but Jessica doesn't understand why she's pissed off at me. Instead of being open to what I have to offer, Jessica is now creating problems. I don't want that level of stress in my life, not when I can create my own opportunities. Right?

Fatima was also driven to entrepreneurship by a desire to gain greater control over her opportunities. Prior research suggests that labor market discrimination, the glass ceiling, and hostile workplace cultures makes entrepreneurship an attractive alternative for many Black entrepreneurs (Harvey 2005). Whereas Fatima felt her capabilities had been a source of contention at her corporate job, she believed they would be an asset to her as an entrepreneur.

For others, being in business was about continuing a family legacy and building a Black business community. Edwin, a 58-year-old black business-owner described carrying on the business started by his grandfather:

One of the benefits growing up in this is that I was really close with my grandfather. And, he kind of pulled me along wherever he went, so—he was heavily involved in the Booker T. Washington Business Association (BTWBA), which was a huge black business association for Black-owned businesses in the city—probably 20 to 30 other Black businesses participated. It was really all about strengthening Black businesses, promoting each other. So, I learned a lot watching him, but also, kind of, being on the inside, at times. Even as a little

fellow, being able to see how each one of those other businesses were run, as well.

I think coming together was their attempt at making this more of a public forum, where they shared ideas. But even then it was, a lot of times, closed-fisted. Because of what happened in Detroit—you're familiar with Paradise Valley and Black Bottom? That's where my grandparents was from. And, so, they witnessed a lot of businesses being decimated by the formation of I-75 and a lot of the other development. So, there was a lot of trust issues—even amongst themselves. Even talking to my grandfather, is that some of the other Black business-owners thought that maybe some of them sold each other out, gave up information—maybe, sold their businesses too easily without fighting for land and other businesses. And, so, I think, BTWBA was their attempt to try to bridge that gap or bring back some continuity amongst them. But, even with that, there still was a little bit of timidity. I don't know if that's even the right word, but I—I'll go back to trust. I just wonder if they were really ready and willing to share information that would've benefitted each other, just because of what they had already gone through. Not all of them suffered from it.

Edwin was raised in a family business, and he came to understand much about the history of Detroit's Black community through the lens of his family's business. Though he went on to say that the Booker T. Washington Business Association was no longer in operation, its continued significance was salient for Edwin. He explained that the business association had done much to mend the harm done to the Black business community by prior development initiatives. According to Edwin, urban renewal had sowed seeds of mistrust among Black business-owners; however, BTWBA had provided

a space to recover. Edwin went on to say that he hoped the Black business community would get back to that level of cohesiveness again.

In this chapter, I examined business-owners' motivations for starting and operating businesses. I find that many of the white business-owners cited personal and community enrichment as reasons for starting their business. Black business-owners described similar motivations, but also described a desire to create and sustain Black spaces and legacy of business-ownership. These findings contribute to the body of research in the entrepreneurship literature (Wadhwa et al. 2009), which suggests that business-owners are primarily motivated by wealth to pursue business ventures. I find that, for the business-owners I interviewed, entrepreneurship is about more than money. Business-owners derive a number of personal and social benefits from operating their businesses. In the chapters that follow, however, I will detail how those benefits might be undermined for some owners in the context of gentrification.

Chapter 4:

Unequal Access to Social Capital and Financial Capital

Social capital, or the ability to derive benefits from social structures, networks, and membership (Lin, Ensel, and Vaughn 1981; Portes 1998), is an important component of business success. For entrepreneurs, access to social networks—familial, community-based, or organizational—are said to supplement the effects of education, experience, and financial capital (Davidsson and Honig 2003, see also Bourdieu 1983; Coleman 1988). For minority business-owners, who, on average, enter business-ownership with lower levels of education, less prior experience in business and lower levels of startup capital (Fairlie and Robb 2008), access to business networks is particularly important (Coleman 1988). Community networks have historically been a vital resource to the start-up of minority businesses (Ward and Randall 1988) and facilitate connections between businesses, providing the basis for minority businesses' competitive advantage in local markets (Werbner 1984; Ward 1991). Moreover, the social capital derived from business networks can provide minority business-owners with access to crucial, reliable, and exclusive information that increases the business' likelihood of success (Bruderl and Preisendorfer 1998). Relationships established through networks have also been found to be related to increases in social capital that can result in securing adequate financing, access to potential customers, and specialized education (Aldrich and Zimmer 1986; Shane and Cable 2002). Given the importance of business-networks for minority business success, it is critical to understand Black business-owners' perception of access to local business networks in the context of urban transformation.

Spurred by an uptick in emphasis on entrepreneurial activity in the city, the past decade has seen the proliferation of business city-wide incubators, accelerators, and support programs in Detroit. Many of the most prominent organizations in the city, such as TechTown and Build Institute, are supported by a combination of public, private, and non-profit funders. Commonly, these organizations articulate a mission to provide business resources and guidance to facilitate business development across the city. In addition, a number of Detroit neighborhoods have local business organizations aimed at increasing the visibility and attractiveness of neighborhood businesses; however, as I will point out, in this chapter, the quality of these organizations varies across neighborhoods. Moreover, business-owners' perceptions of access to both neighborhood and city-wide business organizations and networks varies by race and neighborhood context. I argue that Black business-owners in gentrifying neighborhoods perceive barriers to accessing social capital. As social capital is a key factor in the procurement of local business capital, Black business-owners tend to be doubly-disadvantaged. A lack of access to social capital foregrounds a lack of access to financial capital.

Perceptions of Access to Resources: Organizations and Networks

Many of the Black business-owners in gentrifying neighborhoods described feeling as if new business networks and organizations had emerged in post-bankruptcy Detroit. However, many also indicated feeling as though these new resources were largely inaccessible. In comparison to many of the white business-owners I interviewed,

Black business-owners saw the organizations to which they did have access as more marginal, less organized, and generally ineffective.

For example, Rachel, a 51-year-old Black business-owner in gentrifying neighborhood on the city's Westside, has owned her business for nearly 12 years. She described having opened at a time, when many of the middle-class Black families who had lived in the neighborhood for generations began to move away. When she opened in 2006, there were few remaining businesses on her block, but she said that was changing now. All along the corridor, there are signs of new interest. There is a coffee shop just two doors down and a number of chains have opened new branches within a half-mile radius of Rachel's storefront. When asked if she felt a part of the local business community, Rachel explained:

There is a [neighborhood] business association. I am a member, but the organization really leaves a lot to be desired, so I don't go to meetings on a regular basis. We started an organization called the [neighborhood] Gallery Alliance. Again, it's not really a structured organization. We've had a few meetings. We came together to put in money to get an ad in the [neighborhood] Home Tour brochure, but it's not a—no, really, I don't really belong to any business organizations.

For Rachel, membership in local business organizations had yielded little payoff. She felt that the first organization had offered little support to her business and that it lacked the structure to provide meaningful assistance in growth and development. She went on to explain that she and other local arts-related business-owners in the neighborhood had started a new alliance, where they came together to advertise their businesses in a local

real estate brochure. But that organization was less formal, and she did not mention improved sales following the advertisement in the brochure.

Julius, a 71-year-old business-owner in a gentrifying neighborhood on the Eastside, described a similar experience with his neighborhood's business organization.

He stated:

It's been average. They really don't do too much. They do mostly things that's gonna' affiliate with the [neighborhood's emerging fashion boutiques]—they have to really—as long as I've been over here, we've had some things done, like police presence, things of that sort. The problem we have with the association is that not too many people have stayed around long enough in the past. They're here for two years, three years, and then they're gone 'cause they didn't realize how functional you gotta' be to own a business, period.

Julius explained that his was one of few longtime businesses in the neighborhood. In the nearly 20 years that he had been in the neighborhood, many other businesses had come and gone, making it difficult to build a strong business association. Until recently the neighborhood businesses had catered to longtime residents, providing low- to middle-income goods and services. Now, there were high-end boutiques and galleries lining the commercial corridor. Julius felt that despite the proven success of his business—as evidenced by its longevity—the local business organization had prioritized the new boutique businesses that had recently moved into the neighborhood. The retail and residential gentrification occurring in Julius' neighborhood further weakened his ties to the local business network. Because the neighborhood had previously undergone much retail turnover, with business-owners unable to achieve long-term stability, the

organization had not been able to build a strong foundation in the past. However, rather than strengthening Julius' local network, the influx of new boutique businesses and a new consumer base had only led to his businesses' marginalization.

For others, like Theresa, a 57-year-old business-owner in a gentrifying neighborhood on the Eastside, a lack of time is a major factor deterring participation in local organizations. Theresa noted: "There is the [neighborhood] association, and I really have not been active. The issue for me is that I'm always at work. On the nights when they have those meetings, I'm generally not available." Similarly, Juanita, the 41-year-old business-owner, described how her full-time job prevented her from participating in local and city-wide business organizations. She stated:

When I started my business, I didn't know what I didn't know. There wasn't really a place to go. There's no small business for dummies. That doesn't exist. There's no checklist that exists, so figuring that out, trying to align myself with people and organizations that would help me further things along is hard—Trying to figure all this out, and I can't join 1,000 organizations. I have other responsibilities.

Juanita, like many of the Black business-owners I interviewed, described having to split their time between a number of competing demands. She not only managed the business, but she had a full-time job and a child. While her business was certainly a priority, she explained that it was her other employment that made business ownership financially feasible. However, working, raising her daughter, and maintaining her household as a single parent, meant that she was unable to participate in business organizations. As a result, she missed out on key opportunities to expand her business network and establish key mentoring relationships with more experienced entrepreneurs.

Indeed, Juanita is not alone in facing time constraints. Research demonstrates that inequalities in access to free time are indeed gendered (Bittman and Wajcman 2000; Mattingly and Bianchi 2003; Sayer 2005). However, race compounds this inequality, as Black women work longer hours and are more likely to be single mothers and sole household earners than white women (Glynn 2018). In fact, a recent Federal Reserve report concluded that Black women are more likely to work part-time in their businesses due to competing family and employment commitments (Gines 2018). Moreover, compared to white men, Black men and women are more likely to hold multiple jobs (Bureau of Labor Statistics 2018). For working-aged Black women business-owners competing commitments—family, work, and household maintenance—limit meaningful participation in local business organizations. In the context of a gentrifying neighborhood where competition for commercial property is intensified, access to resources that support business success are of even greater importance. Moreover, like other black business owners, the time constraints that Juanita faced not only impeded local network building, but it also limited the number of days per week that Juanita’s establishment was open—only four days per week in a business sector where a seven-day schedule is most common.

Black business-owners in non-gentrifying neighborhoods also reported feeling as if they were cut-off from business organizations. For example, Randall, a 56-year-old, Black business-owner in one of Detroit’s Westside neighborhoods that has continued to decline as revitalization efforts have ramped up in other parts of the city explained:

The [nearby neighborhood] business association—They have reached out, but I'm outside of their preview [sic]. I'm sort of like in a dead zone. This area here doesn't have any affiliation with any—not even a business association in here.

Randall's business sat alone in a street cut-off by a major freeway. The surrounding blocks were populated by vacant storefronts that had not been occupied in, at least, a decade—leaving no other businesses to comprise the membership of a business organization. To be sure, Randall's surroundings are not uncommon for Black business-owners in many Detroit neighborhoods that remain disinvested. Without a critical mass of businesses in close proximity to one another, the formation of neighborhood business organizations in many communities is unfeasible. However, a few Black business-owners I interviewed who were members of city-wide and central-city neighborhood business organizations, described the experiences as extremely helpful.

City-wide business organization, such as The FoodLab, TechTown, and Build Institute came up in a few interviews with business-owners. Before discussing business-owners experiences with these organizations, I will describe them here. Started in January 2011, FoodLab is a grassroots business organization that provides a network and informational resources to local food entrepreneurs in an effort to increase access to quality and healthy food in Detroit communities. They serve as a directory for legal and health and safety compliance resources. They also host educational workshops and networking events to facilitate food-based business startup and operation in Detroit. The organization emphasizes diversity and sustainability and partners with a number of social

justice organizations (i.e. Allied Media Projects³³ and Fair Food Network). FoodLab is funded primarily by non-profit and philanthropic organizations, such as the W.K. Kellogg Foundation, United Way of Southeastern Michigan, and Michigan State University's Center for Regional Food Systems.

TechTown is a non-profit business incubator and accelerator that supports businesses with coworking and office space, meeting space and event space. In addition, the organization connects entrepreneurs to resources, and educational and networking events in Detroit (see Figure 7 for a summary of programs). TechTown is funded by both private and philanthropic organizations, including Bank of America Foundation, The Ford Motor Company Fund, JPMorgan Chase Foundation, and The Knight Foundation. The organization partners with a long-list of public and private partners, including Apple, Bank of America, Comcast, City of Detroit, and Goldman Sachs 10,000 Small Businesses. Similarly, Build Institute, a non-profit organization, helps entrepreneurs to transition from idea to business startup. The organization offers classes, networking events, mentorship, and connections to resources. Build Institute is funded by both non-profit and for-profit organizations, including Knight Foundation, the Community Foundation for Southeast Michigan, Comcast, and Quicken Loans.

Patricia, a 43-year-old Black business-owner in Midtown described participating in these prominent business organizations early on. She explained:

³³ Allied Media Projects states that its mission is to “cultivate media for liberation.” The organization emphasized media-based organizing. FoodLab and Allied Media Projects collaborate on projects highlighting food injustice in Detroit.



Our Programs at a Glance

LABS

tech-based programs

TechTown Business Incubation Center

Customized support for tech startups

Detroit Technology Exchange

Programmatic partnership designed to recruit and groom talent for tech entrepreneurship and convert innovative technologies into Detroit startups

DTX Launch Detroit: summer tech accelerator for college students & recent grads

DTX D-Venture: an executive-in-residence program

DTX Fellows: a fellowship program

Tech Commercialization

Moving university and health system technologies to market

BLOCKS

place-based programs

SWOT City

A customized, one-on-one support program for brick-and-mortar small businesses in Detroit neighborhoods

Retail Services

Retail Boot Camp, pop-up opportunities and workshops to prepare serious entrepreneurs with strong retail concepts for the successful launch of their businesses in core Detroit commercial districts

SPACE

coworking, meeting space and more

Junction440

Coworking community offering an affordable, flexible and collaborative work environment

Office and Lab Space

For nonprofits, small businesses, startups and high-tech enterprises

Meeting and Event Space

Flexible, modern and affordable spaces open to the community

Public Events

Roundtables, panel discussions, conferences, hackathons and more for the entrepreneurial and small business community

Pop-Ups

Regular food and retail pop-ups showcasing local small businesses

Tech. Neighborhoods. We mean business.

Figure 7: TechTown Programs at a Glance, Source: TechTown 2017 Annual Report

The Food Lab was one I joined, because of the food-based guidance, because not only have I never owned a business, I've never even worked in a restaurant, so I need that structure so that I could figure it out. Tech Town was very key in terms of figuring out—After building a rapport and meeting with them, I was able to trust my weaknesses with them, and they are very intentional. It wasn't just pour out your soul. What's wrong with your business? And then we just leave that open wound. So they triage, and they figure out what the good things are, the weak things are. They have the resources and funding to direct you, connect you to those individuals or other organizations to help fill in that, so that was really, really key. Build Institute, I went to their business plan classes early on, because I don't know how to write a business plan. I knew what I wanted to do. I could articulate it very well. I could even write it well, but to know how to write a business plan, I did not know how to do that, so that was very key as well.

It is important to note that Patricia did not mention participation in a local business organization. Instead, she had established a connection to city-wide business organizations. What is key in Patricia's account is that she sought and accessed these organizations early. She had guidance throughout the process of preparing a business plan, startup, and operation. These organizations served as a link between her and other individuals and organizations. Most importantly, they connected her to business capital—she was awarded a matching grant of \$35,000 in 2016. Because of these business organizations, Patricia felt confident that her business had a strong foundation for success.

Patricia's explicit trust in these organizations and their representatives is also of interest. Trust is central to network formation and maintenance—it facilitates and is facilitated by personal relations and networks (Coleman 1988; Granovetter 1985).

Patricia expressed a sense of trust that other Black business-owners did not. First, she trusted that the organizations had the capacity to offer resources that would benefit her business. She also trusted that her concerns, her weaknesses, and her strengths would be acknowledged and taken seriously. Her trust bonded her to the organizations, facilitating her full participation in programming that enhanced her experience as a business-owner.

Vernita, a 47-year-old business owner in Midtown described how her neighborhood business organization served her by providing “protection, opportunity, advertisement, collectiveness, cohesiveness, participating in the community and district-wide activities.” Like, Patricia, Vernita was confident that the neighborhood organization had a positive impact on her business. It is important to note that both Vernita’s and Patricia’s businesses were located in Midtown, one of the earliest neighborhoods in Detroit to undergo gentrification-driven revitalization. The area, like Downtown, was a priority for city, private, and non-profit investment following the 2013 bankruptcy in contrast to many neighborhoods further away from the city center. As a result, both are closer to many of the business resources that have emerged recently.

Even those white business-owners who were in gentrifying neighborhoods outside of the greater Downtown district, expressed a sense of membership in local and city-wide organizations. Janine, a 42-year-old business-owner in a gentrifying neighborhood on the Eastside, described how participation in local business development programs had facilitated the expansion of her network. She explained:

In terms of businesses in general, I also think there are resources available. There’s the Build Institute classes. There’s Food Lab. There’s TechTown. To be

completely honest, I wouldn't say that any of those programs were super, super helpful. What I gained from a lot of them the most is just community. There are people who have information. Sometimes the hardest part about starting a business is just knowing what rules you need to follow. I think that those resources exist and are continuing to grow. I think that was also something that was very clear to me as soon as I started business here was that Detroit, specifically, had a lot of investment in entrepreneurs in the city.

For Janine, the access to a business network was more valuable than the business education and support she received from these prominent business development organizations.

Some white business-owners even indicated that they had taken an active leadership role. For example, Jack, a 24-year-old, business-owner in a gentrifying neighborhood on the Westside described working to start a business organization in his neighborhood. He explained:

We actually just started a [neighborhood] business association. I'm technically the president of it. We're not a legal entity yet but working on it. They just revived [neighboring community business organization], and I think all of us right now, this year, 2019, we're supposed to get road construction. I think part of the problem and part of the thing that we were all thinking when we started doing the business associations again was, "How can we get the information to the businesses? How can the businesses have a voice in what's going on?" Because road construction, unfortunately, means that roads are gonna' be closed, and we can't have people, or sidewalks are gonna' be closed and how's that gonna' affect the businesses.

Realistically you could put half of us out of business during construction, and we're trying to avoid that. It's the having a middle-person, having a group voice, versus having individual voices.

Jack described an emerging business organization in his neighborhood—one in which he had taken a leadership role. What is more, he was well-informed on the status and activities of neighboring community business organizations. When describing his business, at an earlier point in the interview, Jack noted:

A lot of people do come in and grab and go, but the majority of them—it's meetings of business-people, of city representatives, national government people. It's given me a really cool opportunity, 'cause then I get to meet people, and so I'm fairly well connected in Detroit through the people I know through the [business].

Despite his relatively young age and this being his first business, Jack felt comfortable taking an active leadership role in building the local business organization. He had purchased an already established business, after hearing it was for sale through his extended friendship network: “A friend of a friend worked here, and they told me that the owner was selling it.” In buying this business, he inherited a preexisting network of local business leaders, political actors, and federal government employees. His belonging in this network had, perhaps, bolstered confidence in his ability to serve a leadership role in the creation of a neighborhood organization. It also, undoubtedly, provided access to key resources, such as information. Moreover, research suggests that status beliefs assign greater competence and social significance to advantaged groups (men and Whites) than

to disadvantaged groups (women and Blacks) that also likely gave Jack advantage in assuming the leadership role (Webster and Foschi 1988).

Just as Black business-owners in similarly transitioning neighborhoods perceived challenges associated with construction and renovation projects, Jack did also. However, he also believed that he could mitigate potentially detrimental impacts to his business operations by organizing a strong neighborhood business organization. This example is illustrative of the racial disparities in resources that shape business-owners experiences. Not only did Jack access a key network with relative ease gaining a wealth of social capital, he also placed himself and his business in the center of the neighborhood business organization—ensuring that the organization’s efforts would align with his own interests.

Stacey is a 35-year-old white business-owner in a gentrifying neighborhood on the Eastside. Her establishment was among the earliest businesses to open following a major investment project in the area nearly six years ago. Concerned about the impact of business development and gentrification in the surrounding community, she described trying to organize other businesses in the neighborhood:

I did start, a couple years ago, a [neighborhood] business association. It’s been kind of out of operation for a couple months now because I’ve just had too much going on, and I’m the only one who is doing it. My original intention in starting the group was when I started—I knew that there was a certain point when the first few new businesses were opening here like [names of neighboring businesses]. Then we opened after that, and after that was when we started seeing a lot more development happening. I thought, “We have to really be talking about this.” We

had the meetings. It was sometimes challenging, and I still find it challenging to introduce this idea to those folks. I don't want to preach to them. I don't want to say, "You have to do it this way." but I also feel a responsibility, especially as someone who did open a business here. That's been tough.

Stacey described a desire to minimize the impact of gentrification on long-time residents. For her, it was challenging to get other new businesses to buy into the idea that they had a social responsibility—to preserve space for existing residents and minimize disruption to existing neighborhood character. Nonetheless, she tried to establish a neighborhood organization to facilitate the discussion among local business-owners. However, at the time of the interview, she noted that the organization was defunct due to a lack of participation from other local business-owners. Although Stacey's attempts to organize a business organization had been less successful than Jack's, it is telling that both had taken on leadership roles—particularly as relatively young business-owners.

Abigail, a 29-year-old white business-owner, whose business was also located in the same Eastside neighborhood described membership in an informal business organization comprised of women entrepreneurs in Detroit. She explained:

There's often been talk about a women business owner situation, but that, usually just is us getting some wine and talking about it, but it's also valuable. I think a lot of times in those conversations we get to talk about what we're trying to do to be better. I find a lot of kindred spirits in those female business owners. I think a lot of—a lot of men business owners, I don't see them showing up for those things really, which is interesting to me. I think a lot of them are doing a good job of managing their businesses, but I don't think everyone understands the value of talking about it and having community around it.

That is really powerful. I think sometimes people turn their nose up at—you know, people say, “You can talk the talk, but can you walk the walk?” I think it’s like you need to walk the walk and talk the talk. I think that’s important right now in order to—I’ve heard feedback from so many other business owners around the country who are like, “What you’re doing is inspiring to me, and I want to do it, too.” That’s good. You can’t rely on the fact that someone might just come to your place and experience goodness. You have to be a model of it, I think. That’s something that I think about a lot. I know that a lot of these women business owners that I interact with kind of think that way, too.

Abigail found a community in other women business-owners—one that she said served as a resource for her when she needed to make tough decisions. She added: “They’re the people I always call if I have an employee concern. I call, and I say, “what’s your read on this? None of it is super formal, but it is really helpful to feel like other people are in it with you.” For her, having a formal organization was less important than having access to a network of others undergoing similar experiences.

Business organizations are key sites for network formation for business-owners. While business networks are a crucial factor in business success, many Black business-owners described feeling as if those to which they had access were too marginal, unorganized, or ineffective to facilitate business development. Black business-owners in non-gentrifying neighborhoods cited a paucity of business organizations, suggesting that they were isolated from a broader business community. Many Black business-owners in gentrifying neighborhoods described facing time constraints that impeded participation in local or city-wide organizations, while others described feeling excluded from recent

organizational efforts. On the other hand, a few Black business-owners in gentrifying central city neighborhoods expressed a deep sense that they had access to city-wide and local organizations that had provided vital support and guidance during the early stages of business development. Many of the white business-owners I interviewed expressed a similar sense of access to organizations, with a few even taking on leadership roles. Others described the informal business networks and organizations to which they belonged, noting how integral these networks were in accessing information and support.

Financial Resources: Business Investment Capital

In the years since Detroit's bankruptcy, not only have business organizations, incubators, and accelerators proliferated, but so have sources of business capital. Despite a number of pressing and persistent social issues, such as high poverty rates, underperforming schools, and continued neighborhood decline, there has been highly-publicized public and private investment targeted to entrepreneurial development.

Build Institute, mentioned in the previous section, is a hub of Kiva, a crowdfunded microloan provider and Soup, a micro-granting dinner event. The City of Detroit provides matching grants and loans to Detroit businesses- and commercial property-owners through the Motor City Match program. Motor City Match (MCM) is a partnership between the City, the Detroit Economic Growth Corporation (DEGC), and the Economic Development Corporation of the City of Detroit (EDC), and the U.S. Department of Housing and Urban Development (HUD). Financial assistance is supported by Southeast Michigan community development financial institutions,

foundations, and corporations.³⁴ The program requires a minimum of 10 percent project equity as a baseline to be considered for grant awards and loan financing. All business-owners must first apply for a loan, before being considered for a grant. And, it is important to note that MCM requires businesses to match the award amount. That is, business-owners must have access to the amount awarded, as grants are issued on a reimbursement basis and can only be accessed on a “draw down” basis. Grants are a maximum of \$100,000, not to exceed 50 percent of total project costs.

Many Black business-owners I interviewed suggested that there were barriers to accessing these small business grants and loans. Some, like Janis, a 49-year-old business-owner in a non-gentrifying Westside neighborhood, felt that resources had suddenly become available, but were largely inaccessible to many Black business-owners. She explained:

Because of emergency management, all of our resources had been stripped away, but Black people are resilient, right? We worked as a community to make sure we were okay. And, then when Detroit started to come back, and I use air quotes because it's some bull, all of these businesses and organizations came rushing in and then start sucking up all the resources.

³⁴ Motor City Match applicants may apply for financing to a group of six lending partners using one application. Lending partners include: Invest Detroit, Detroit Development Fund, Detroit Micro-Enterprise Fund, Michigan Women’s Foundation, LISC, and Capital Impact Partners. All grant awardees and finalist are first considered for financing from MCM lending partners. In the event that lenders cannot provide all necessary financing, the business is considered for grants to fill the gap (Motor City Match Business Owner Guidelines).

Janis' comments refer to how Michigan Governor Rick Snyder had signed a revised version of a controversial emergency manager law that had been rejected by voters during the November 2012 elections. In an interview with *Huffington Post*, Gov. Snyder stated: "I think this is a national problem. I think cost structures in the public sector got beyond even the private sector in terms of being expensive."³⁵ On Michigan municipal officials, he added, "the path they had been on very consistently for decades was to continue going downhill. They were not successfully managing their cities. That's how they got in the crisis to begin with."³⁶ Many opponents took issue with the fact that the legislation placed over half of the state's Black population under emergency management³⁷. In March 2013, Gov. Snyder appointed Kevyn Orr as emergency manager, giving him wide-ranging control over city financial operations. Orr also had the power to recommend that the City of Detroit enter bankruptcy. Later that year, in July the city did file for bankruptcy. Under Orr's leadership, the city got rid of approximately \$7 million in debt—in part through pension cuts and health care reductions owed to retired city workers. By many accounts, Detroit emerged from bankruptcy just 17 months later, spurred by an intensification of capital investment in the Downtown.

Janis felt that Detroit's tenure under emergency management had removed resources, particularly for Black Detroiters. However, she also felt that it was Black

³⁵ Staff. 2012. "Michigan Proposal 1 Results: State Emergency Manager Law Fails." *Huffington Post*. November 14.

³⁶ *Ibid.*

³⁷ Indeed, Detroit, Flint, Hamtramck, Highland Park, and Pontiac are all majority Black cities, with the exception of Hamtramck.

people’s resilience that had carried them through a dire period. Still, she resented the narrative that Detroit was experiencing a “come back.” She expressed a sense that emergency management and the subsequent bankruptcy had created a space for new businesses and organization to come in and exploit emerging resources. Certainly, while not always explicitly stated, Black Detroiters express a sense of betrayal—that is inexorably linked to historically racialized patterns of urban development. Over the course of my fieldwork, I heard one question repeatedly in conversations with Black residents and business-owners: Where were these resources when it was just us? Janis’ account reflects a similar sentiment.

Lori, a 44-year-old, Black business-owner, whose business is in a low-income neighborhood in Northwest Detroit felt that there were too high costs associated with trying to secure some of the minority-targeted grants at both the city and federal-level. She explained:

If you go to be registered as a minority business-owner, it costs \$300 and if you mess the form up, they don’t give you your money back. You just have to reapply. Not many people can afford that.

Lori discussed business capital opportunities, more broadly. She felt that identifying herself as a minority business-owner, in an official capacity would give her a better chance in the application process. She also acknowledged that the administrative aspects of securing minority-designation could be a costly task that many Black business-owners might not be prepared to complete.

Carolyn, an 81-year-old Black business-owner in a gentrifying neighborhood in the central-business district described feeling as though many of the financial resources coming from local public and private donors were out of reach. When asked whether she thought there were financial resources that she might take advantage of in the city, she explained:

No. No, I think that those foundations, any ideas, the Match [she is referring to Motor City Match], the Hatch³⁸, all those kind of things, I think they're designed for a particular type of business. I don't think that—I mean, I don't think a [her store type] enters anybody's mind.

Carolyn's adult daughter, who worked in the store often, was standing near, and interjected: "I don't even think it's [this type of store]. I think it's friends." Carolyn agreed. Carolyn's daughter continued:

People they know, people they like—'cause we've applied. Each time I think we had a really nice thing. We've been on the finalists every time, and we never get it, but two businesses that we know closed. They got it, and then they closed. It's like really, but that that kind of scramble up for the giveaway kinda' thing.

Carolyn added: "I'm not sure what the value of those kind of giveaways are. I know that they demand a lot of your time, and I'm not willing to give that up." Her daughter added:

Also, it can be—sometimes they switch it into a popularity contest. That's like if you know so and so click on here [she refers to grant contests which rely on

³⁸ Hatch Detroit, founded in 2011, is a local business organization that supports independent retail businesses through funding, education, exposure and mentoring. The organization hosts a contest, on partnership with Comerica Bank, that awards nascent entrepreneurs a cash grant and package of in-kind services to build out brick and mortar storefronts. One contest winner is selected per year, making the contest highly competitive.

public votes to determine winners] or whatever, so that's hard 'cause even the most popular person I've seen. Like who didn't vote for—right? They didn't even get it. They didn't even—yeah.

Carolyn, with the help of her daughter, had applied for some of the available funding, but felt that her business was not the intended recipient. Moreover, they felt that recipients were part of a network that facilitated access to these funds—a network that Carolyn was not a part of.

Similarly, Alicia, a 39-year-old, business-owner whose business is located on the busy commercial corridor of a gentrifying neighborhood on the Westside, described a sense that she had little access to some of the business capital that has emerged in recent years despite being a part of a well-established family business. She explained:

My husband's family has owned a business for over 114 years, and then we started this business. And, with this business, it is—I'll just say it's complicated when it comes to development, because you're talking about a lot of capital—there's a game of credit that's involved in the process. And, there's virtually a language that most of us [Black people] don't know. So, that's been—but, I think knowledge, it's not just capital. It's knowledge and capital, when it comes to starting a business. It's knowledge, it's capital, it's also networking, because money flows in a circle, and if you're not in the circle, you really don't get a chance to participate.

Like Carolyn and her daughter, Alicia felt that access to local funding was dependent on one's network. She described a sense that one needed to possess both human capital—or knowledge and experience—and social capital to access financial capital. She described feeling as if most Black people are not privy to the language of securing funding, nor are

they part of key networks. Alicia's understanding of what it takes to secure business development capital is in line with much research in the entrepreneurship literature. Human capital, particularly tacit knowledge acquired from previous business experience, is a strong predictor of startup success; and, human capital acquired through management experiences and from taking business classes (explicit knowledge) were associated with later business success (Davidsson and Honig 2003). The recent influx of entrepreneurs with greater human and social capital in gentrifying neighborhoods, and in the city more broadly, while bringing more resources, has also amplified the deficits with which many Black Detroiters enter the entrepreneurial field.

Even Amahle, a 65-year-old, who won a small grant to open her business in a gentrifying neighborhood, described the broader landscape of business funding as exclusionary. She stated:

I could tell you what disturbs me. Detroit is changing rapidly. What I see that is really unfortunate to me is that people who have lived here, who stayed here, who held it down, have really been disregarded in this whole new economy. There have been some things that have—some good things. The New Economy Initiative³⁹ and Motor City Match, but people who really need those resources,

³⁹ The New Economic Initiative (NEI) is a philanthropic program that connects business financial and educational resources to support entrepreneurs and small businesses in Southeast Michigan. In contrast to Motor City Match, NEI accepts grant proposals from organizations on an invitation-only basis. Rather than only fund businesses directly, NEI funds other small business support agencies. For example, NEI recently awarded \$175,000 to the Arab Community Center for Economic and Social Services to support the organization's Entrepreneurial Growth Program that provides training and technical assistance for immigrant and non-English speaking populations to develop and grow businesses. The organization also supported a local coffee shop with a \$10,000 grant to be used to add outdoor seating, an awning, and build a retail display area. Information regarding NEI's selection process for small business grantees is not readily available.

either don't know how to get 'em—can't complete the application in a way that is gonna' get you to even the finals. It's really sad. There've been two or three huge success stories. [She names a neighboring business] She's blowing up—on Oprah and James Beard, but that's one business out of many. Most of us are not marketing geniuses. I'm sure I could be doing so much better if I knew what the hell I was doing. I don't know. One, telling your story, knowing how to tell your story is so important.

I'm not that one. First of all, my whole personality is not such that—I'm unaccustomed to bragging on myself. I don't know. How do you do that? People have made videos, and they're wonderful, but what do I do with it? I don't even know what to do. Who do I send this to so they wanna' do something for me? I don't know. It would be great if there was some where I could go or somebody could sit down with me and say look, you've got this, this, this and this. Focus on this, and this is how you do it. Maybe there is, but I don't know who that is.

Detroit's rapid change made Amahle feel uneasy, because she felt it left long-time Detroiters behind. The severity of the city's decline and the strain that it placed on the lives of those who stuck around was both a source of pain and pride for many Black Detroiters. They had suffered, but they had also survived and kept the city going. But, many like Amahle felt that their efforts were not acknowledged in this new Detroit. In terms, of significant funding—funding that could make a sizable impact on a business' success—Amahle described challenges for Black business-owners. She understood that those business-owners for whom capital investment was most needed were also the ones who had the greatest difficulty accessing financial capital. Amahle sensed that even the application process is a barrier. Furthermore, she felt that most business-owners did not

have the marketing savvy to gain the attention of local funders. For Amahle, one's story was a central factor shaping grant access, and she was unsure of how to represent her story in a way that aligned with broader redevelopment narratives. Moreover, she was unsure of who to send materials. There was considerable mystery around the entire process.

Amahle described barriers to accessing business capital. Others like Ralph, a 67-year-old business-owner in a gentrifying neighborhood, had applied for business capital, but foresaw potential risks. When asked if he had applied for any small business investment capital, he remarked: "Yeah, I apply for it. One of those things is that if you apply for it and it doesn't work out for you—something happens and then they come in and they take everything you got." Though Ralph had applied for business capital, he described an apprehension about potential liability if his business was not successful. Like traditional business financing, loans made through programs like Motor City Match must be repaid, even in the event that a business closes. For Ralph, the risk of losing his investment to repossession made local financial capital programming less desirable.

Whereas many Black business-owners approached the local landscape of public and private investment capital with much trepidation, citing a lack of network affiliation, knowledge, time, and perceived risk as factors preventing access, many white business-owners gave a contrasting account. For example, Meredith, a 36-year-old white business owner, described a sense that there were many resources providing business capital in the city. She had already won a \$ 50,000 grant to open her storefront. When asked about future plans to seek financing, she noted:

I mean, it feels like it's been kind of a while since I've had to access too many resources 'cause I'm just up and running. I do distinctly remember when I was trying to get funding for this place there were a lot of opportunities. It does kind of—when I think about the next phase, maybe naively, I don't get too stressed out about the money element. I know there's Motor City Match, and there's Prosperous, and there's this and that. I'm not sure if I'll qualify for a traditional bank loan, but there are options. I think, for me specifically, I do feel like I have resources available.

While Meredith indicated some uncertainty about whether she would be able to secure a traditional bank loan, she felt like there were many resources available. Moreover, the initial grant amount had been enough to secure her business up until now. She expressed no financial anxiety. She was tapped into information about what was available and felt little trepidation about the application process. Meredith's account was similar to most of the white business-owners I interviewed. However, one white business-owner expressed a sense that he, as a white man, had less access to local business capital than others. Chad, a 26-year-old business owner in a gentrifying neighborhood on the Westside, explained:

We do have access to money. This is going to sound so much worse than it actually is. As a white male, it's hard to get grants in Detroit. That's just a reality. Pity me, yeah, poor white guy. Right? I get that. It's fine. Yes, that's been, I think above all, that has been my one hindrance in getting grants is I'm a white male who owns a business in Detroit. There's not a whole lot of sympathy for me. It is what it is. I don't really care.

As far as other businesses; there's a lot of them on the strip that got money, that have access to the grants, who have done well. There's these systems set up in

place that if you really want to you can get into it and you can do it. It's just it's a long process. It's not easy. It's not like, "Oh, I'm gonna' get my five grand now, or my 150 grand now." It's a process. I don't know. We'll find out here in a minute.

Yeah. I'm in that gray zone where I'm like, "I don't really qualify for this. I'm not female. I'm not a minority. I'm not technically from Detroit." There's a lot of things I don't fall into. I get that, so there—it's not technically a barrier of entry, because there's a certain—there is a level of privilege of being white, but on the other hand, there is a—yeah.

For Chad, business development grants were most available to minority business-owners, and he felt unsure of whether he would be able to secure grants as a white man. To be fair, Chad's perception of the local business investment landscape was not entirely unfounded. For example, on their website, Motor City Match boasts that 80 percent of its support has gone to minority-owned businesses—though it does not specify the racial and ethnic breakdown. Still, Chad, at just 26 years old, had a very successful business in a busy commercial corridor that had received significant investment. While acknowledging his privilege, he perceived the local business investment arena to be angled toward minority and women business-owners—in sharp contrast to what many Black business-owners believed.

Summary

In this chapter, I examined business-owners' perceptions of access to local business networks and capital. Black business-owners in gentrifying and non-gentrifying neighborhoods perceive barriers to access to social capital, though they cite different

barriers. As social capital is a key factor in the procurement of local business capital, Black business-owners tend to be doubly-disadvantaged. A lack of access to social capital foregrounds a lack of access to financial capital. In contrast, white business-owners perceived access to both formal and informal organizations, with a few even taking on leadership roles. Moreover, white business-owners' perceived greater access to business capital.

Most business-owners in my sample perceived access to business networks to be a prerequisite to access to business capital in the city. However, Black business-owners in gentrifying neighborhoods perceived their networks to be more local, less organized, and mostly unproductive. Others felt local networks were exclusive—leaving out long-time Black residents and business-owners. Black business-owners in non-gentrifying neighborhoods described a sense that they were spatially cut-off from business organizations and networks. Relatedly, Black business-owners perceived less access to local business capital. Many felt ill-prepared to enter the local business capital market, and they articulated a clear understanding of their human and social capital deficits. The few Black business-owners who did perceive access to local social and financial capital were located near Downtown in neighborhoods that had strong business organizations and that were prioritized for investment early on.

These findings contribute to literature about racial disparities in social and financial capital among entrepreneurs by highlighting how processes of neighborhood change, and urban transformation more broadly, work to exacerbate existing inequalities.

As new business-owners enter Detroit's business landscape and the availability of resources grows, the lack of social and economic capital among many Black business owners is of greater consequence. It is not that Black business-owners are unaware of factors that increase the likelihood of business success, it is that they are often unsure of how to gain access to those resources.

Chapter 5:

Unequal Experiences of Hiring and Employment

At a neighborhood summit in June 2018, a crowd of mostly Black and Latinx business-owners gathered for a workshop on accessing business development resources. To the crowd of about 15, a tall, heavy-set Black man, began:

We are going to talk about some of the issues that we confront on an day-to-day basis, but also some of the larger issues we're facing in the overall economy that challenge us all whether we're small business-owners, workers, or independent contractors—anyone whose involved in the economy who needs to survive. We have to have a plan for survival, 'cause as we see the economy is shifting. The economy is shifting so fast, it's hard for a lot of folks to catch up. A lot of folks fall in the gaps, and so we have to create these networks, so to make sure that our people are taken care of and that our communities are secure on an economic level—and also, to build towards a new economy, because we know that the former economy did not work for the majority of us. Now some of us were able to get our lion's share and start businesses and be successful at that, and I congratulate any of you in this room who are small business-owners for your support of the community, because that's what small business is. You are an economic vein—a viability economically for communities, for workers, and for yourselves. And, so we want to lift you up in this space, and like I said we also want to address some of the issues moving forward, and also lay out a program—in terms of a political program where we can start to look at some things that we can go try to win immediately that can help secure our people, help secure our communities, and help secure an economic platform that we can all thrive and survive.

Many in the crowd nodded along—some pulling out notebooks to jot down insights. It was clear that his statements resonated. Later in the meeting, current and aspiring

business-owners expressed a similar sentiment: business ownership was a means of security in the face a precarious state support of minority communities. Over the course of my time in Detroit, I heard a similar rally cry encouraging minorities to start businesses as a way of securing a foothold in the changing city. The emphasis was on self-empowerment through economic security in minority households and communities, and one topic that kept emerging was minority job creation.

There is significant public and academic interest in the topic of small business and job creation. While there is a long-running debate, among academics, concerning the widely-held belief that small businesses, specifically, are the engine of job growth (Atkinson and Lind 2019; Davis et al. 1996a,b; Birch 1979, 1981, 1987; Neumark, Wall, and Zhang 2008),⁴⁰ a recent U.S. Small Business Administration report estimates that small businesses generated 1.9 million net new jobs nationally in 2015, with firms employing fewer than 20 employees experiencing the largest gains.⁴¹

Detroit faces many challenges, as it is among U.S. cities with the highest rates of poverty and unemployment. The city's unemployment rate is higher than that of Michigan, as a whole, and the national average. Moreover, U.S. Census data indicates that nearly 40 percent of Detroiters lived in poverty as of 2017. While the city has offered a number of strategies to surmount these challenges, small business development has

⁴⁰ The debate surrounds whether there is a significant relationship between business size and job creation—whether small businesses create more jobs than larger businesses.

⁴¹ Firms with fewer than 20 employees generated 1.1 million net jobs (SBA 2018).

been touted as one of the primary means of bringing jobs back to the city. In a recent statement, Detroit Mayor Mike Duggan stated: “We are creating a new culture of entrepreneurship where Detroiters are realizing their dream of opening their own businesses to provide residents access to more goods and services, as well as job opportunities in the neighborhoods.”

At the very least, Mayor Duggan’s statement implies that Detroit’s former culture of entrepreneurship needs replacement. At worst, he implied that Detroit was totally void of a business culture up to now. At any rate, Duggan’s statement helps us to understand the sentiments of many long-time Detroiters, who feel as though the overarching narrative that valorizes a “new Detroit” ignores the people and businesses that have been here all along. Moreover, Duggan’s statement also sets a “new” standard for local businesses: they must provide greater access to goods and services as well as more job opportunities. What Duggan’s statement does not do is clearly outline how the City plans to support business-owners in meeting this goal.

Similar statements can be heard coming from local small businesses and entrepreneurship funding organizations. For example, a press release for the recent Quicken Loans Detroit Demo Day, where Detroit entrepreneurs competed for a share of \$1.2 million, said: “This competition provides a unique opportunity to support and celebrate the small businesses that serve as the cornerstone of Detroit, creating jobs and wealth for the entire community. Detroit would not be the city it is without entrepreneurs like the ones you will see on stage at Quicken Loans Detroit Demo Day. Detroit was founded by entrepreneurs, and its next chapter will be written by them.” It is clear that

local public and corporate leaders have placed entrepreneurship at the center of revitalization. Whatever Detroit will be in the future is dependent on the success of small businesses.

As I have shown in the previous chapter, many Black business-owners feel as if redevelopment has only exacerbated disparities in access to resources vital to business growth. Recent research suggests that job creation grows more quickly in gentrifying neighborhoods (Lester and Hartley 2013), but this research does not specify if this holds across businesses operated by different racial groups. Given what we know about racial disparities in entrepreneurship, exploring how employment capacity varies between Black and white business-owners is a relevant inquiry.

In this chapter, I examine how black- and white-owned businesses in gentrifying and non-gentrifying neighborhoods in Detroit compare in employment capacity. While, I cannot speak directly to the question of whether gentrification directly impacts the creation of jobs among these businesses, I do highlight key differences in the employment capacity of Black and white businesses in Detroit. My findings suggest that financial constraints experienced by Black business-owners result in fewer to no employees compared to white business-owners. While the ability to hire employees is a priority for Black business-owners, they often cite challenges in providing formal employment opportunities to local residents. On the other hand, not only do the white business owners I interviewed have employees, but they often indicate that job creation is a central mission of their business plan.

Gentrification and Job Creation

Many proponents of gentrification point to increased tax revenue, crime reduction, renovations to the built environment, and infrastructural improvements as evidence that the process yields more benefits than costs (Byrne 2003). However, critics of gentrification emphasize the social and material costs bore to low- and moderate-income households, as housing becomes less affordable and displacement occurs (Freeman and Braconi 2007). The question of whether gentrification impacts small businesses has also garnered some disagreement, with some research finding little to no impact (Meltzer 2016) and others finding businesses are displaced (Curran 2007). In the previous chapter, I have demonstrated how Black businesses, in gentrifying neighborhoods face challenges to social and financial capital access. These challenges not only make business survival more tenuous amid urban transformation, but they hinder business development—particularly, in terms of job creation.

Just as there are few studies examining the impact of gentrification on small businesses, there are few empirical works examining the impact of gentrification on local employment. A few scholars have suggested that gentrification is theoretically linked to the displacement of small-scale manufacturing, blue-collar work. In Manhattan's SoHo neighborhood, gentrification drove out manufacturing employment (Zukin 1989). Vigdor (2002) suggests that gentrification could potentially improve labor market outcomes for central city residents by offsetting spatial mismatch and reallocating personal service industry and retail trade to central cities. However, a parallel literature focusing on retail gentrification, suggests that businesses catering to the needs and tastes of long-time

residents tend to be replaced by stores catering to a more affluent clientele (Sullivan and Shaw 2011; Zukin et al. 2009). While these works suggest that gentrification may impact job availability, a few more recent studies provide empirical evidence.

Curran (2004) found that between 1992 and 2002, the number of manufacturing and wholesale jobs decreased, while the number of retail sector, FIRE [finance, insurance, and real estate], and service industry jobs increased. In a later work, Curran (2007) noted a similar phenomenon in Brooklyn's Williamsburg neighborhood—noting that the effects of manufacturing job losses were not just localized but spread city-wide. More recently, Lester and Hartley (2013), in an analysis of central city census tracts located in 20 large U.S. cities, found that gentrification was associated with a modest positive impact in overall number of jobs. More specifically, they found that while manufacturing jobs and wholesale establishments declined faster in gentrifying neighborhoods, service and retail industry establishments expanded faster. Meltzer and Ghorbani (2017), in a study of New York, found that residents experience meaningful job losses within their home census tract, even as overall jobs increase. Local jobs decline by as much as 63 percent, and these job losses are concentrated in service and goods-producing sectors and low- and moderate-wage positions; however, they note that local residents do see gains in higher-wage jobs in proximate (within 1 mile) live-work zones and lower-wage jobs slightly farther away. Meltzer and Ghorbani (2017) suggest that proximate job losses are compensated for by larger gains farther away.

Taken together, existing research suggests that gentrification shapes the availability of local employment, displacing manufacturing and wholesale establishments

jobs, but fostering growth in retail and service sectors. However, these studies tell us little about whether these trends hold across businesses operated by minority business-owners. Existing research suggests that Black-owned businesses employ Black workers predominantly (Bates 2005; Bates 2006); thus, it is important to understand Black businesses' capacity to hire employees in the context of gentrifying neighborhoods.

Who Provides Jobs?

Black business-owners that I interviewed saw the provision of jobs as a central function of small businesses. For example, Felix, the 70-year-old, black business-owner whose business was located in a non-gentrifying neighborhood on the Westside, recalled the historical role of Black businesses in Detroit communities:

Well, businesses really have very little to do with a city. Businesses have more to do with that community. Normally, when businesses came to be—to provide services for their community, places for their children to find employment, and provide a livelihood for the people who would operate those businesses in that community. The way things are structured now, communities are almost national. If you go through all the communities in the city of Detroit, in the stores and businesses normally that's allocated to the locals, you will find foreigners operating a business that started out providing a livelihood for the owners of the business, people who lived in that community. Places where they can employ their children and also where children could see them and maybe one day want to do the same thing. All that has changed now.

For Felix, businesses should provide services and employment to surrounding communities. However, he seemed to question whether that was still a possibility. He felt

that neighborhoods were no longer local—in the sense, that they were cohesive, homogenous, and self-sustaining units. He recalled a Detroit where Black communities were sustained by Black businesses and Black institutions. But, somehow in his lifetime, that had changed. He described a sense that “foreign” entrepreneurs had taken the place of Black business-owners. Perhaps, more importantly, Felix implied that those businesses failed to provide the same services or opportunities for employment as did Black businesses.

To unpack Felix’s account, it is useful to understand the landscape of entrepreneurship in many Detroit neighborhoods. Many businesses in Detroit’s neighborhoods are owned and operated by ethnic minority and immigrant entrepreneurs. In fact, from 1996-2007, while immigrants were nearly two times more likely to start businesses than non-immigrants at the national-level, they were nearly three times as likely in Michigan (Tobocman 2011). Matthew Jaber Stiffler, the Arab American National Museum researcher, explained that Arab immigrants, in particular, were lured, in large numbers, to Detroit by auto industry jobs in the early 20th century. “In the early days, [Henry] Ford was more willing to hire Arabs than some other immigrants—or African Americans” (Cwiek 2014). Stiffler described the proliferation of Arab American-owned grocery stores in the 1920s. On recent trends, he continued: “It’s not a stereotype that Arabs own most of the gas stations and liquor stores in metropolitan Detroit. It’s just an accurate fact. And, it goes back decades and decades to the early Syrian and Lebanese immigrations” (ibid). Similarly, Gold and Darden (2010) conclude

that “Blacks do not control the retail niche, in Detroit. Rather, a very large fraction of Detroit’s stores are owned by Middle East-origin entrepreneurs, most notably Chaldean.”

In Felix’s neighborhood, and many others that remain disinvested, convenience stores, gas stations, and liquor stores comprise the bulk of remaining businesses. If these businesses are, indeed, most often owned and operated by Arab American entrepreneurs, then Felix’s assessment of neighborhood change makes sense. Furthermore, research suggests that Black businesses employ Black workers predominantly (Boston 2005; Bates 2006), and immigrant entrepreneurs tend to hire other members of their respective ethnic group (Kim and Hurh 1985), so Felix’s sense that these businesses in his neighborhood were no longer a source of employment for nearby residents is likely accurate.

The sense that neighborhoods had lost Black business role-models was also salient for Felix. Scholars suggest that the visibility of black businesses serves as catalyst for the spread of Black entrepreneurial activity (Boyd 1990; Sutton 2010). Taken together, Felix’s perceptions speak to the importance of a strong Black business presence. Indeed, many of the Black business-owners with whom I spoke offered similar accounts. However, few of them, including Felix, were able to provide significant employment opportunities. Instead, these business-owners often relied on self-employment (no employees), informal employment (hiring temporary, under-the-table employees), and subsidized employment (relying on city programs to provide youth employees) to run their businesses. These specific employment patterns varied among Black business-owners in gentrifying and non-gentrifying neighborhoods.

Informal employment

Of the Black business-owners I interviewed, more than half (37 of the 67) employed others in some capacity. Many employed family members. For example, Shondra, a 41-year-old Black business-owner in a non-gentrifying neighborhood on the Westside, employed her 14-year-old daughter and teenaged niece and nephew. She noted that, after owning her business for four years, she was hoping to hire someone else, but felt it was difficult, adding: “Staffing is another issue. I can be flexible with my family, but when it’s someone you don’t know, you have to have their money on time.” Shondra indicated that she relied on her family to staff her business because it provided a more flexible arrangement. She implied that she could pay her family members when funds were available, rather than having to adhere to a strict payment schedule. Shondra could provide her family members with some income, but she could not provide them with stable employment.

Similarly, Gary, a 59-year-old, Black business-owner in the North End, employed his adult children. He noted that as teenagers, his children worked in the store often. However, because they had taken on other jobs as adults, Gary and his wife end up covering most of the shifts. He said: “I can’t pay them what they make at their jobs, so I just take what I can get. My sons usually work a day or two a week. My wife and I are in here most days.”

Both Gary and Shondra relied on family to keep the business going. Though modest, the shifts covered by family members gave both business owners time to attend to other matters. Family businesses make up a major portion of small businesses (Heck

and Stafford 2001; Olsen et al. 2003). Moreover, in 1997, 21.6 million family members worked in their business without pay (Olsen et al. 2003). So, it is clear that many small businesses rely on the employment of family members to sustain, particularly when profits are marginal. However, a reliance of family member employees was more prevalent among the Black business-owners I interviewed.

Other Black business-owners in non-gentrifying neighborhoods, employed community-members informally—often using them only when necessary. For example, Travis, a 62-year-old business owner, whose business was located near New Center, described having local residents do odd-jobs. He explained:

I use people in the community for specific jobs. Helping me with installations, sweeping and cleaning floors, et cetera. I find that if I can just help some people in the community, then I'm doing okay. I don't pretend like I don't need to help anyone, so it's mainly the people that I know, and they don't realize I'm helping them. They think they're doing some work because that's—you know, you can encourage people. It has worked. I'm happy.

Travis took pride in employing local community members. He felt that he was able to help them in significant ways—supporting their overall well-being and providing encouragement in the face of the prevalent social and economic issues the neighborhood faced. Providing employment, albeit infrequent and informal, gave Travis a sense of importance in the community. In a sense, he was fulfilling one of the core purposes of a small business—to provide employment opportunities.

Mallory, a 39-year-old business-owner on Detroit's Eastside, described bringing in part-time help when she had large orders. She noted: “They help out when something

big comes in. It's not official." These part-time workers were not members of the immediate community, but they were members of Mallory's extended social network. Thus, while her business did not have a direct impact on the employment prospects in the surrounding community, she did provide limited employment opportunities to a small group of Black Detroiters.

While many black-business owners in non-gentrifying neighborhoods tended to have no employees—manning the business on their own, some were able to employ family and community-members—most often through informal arrangements. One exception was Anita, a 40-year-old business owner, who split operations between a Northwest Detroit location and a Pontiac, Michigan location. She explained that the provision of employment for Black people is a central aim of her business:

I hire all Black people. Right? I have all women and one man, and I pay them \$20 an hour. Their schedule is flexible, and I make sure that I invest in them. Right? Because I need them to be able to invest in their families and then in their community.

Anita was unique in her explicit articulation of black employment as a central aim for her business; however, others expressed a sense that Black businesses had historically been significant sources of employment for Black Detroiters. For Anita, the provision of gainful employment was a reality, but for many other Black business-owners I interviewed it was not. They simply did not have the resources to hire a stable base of non-family employees. As previous accounts suggest, Black business-owners in Detroit understand the importance of Black business to Black community vitality, and they have

a desire to provide employment opportunities to their community. However, a number of obstacles prevent development on that front.

Anita went on to say that she felt that a major issue for many Black business-owners in Detroit's more marginal neighborhoods was that they failed to formalize their businesses. Anita meant that many Black businesses failed to go through formal channels to register their businesses with the city or other government agencies, such as the Internal Revenue Service. While business-owners did not often discuss the specifics of licensing and registration during interviews, I got the sense that some businesses in non-gentrifying neighborhoods might struggle to meet compliance with all registration requirements. Anita added: "If we don't have businesses that can do those things [hire employees and contribute to family and community development] by becoming formal and then advocating for policy that can help businesses, then we're losing out and those women and their families and the communities that they live in lose out also." Anita, I came to learn, was very active in trying to help other Black business-owners make connections to local, state, and federal legislatures. As a result of her own relationships with resource-brokers, she said that she was able to advocate for resources that had helped to grow her business. At the time of the interview, she employed six people.

Subsidized Employment

Like many of the Black business-owners in non-gentrifying neighborhoods, Black business-owners in gentrifying neighborhoods were less likely to have employees than their white counterparts. Those who did often employed family and friends. For example,

Veronica, a 60-year-old, Black business-owner in Midtown, employed five people, including her adult daughter. She explained: “The challenge always is to have people working inside the business who will carry forth the temperament, the understanding, and all of us have our own personality. That’s for sure.” Veronica’s employees were all retirees, with the exception of her daughter. She added: “We laugh and say too many of us are old people.”

Veronica’s statement reveals her thinking about who to hire. She expressed a desire to hire individuals who would reflect her intended image of her business. For her, that meant that she hired older women, primarily. I observed all employees to be Black. Her employment choices also imply that Veronica saw these older employees as trustworthy. That is, she could trust them to reflect positively on her business.

A few of the Black business-owners in gentrifying neighborhoods were able to employ youth workers through local programs, like *Grow Detroit’s Young Talent* (GDYT), a City of Detroit program, which matches youths aged 14 to 24 with area businesses and subsidizes wages, when needed. Earline, a 54-year-old Black business-owner in a gentrifying neighborhood on the Westside, has a business partner, but no paid employees. When asked whether she had employees, she explained:

No. This summer we had three young people working for us through the Grow Detroit’s Young Talent program, but we didn’t have to pay them. The city pays them. No, we don’t have any.

Earline felt that the experience was a good one. She went on to explain that she knew all three of the youths through the local art circuit. She added: “They were interested in what

we were doing, so it did work out this year.” GDYT gave Earline the opportunity to employ Detroit youths at no cost to her, because costs were covered by the program. Without the program, she was unable to hire staff. She was pleased with her recent experience because she had been matched with young employees who she had previously known through the local art community. She felt that it helped that they were interested in her business, which was also art-based.

However, others reported fewer positive experiences. Patrice, a 59-year-old, business-owner in gentrifying neighborhood on the Westside, has no paid employees, but she employs unpaid interns. She described her experience in the following way:

Well, it's just busy because it's just me. I've had interns since I've been here, and that's been great. I had probably the best one I had this summer out of all of them. She was exceptional, and a really nice young lady. She's in her first year at college, and so that was a good thing. I'm able to get a lot done that way. Some people don't like working with them because they're basically baby-sitting. You're teaching everybody from scratch, and literally most of these people have never had a job or they're just very irresponsible in terms of their job skills.

I just got a call last week about whether I'd be interested in some other interns. This particular organization, it's always cool to get them, but I told them, I said, "The last ones you had just walked away. I didn't hear from them, didn't call, they were at an [off-site event] standing in for me. They were two hours late, stayed there for two hours, and left. I said, "I don't need that." Sometimes, It's more trouble than it's actually worth.

Patrice's most positive experience was with a college-aged intern. Having the woman work in her business allowed her to get more done. But she acknowledged that the lack of

work experience and maturity-level of some of the younger, school-aged interns was discouraging. At the time of the interview, she was contemplating whether to continue participation in the youth program, because she had been let down by previous workers.

Still, others expressed interest in similar programs. Marie, a 61-year-old Black business-owner in a gentrifying neighborhood felt hopeful that she would be able to bring on much needed help through a local youth program. She explained:

I got an email the other day. I'm really kind of excited. There's an organization that supports young people who are coming out of the foster care system, and they're looking for businesses to take young people and show them something about being in business. I imagine that at some point in the near future I'll have young people working with me from that organization. Just whatever, whenever opportunities like that are presented, I generally say yes.

Marie operated her business alone, so the prospect of having youth employees, without the financial burden was attractive. She awaited the opportunity to get help with her business, but also to mentor young people.

Earline, Patrice, and Marie had varying experiences with youth work programs, but each acknowledged the real and tentative benefits to their businesses. All three had been unable to hire staff through traditional means due to financial constraints. The programs provided subsidies, that benefitted both business-owners and local youths. However, it is important to note that all three had arts-based businesses, that may be more attractive placements than other types of businesses that have less of an educational component built in. Furthermore, there is the question of whether these resources would

be available if they had the same businesses, but in any of Detroit's disinvested neighborhoods. None of the business owners in non-gentrifying neighborhoods even mentioned these types of programs.

While the majority of the Black business-owners across gentrifying and non-gentrifying neighborhoods had no employees, some business-owners staffed their businesses with friends and family. Others, in non-gentrifying neighborhoods reported employing locals on an informal and irregular basis. Among, businesses in gentrifying neighborhoods, some business-owners utilized unpaid interns, though it meant that they generally only had additional staff during summer months, when local youth were on recess.

The Triple Bottom Line

All of the white businesses owners in gentrifying neighborhoods had employees. They, like many of the Black business-owners believed that the provision of employment was a central function of any small business; however, they perceived few obstacles to doing so, if any. In fact, many of the white business owners articulated a kind of “social entrepreneurship” ethos when discussing employment during the course of interviews. That is, they were careful to outline how they, through their employment practices, were actually addressing a broader social issue—whether creating more equitable employment conditions within the service industry or paying a fair-wage. Martin and Osberg (2007) note that the concept of social entrepreneurship has gained popularity in the past two decade but argue that the term is often applied to businesses that do not actually meet the

criteria. To be sure, I am not suggesting that white business-owners in my sample are social entrepreneurs, or even that they identified as social entrepreneurs themselves. I argue that they employ a framing strategy that portrays their business as one that targets and addresses a broader social issue.

For example, Emily, a 37-year-old business-owner who had moved from New York to start her business in a gentrifying neighborhood on the near Eastside, explained working in similar businesses before starting her own. She stated:

Both of those businesses have these triple bottom line missions. They were really dedicated to the people that worked for them and the communities around them. That was something that I think was a little bit—it wasn't as apparent to me at the places in New York that I was frequenting. I think that was kind of like the missing piece. Then I went to California for the first time, and I travelled to San Francisco, and visited the co-operative-style, worker-owned businesses, specifically food businesses, and really saw how that connection is possible. That was the ah-ha moment for me. We have three bottom lines: people, planet, profit. Yeah. I think there are choices that we've made from the very beginning of opening the shop that I think—when I think about us being welcoming. It's like always the things we've said in our mission statement that we want to be.

Sometimes—I've been hearing a lot of feedback lately from people who say that that's the vibe they feel. I feel so grateful and happy for that, but also, I'm not totally sure how we got there, but I do know that I think out of some of the newer businesses that come in, I don't think quite as many hire from the neighborhood as much as we do. We really do have a diverse staff of women who are different ages, and different races, and different life experiences. They're all sort of—because we're all really close, they're all really comfortable being themselves. I

think there's a higher chance that any person could walk in and see themselves in someone here.

Emily employed 17 workers; and at the time of the interview, there was a hiring sign in the window. Emily's business is successful. She has been featured numerous times in local and national media outlets, and she has won multiple sizable grants. Recall, in the previous chapter, Amahle, a Black business-owner gave an account of barriers she perceived in accessing financial capital. Amahle described the importance of marketing and "knowing how to tell your story." Perhaps, Emily's way of describing her business is, in part, a strategy for increasing her competitive edge in the business capital arena. In the end, she is able to hire employees because her business received significant investment that facilitated expansion. Her popularity in the media, certainly boosted profits, and she could afford to keep growing her staff.

Similarly, Megan, a 35-year-old, business-owner in a neighborhood located near the central-business-district explained her approach as an employer: "We've really taken a stance on trying to pay people a living wage. I think we're lucky people understand what we're trying to do, so we're always busy." Megan's business was also gaining popularity and had been featured in a number of local business features. She acknowledged that by articulating an intent to pay a living wage, she attracted a growing consumer base.

Blake, a 36-year-old business-owner, who was located Downtown, recalled working in low-waged positions himself, citing his experiences as the motivation for ensuring that his employees were paid fairly.

I've experienced it myself. It's impossible to live on minimum wage. It started out—it was more of a moral decision. My partner and I took less money—we paid ourselves less, and we were comfortable with that. We were able to pay the employees more.

Again, Blake was clear that the concern was not in creating jobs, but in creating quality jobs. What these business-owners articulated was not unlike what Anita, the Black business-owner who earlier described paying her employees \$20 per hour, said during her interview. However, Anita was unique among the Black business-owners in my sample. She was one of few who described having the financial resources to hire full-time, long-term employees and pay them a living-wage. It was far more common among the white business-owners with whom I spoke.

Summary

In this chapter, I examined how black- and white-owned businesses in gentrifying and non-gentrifying neighborhoods in Detroit compare in employment capacity. I find that the Black business-owners in my sample employ fewer employees than do white business-owners—in line with the trends presented in chapter two. In most cases, the Black business-owners I interviewed simply did not have the financial resources to take on employees. However, where Black business-owners in gentrifying and non-gentrifying neighborhood differ is in the ways they navigate this barrier. Black business-owners in non-gentrifying neighborhoods, who did employ workers, tended to do so on

irregular and informal bases; whereas, Black business-owners in gentrifying neighborhoods employed youths through public-subsidized work programs. White business-owners I interviewed did not raise concerns about employment capacity.

Previous research has suggested that Black businesses employ fewer workers than do other racial and ethnic enterprises. However, few works have provided qualitative accounts of how this plays out on the ground. In demonstrating that Black business-owners' formal employment capacity is less than that of their white counterparts, this study supports existing research. However, I illuminate how Black business-owners circumvent capacity constraints by engaging in alternative employment practices, such as family employment, informal employment and subsidized youth employment programs.

In both types of neighborhoods, Black business-owners relied on family members to staff businesses. While common among small businesses overall, family members were a particularly significant source of employee support for Black businesses in this study. My data suggests that business-owners relied on the flexibility of family employment arrangements. While I cannot draw concrete conclusions about the quality or consistency of income stemming from this type of employment, my findings have implications for the broader study of small business and job creation. Black business-owners in non-gentrifying neighborhoods also relied on temporary and infrequent informal employment arrangements. Business-owners expressed a sense that provision of employment opportunities—albeit informal and infrequent—was still meaningful. Business-owners saw these arrangements as beneficial to the local residents and took

pride in their investment in the community. Finally, some Black business-owners in gentrifying communities relied on local youth employment programs. Unable to hire staff through traditional channels, these programs were one of a few available options for cash-strapped entrepreneurs. Some business-owners expressed a sense of fulfillment in mentoring youth—many of whom are minorities, while others pointed to potential shortfalls in the programming. In particular, most of the programs only placed youths during summer months, when local schools were in recess. This timeline meant that participating businesses remained without employees for most of the year. In addition, some business-owners suggested that participation in youth employment programs required business-owners to train young employees who often had little or no prior work experience; and, at times, young employees were less reliable.

On the other hand, white business-owners perceived few challenges using traditional employment arrangements. All white businesses included in this sample had employees. What stood out about white business-owners' accounts was the way that they described employment—situating it within broader discussions of the social (and environmental) impacts of their business. To be sure, Black business-owners indicated that the provision of employment was also a central aim of their business ownership, as well. However, white business-owners' articulations of employment objectives were bolstered by their financial capacity to hire employees. For many white business-owners, the discussion was less about providing jobs, and more about providing “good” jobs that were characterized by fair conditions and wages. As a result, many of these businesses were rewarded with a greater attention in the media and a growing consumer base. Taken

together, these findings reveal much about how racial disparities in employment capacity among small businesses persist amid gentrification.

Chapter 6:

Contending with the Costs of Neighborhood Change

Existing gentrification scholarship has told us much about how residents—both long-timers and newcomers—perceive the costs and benefits of gentrification (for example, Valli 2015; Shaw and Hagemans 2015; Shaw and Sullivan 2011; Doucet 2009; Freeman 2006). However, despite the centrality of local businesses in neighborhood vitality, identity, and stability, significantly fewer studies have focused on business-owners' perceptions in the context of gentrification.

While commercial outcomes have not been the central focus of much gentrification scholarship, there is some indication that local business activity changes with gentrification. Some research suggests that the consumer base and cost of operation for local businesses can shift in ways that impede the sustainability of existing businesses (Zukin 2008; Meltzer and Schuetz 2012). That is, a new pool of residents driving gentrification may have tastes that differ from the goods and services that existing local businesses provide. Moreover, rising rents in gentrifying neighborhoods may also drive out existing businesses whose revenue does not increase with the influx of new residents (Meltzer 2016). While these works provide insights into some mechanisms that may shape business outcomes in the context of gentrification, they fail to seriously consider these changes from the perspective of business-owners. I argue that this approach provides more comprehensive insights into the ways that gentrification may alleviate or further exacerbate existing inequalities in entrepreneurship.

Given what we know about racial disparities in small business startup and success, we might expect that gentrification would be particularly detrimental for Black businesses relative to others. As detailed in previous chapters, Black businesses-owners have less access to resources (i.e., social and financial capital) that are key to business success, and disparities in access are intensified in gentrifying neighborhoods. However, because previous works have largely neglected to consider racial variation in business outcomes in gentrifying neighborhoods, we know little about the specific costs in operation bore by Black business-owners.

In this chapter, I explain how business-owners contend with the everyday costs of running their businesses in a changing city. The neighborhood context shapes both perceptions of profitability and perceptions of stability among business-owners. I argue that while Black business-owners in both gentrifying and non-gentrifying neighborhoods face financial challenges, it is Black business-owners in gentrifying neighborhoods, who experience the greatest precariousness, as they navigate rising rents, unstable consumer base and revenues, and higher and more frequent user fees associated with licenses, permits, and inspections. White business-owners located in gentrifying neighborhoods also perceive gentrification to be associated with some challenges, but generally express greater confidence in their ability to flourish. These findings contribute to theorizing of gentrification and racial inequality in entrepreneurship by offering a unique vantage point into the costs of gentrification through the eyes of Detroit business-owners.

Gentrification and Changing Costs of Business Operation

While underdeveloped, existing research offers some insights into the changing conditions of operation for businesses in gentrifying neighborhoods. Some suggest that shifting consumer preferences brought on by the influx of more affluent residents may not align with the goods and services provided by existing businesses (Zukin 2008). Others suggest that rent increases driven by increased demand for area property can make business operation unsustainable for businesses that do not also experience increased revenue (Curran 2007). Additionally, Zukin et al. (2009) suggest that, in gentrifying neighborhoods, older, local businesses may be forced to close by rising rents, as well as evictions, seizures of their buildings by eminent domain, or increased competition from new businesses.

While these conditions would be challenging for most small business-owners, they would be acutely detrimental for already disadvantaged business-owners. However, because existing studies tend to rely on macro-level analyses, rather business-owners' accounts, they tell us little about whether the costs of gentrification are experienced the same across business owners with varying backgrounds. In particular, given racial disparities in access to key business resources discussed in previous chapters and in the entrepreneurship literature, more broadly, it is critical that we understand how gentrification alters the costs of operation for Black business-owners. Moreover, because this research is based on interviews with business-owners, it identifies additional costs associated with gentrification. Black business-owners in gentrifying neighborhoods not only identified rising rents and unstable consumer base, they also describe increasing

taxes and fees related licenses, permits, and inspections—a factor not previously identified in the gentrification literature.

“Just Surviving” or Thriving in a Precarious Property Market and Development Landscape

Residential and commercial property values are on the rise in Detroit communities, but nowhere more than in the neighborhoods undergoing significant gentrification. Overall, between 2017 and 2018, commercial property values grew 35 percent—a huge jump from the modest five percent growth the previous year (Livengood 2019). If commercial property values are up, so is rent. As a result, many long-time residential and commercial renters are squeezed out—an expense of the area’s revitalization⁴². But, in many Detroit neighborhoods, where demand has yet to spike and where little investment has been made in renovating the built environment, increases in property values have been more modest, with a few areas in the city still undergoing decreased value.

The Gap between Slow Sales and Rising Rents

My interviews revealed that many Black business owners in Detroit struggled to turn a profit, regardless of neighborhood context. This was not entirely surprising, given the stark disparities in sales between Black and white businesses highlighted in the Chapter 3. Besides, existing research tells us that Black business-owners often start out

⁴² According to the rental blog, rentcafe.com, the average rent for an apartment in Detroit is currently \$1,028, a five percent increase over last year (2018). While lower than the national average, the median household income in Detroit is \$30,344—lower than what it was before the national Great Recession (MacDonald and Chambers 2018).

with fewer resources than their white counterparts. Black business-owners in both gentrifying and non-gentrifying neighborhoods more often indicated financial concerns.

Carolyn is an 81-year-old business-owner in Detroit's central business district—the area that has received the greatest capital investment and population growth in recent years. She started her business in 1989, spending 10 years as a traveling vendor, before taking up a shared commercial space with three other female entrepreneurs. In 2009, she decided to take the leap and rent her own space. At the time, rents were much lower. Property values across the city were plummeting⁴³. Carolyn said she was able to get the space by taking out a loan. But, in recent years, she says that sales have slowed while rent and expenses have increased. She states:

I'm always strung out in terms of [laughter] do I have enough money? When I moved over here, it was the first time I ever took a loan, a line of credit. I'm still paying that back and the rent is only getting higher. I have quiet days when there is maybe little or no money coming in. At our [local business association], we go to the conferences, and meetings, and stuff, and they say, "Go outside and look at your store and see how it looks to people who are on the outside." These windows are tinted. On a day like this, it looks like it's dark in here. That says to me do I need to change the lighting? Yes, I do. Where am I going to get the money? I don't know.

⁴³ In 2008, in the middle of the national recession, Detroit's cumulative assessed value of all residential properties was \$8.8 billion. Assessed values continued to decline more than \$6 billion, until 2018 when a modest increase was noted. Decreasing property valued led to cheaper rents, allowing some business-owners to greater access properties (Stafford 2018).

Carolyn explained that she had been encouraged by the neighborhood business association to make improvements to her storefront that would increase the visibility of her business. However, Carolyn wondered where she would get the money. Given her financial constraints, she was unsure about the future of her business, adding, “I guess we’ll see where I am in a years’ time. It’ll be tough.”

Business owners in other gentrifying neighborhoods outside of the central business district also expressed concerns about slow sales and rising rents. Even Amahle, a 65-year-old, who won a small neighborhood development grant that allowed her to open her business five years ago, described feeling as if her future as an entrepreneur was uncertain.

If anybody looked at us from the outside they would say, “Oh, wow. They’re really doing it.” We won the [arts education grant]. That’s been fantastic. We’ve gotten great press. People know who we are, but we’re not selling anything, so... I shouldn’t say we’re not selling anything. That is an exaggeration. We’re making a little but we’re not making—we’re making money but we’re not making a profit. And, you didn’t ask this question yet, but it’s a little scary for me. On the one hand yes, I definitely wanna see more people walking up and down the street. The development on [near intersection] will include some apartments. That will mean more people living on the street and walking on the street. My fear is that if things don’t change for me in terms of the number of people coming in and actually buying, the rent’s gonna go up, and I won’t be able to afford it, and that will be the end of [my business].

The start-up grant that Amahle won also matched her with her current building location, which is on a busy thoroughfare in a quickly gentrifying neighborhood near a university.

She noted that she got less cash from the grant than she anticipated: “The premise was that you could win up to \$10,000 to start a new business on [location redacted].

Ultimately what happened is that what I won was the opportunity to pop up on [location redacted] for three months at a very low cost, while they built out the permanent space. I didn’t actually get much in the way of cash.”

Other business-owners had to relocate because rent had already increased.

Lawrence, a 48-year-old, business-owner had to relocate to a non-gentrifying neighborhood because rent at his previous building had increased by \$500 in roughly two years. When I conducted the interview, he had only been in his new space for seven months. He said:

I opened my place over there in 2012. At that time, the rent was pretty cheap—well, not cheap. But I could manage it. I was doing month-to-month. It was only a few other places open around me—pretty quiet at first. Then, in about—I would say about 2017—Boom. A whole bunch of businesses start opening on that strip and around the corner. So, the guy [landlord] starts coming around saying 150 more. I scraped and scrounged and paid that. Then he comes back and says \$500 more. There was no way—so, now I’m here and I’m paying less than I paid for the other place in 2012.

Lawrence’s new location was about four miles from the former, in a neighborhood that is predominantly-Black and middle- to low-income. However, he said that he had retained many of his old clients, who had been using his service for years. He was able to come to terms with the move because it has not permanently disrupted his business. However, the

conditions of the building and surrounding neighborhood at his new location were humbler than his former location.

A few of the Black business-owners in gentrifying neighborhoods, were able to avoid the issue of rising rents by purchasing their property before major investment came to the neighborhood. Juanita, a 41-year-old business-owner, who described having to work a full-time job to keep her business running, still felt some relief that if the business closed, she would still have the building to sale.

I don't have a lot of free time, because I'm not a full-time entrepreneur. Well, I am a full-time entrepreneur, because it consumes me, but I have a full-time career aside from this. I need to have my job, so oftentimes there's a choice that needs to be made. It's my career that helps me pay for this, because right now, we're not making any real money. It was a long process, three years before opening the doors and working on this place, and now I'm trying to build up my customers. The one thing I can say that gives me comfort, I can't fail, because I own the building. I don't have a landlord that can up my rent, so that doesn't scare me. No one can buy me out. The worst thing that can happen would be close the doors, but that means I get to sell. No one can close my doors. I get to sell.

Juanita's business was not yet profitable, and she was still trying to build her customer base. Recall, in Chapter 4, Juanita described challenges in accessing key business networks. While her full-time employment allowed her to purchase her building and provided some cushion while the business made no profit, it also meant that she had little time to focus on building her business network. Still, Juanita found some reassurance in

the fact that if the business failed, she would be able to sell the commercial property, which had surely increased in value since she purchased it.

Black business-owners, whose businesses were located in non-gentrifying neighborhoods often found cheaper rents. But, with cheaper rents came sacrifices. On one hand, many of the Black business-owners in non-gentrifying areas expressed fewer anxieties about finances. Fatima, a 38-year-old Black business-owner described finding a cheap store front on Detroit's Eastside.

I was driving one day. I was in the car with my mom. She's probably my little omen. I was in the car with my mom when I found the space, and it was a little space. I never saw the rent sign. Saw it that day, stopped in. The guy, the owner was there. He was like, "I can give it to you for \$500." I was like, "All we got is \$3,000, so I don't know where this \$500 a month is gonna come from," but I believed in me so strong that there was no plan B. Right? I said, "Okay, I'll take it. How much is the deposit?" He said, "Well, there's a crack in the front window. If you do the crack there, I'm not gonna charge you a deposit." I moved in with \$500.

Though she had found a cheap space to rent for her business, she had to take the property as it was, footing the bill for repairs on her own—many of which she said she had yet to make. Her experience is indicative of the challenges many Detroit business-owners in disinvested neighborhoods face. Commercial space is affordable, but business-owners are often forced to contend with lower quality. Still, Fatima was hopeful that she would succeed. She added:

I had to think about how do I create my business with a model within \$3,000 budget versus, “Oh my God. It seems unattainable because I need \$30,000 to do this. I had to think within my terms. We’re so big at saying to live within your means. Well, create business plans within your means, too, and you start there, and then we’ll grow. That’s what I did. I had nothing when I started this.

Broader cultural beliefs about living within one’s means had influenced Fatima’s approach to business ownership. She was keenly aware of her financial constraints, but she negotiated around them. That is, she found a way to pursue business ownership with very limited start-up capital.

Felix, a 70-year-old, Black business-owner, like Juanita, owns his building. He acquired the property in the 1990s when he was still married. Today, his building needs repairs. An entire section of his interior space is closed off due to a leak. He explained that for the last eight years, he had tried to raise funds to repair his roof. Despite this challenge, and despite not making much of a profit, Felix is content:

In reality, I don’t have any money in the bank. I make enough to stay in business and that is always my motto that I’ve told people who come to me and asked me how I stay in business. I said, “You meet all of your expenses and you got three dollars, you are a successful businessperson. I don’t know the formula for how you can make millions of dollars, but I do know how you can stay in business. Just pay all of your expenses, and you make a dollar, that’s a dollar profit.

My philosophy has kept me in business because I wasn’t going to accept it. I was failing anyway. You know, why am I—well, you’re failing in your business. No, I didn’t. I just didn’t make no money for a couple of months. I’m still not making no money.

Despite not making money, Felix saw his business as a success. Felix had been an entrepreneur since 1985 but explained that he has seen few profitable periods in the past 34 years. Certainly, most entrepreneurs, business scholars, and the Internal Revenue Service, would conclude that Felix was more a hobbyist than an entrepreneur. However, Felix had constructed his own definitions of business success. For him, success was characterized by survival, not profit. So, Felix just kept being in business. However, the likelihood that Felix would be able to continue operating with little to no profits, and without making repairs to his building in a gentrifying neighborhood are slim. Felix's ability to survive is largely attributed to his location in a non-gentrifying neighborhood.

Despite having affordable rent currently, some Black business owners in non-gentrifying neighborhoods worried that planned large-scale investments in their neighborhoods would present financial challenges later. Benjamin, a 37-year-old business owner in Northwest Detroit, stated:

It's [planned revitalization projects] scary to an existing business—(A) because the rent prices are going up at such an incredible rate so quickly that it's not sustainable. Every time there's something new we increase rent for existing business, and a lot of people have been priced out not only of living in Detroit, but also owning and operating a business in Detroit.

That was one concern with us, especially, with [location redacted] getting a large sum of money into reconstruction and redevelopment and [neighboring community], same thing. There's developers working in [neighboring community], which is right down the street from us, and it's all gonna' trickle down. It's all gonna affect us at the end of the day. What does that mean for the existing businesses?

The grant that the city just got or the money they're getting to each neighborhood, which is, I don't know, \$10 million, something like that. What's the direct effect on businesses?

Because as soon as home prices go up our rent goes up, the prices we have to charge goes up, and the people—the customers that are actually here we've now alienated to make room for the new people. I don't wanna do that.

The thought of rents increasing in Benjamin's neighborhood was a source of anxiety, as he felt it placed the future of his business in limbo. He had observed business displacement and lack of access in other gentrifying neighborhoods in Detroit. With neighboring communities receiving investment and undergoing redevelopment projects, Benjamin was concerned that his community would be next. More broadly, Benjamin worried that neighborhood investors and developers failed to account for the impact revitalization would have on existing businesses. With rising rents, he was concerned that his customers—local residents—would be forced out, and he would lose his consumer base.

In contrast to the Black business-owners in my sample, white business-owners rarely expressed significant concern about financial challenges and a sense of precarity. Indeed, research suggests that whites have greater access to business capital. White families are more likely to transfer wealth, as well as social and cultural capital that assists in generating more wealth, than are Black families (Darity Jr. et al. 2018; Shapiro 2004; Oliver and Shapiro 2006; Darity Jr. et al. 2001; Herring and Henderson 2016). Moreover, white entrepreneurs have greater access to loans than do Black entrepreneurs.

It was not that these business-owners perceived no challenges. It was that few of the challenges were financial. In fact, none of the white business owners I interviewed indicated the same types of financial concerns as did Black business-owners. For them, it was not a matter of having too few customers or too little money to make business-ends meet. As I demonstrate in Chapter 4, many white business owners are tapped into key business networks and perceive fewer barriers to accessing local financial capital.

Emily, a 37-year old a white business-owner, who moved to Detroit from Brooklyn, NY to start her business in 2012. In 2014, she moved into a permanent storefront. She said that her greatest challenge was dealing with an inappropriate landlord:

The only thing that gets in my way are men. You know what I mean? Dealing with landlords. Dealing with—I think something that I’m learning so much now, six years into it, and as we start to figure out what’s next, is that you are hard-pressed to find female land property owners—and even people of color. It’s mostly white men.

Our current landlord treats me quite disrespectfully and doesn’t want to attribute our success to what we actually do. I think for the most part, I don’t ever feel disrespected by my employees because I’m a woman. When I do have to be forced to—in some cases I can choose who I work with. There are certain roles that tend to be male dominated. That’s been proven to be really challenging to me because I also start to really question, “What will it take to break that system?” For example, my landlord originally, was the father of my current landlord. He’s super old now, kind of sick. He treated me inappropriately in a lot of ways, but also would just say gross stuff, and would also want to do everything under the table. You know?

Then when his son took over the building less of the sexual stuff, but just fights with me, and I see that progression of passing on the torch. I wonder if that's the way that things go. At what point does a woman get the torch? I think, as with a lot of things, it takes people who have things kind of giving them up.

For Emily, being a woman presented some challenges, particularly in dealing with her landlord. She felt that she had been harassed and felt uncomfortable with the type of financial arrangement—being asked to make informal rent payments. For Emily, the lack of gender and racial diversity among property-owners in Detroit was troubling. It is important to note, however, that although Emily did not mention it in the interview, she was awarded \$50,000⁴⁴ from a local nonprofit business development program in 2014—funds which helped her to rent and renovate her current space. Prior to that, she sold her products online and at local pop-ups.

While Emily was the only business-owner I interviewed to explicitly mention sexual harassment, it is unlikely that she is the only woman in the sample to experience it. Research suggests that about half of all women will experience some form of sexual harassment in the workplace over the course of their work life (Illies et al. 2003). Moreover, research on sexual harassment in housing suggests that sexual harassment is also quite common in landlord-tenant relationships (Reed, Collinsworth, and Fitzgerald 2005; Tester 2008). Given the prevalence of sexual harassment in these two spheres, sexual harassment among women business-owners deserves distinct investigation.

⁴⁴ Information obtained from grant-making agency website. Though the grant competition is hosted by a non-profit agency, funding is made possible by Comerica Bank.

Taxes and Fees

For many of the Black business-owners I interviewed taxes and user fees associated with state provision of basic services and inspections were a major source of concern. Logan and Molotch ([1987]2007: 285) suggest that many localities with the weakest tax resource are driven to impose user fees to make city services pay for themselves. Already strapped for funds, in many cases, I found these additional costs heightened their financial anxieties.

Ralph, a 67-year-old Black business owner, who purchased his building nearly 30 years ago, is located in the heart of a rapidly gentrifying neighborhood. He explained financial demands linked to a recent city inspection:

Ralph: Well, the inspections used to be every three years. Now they're doing 'em every year. When I first opened on the building, they wasn't charging for services. Now everything gets charged—whatever inspection comes out and how many times they come out.

Candace: You have to pay each time?

Ralph: I have to pay each time. They want certain things done and stuff, but they're hoping that you're not able to do it so they can take the building over. It's just like when I started out, if your trash was not on your taxes, now it's on your taxes. If you don't pay your taxes, you don't get trash picked up, and so you lose the building. They can take over if you don't pay your taxes and pay for the waste and things of that sort. They say they're saving money. They say they're saving

money 'cause now those people who are doing the waste management, they're duplicating because now you got it on the taxes. The tax people do all the waste management payment and stuff, so all those people went by the wayside. They lost their jobs. If you don't pay your city taxes, which means that you didn't pay your waste management taxes, which they turn it over to collections and collections—if you don't pay collections, then you lose the building.

Candace: Yeah. Yeah, that seems like that would be really tricky to navigate.

Ralph: Yeah. Well, a lot of times they make these decisions and we don't know they made the decisions 'til it's too late to change 'em. We don't realize a lot of the meetings they have, they put it on a back page of a newspaper. Or they send out a flyer and not everybody gets the flyer. Next thing you know they made a decision; the city council have made a decision. This is what they're gonna do, and if you want to protest it come to this meeting here. Then the next day, they have it on the news that they've done what they've done and we're like, "well, when did they tell us?" They didn't tell us anything like that. It's just like being a business owner, everybody wants to know why do I have to pay for parking being a business owner? That's the way they got it in the—because most of the people who own businesses are not owners of their facility.

As part of a broader plan to renovate the built environment, the city had ramped up building inspections (Figure 8, obtained from the City of Detroit Building Inspection Information web page, outlines building maintenance requirements). Ralph explained that inspections had previously been done once every three years but now took place annually, and Ralph felt that the inspectors gave more citations now. Ralph not was not only concerned about mounting fees that resulted from the city's increased focus on



**Property Maintenance Division
Inspections, Requirements and Responsibilities**



OUR BUSINESS COMMUNITY IS VITAL TO THE CITY'S HEALTH AND WELL-BEING

Safe, attractive and healthy business locations are key to the city's growth and development.

RESPONSIBILITIES OF OWNERS

- Maintain the physical structure and environs in a safe, clean, attractive and healthy manner pursuant to Chapter 9 of the Detroit City Code.
- Make repairs and violation corrections in a timely manner
- Observe requirements for legal occupancy and use
- Maintain current certificates and license

RESPONSIBILITIES OF TENANTS

- Use the facilities properly
- Allow inspectors, owner and workmen reasonable access
- Keep property clean and promptly notify the owner of needed repairs
- Maintain equipment and fixtures in safe condition

RESPONSIBILITIES OF THE COMMUNITY

- BUY DETROIT!!!! Support local businesses whenever possible
- Monitor vacant properties
- Report deteriorating and open buildings to the Buildings, Safety Engineering, and Environmental Department
- Report trespass and vandalism to the Police

For Commercial and Zoning Complaints Call: 313-628-2451

Figure 8: City of Detroit BSE Inspections, Requirements, and Responsibilities

inspections of properties in his neighborhood, but he was also suspicious that the city was using this as a tactic to seize commercial properties from vulnerable business-owners.

Ralph's fears are not unfounded. Much has been documented about Detroit's tax

foreclosure crisis. In 2014 and 2015, the county foreclosed on nearly 25,000 properties each year. Nearly 9,000 of those foreclosed on in 2015 were occupied properties. That number has since dropped. In 2018, the city carried out 4,676 tax foreclosure—1,499 were occupied properties (Cwiek 2018). Now that services, such as trash collection and water utility bills, had been folded into property tax bills, defaulting on payment of these utilities, could result in tax foreclosure. Ralph felt that such decisions had been made without proper notification to the public. Similarly, Clarence, a 53-year-old Black business-owner, whose store was located on the same thoroughfare as Ralph's mentioned that he had recently been given a notice by the city inspection agency to replace his back-entrance doors. A repair that he said would cost at least \$4,000. Clarence, like Ralph, felt that the city was putting too much financial pressure on the commercial property-owners in the area, many of who were already struggling to keep up with a changing customer base.

Suzanne, a 59-year-old business-owner, in a gentrifying neighborhood on the city's Westside faced such challenges as well. Though she was not a commercial property-owner, she had incurred parking-related fees from the city. She stated:

They're putting it on us the people to generate money for the city, I guess, through ticketing and fines, which is really crazy. I'll get a letter, it seems like, every 60, 90 days from a ticket, and I'm thinking, "You can send me a letter about a ticket, but you can't come in here to take care of my landlord's BS." No, mm-mm. You can't fix the potholes. Put that money towards the potholes, 'cause trust me, if you're puttin' the—if you're spending that much on postage and the time to write it, and ink, and paper, and all that other stuff, put my \$1.20 on a pothole.

In many developing neighborhoods in Detroit, the city has installed high-tech parking meters⁴⁵. Suzanne’s business is located in one such neighborhood. Located on a busy corridor, there is very little off-street parking. So, many of the local business-owners are forced to park on the street and pay hourly parking rates. In the event that someone exceeds the time limit, a \$45 ticket is issued. Suzanne felt that it was unfair that she, a business-owner, had to pay parking. Moreover, she commented that she felt the city was using parking tickets as a tactic to generate revenue at the expense of residents and business-owners. Indeed, between 2014 and 2016, revenue from parking tickets increased 30 percent, with the city raking in \$13 million that year (Helms 2016). Suzanne not only felt slighted by the city, but she felt that the money could be put to better use—like towards the city’s notorious road issues. A recent study concluded that Detroit-area drivers pay, on average, \$2,544 in vehicle repairs and depreciation, time lost to congested roads, and accidents caused by deficient roads (TRIP 2019). Suzanne’s comments reflected a common sentiment among Detroiters. She wondered why, if the city was collecting more revenue, many conditions around the city had shown little improvement.

While Black business-owners more often described feeling as if they were assessed unfair fees (11 of the 25 Black business-owners in gentrifying neighborhoods mentioned recent fees), one white business-owner expressed a similar sentiment. Colton, a 55-year-old white business-owner, who recently purchased a building in a community

⁴⁵ Rates are \$1 per hour, with a two-hour maximum. So, many business-owners are forced to move their vehicles multiple times per day, resulting in disruptions to normal operations—particularly, for those who have no staff.

that is slated to receive a multi-million-dollar investment, described a contentious interaction with a city inspector:

Everything's cool. We start our buildout. I start having inspections. The inspector goes, "I think you need a sprinkler system," so I go, "No, we don't." He's like, "Oh, I think you do." I said, "Well, we already have four-hour fire rating on the walls, four-hour fire rating on the ceiling." 'Cause we had an upstairs. He's halted our whole project. We had to go back to plan review, and they're like, "No, you're fine." Like, "Well, the inspector won't—I don't know. I'm not givin' him any money. I'm not gonna accuse him of wanting it, because he hasn't asked. Yet." We actually had to get his boss involved. Finally, came out in the media. He's like, "Okay. I can't force you to get this sprinkler system, but I can go big." Oh, my God, whoa. Really. Seriously? Now every time he fails me, I gotta pay for it, and I gotta go have it again.

Colton's business is currently located about seven miles away from the new site, in a middle-class neighborhood that has remained relatively stable over the years⁴⁶. Once the new building passes inspection, he plans to move into it. He said that he would keep his current building and that he hoped to be able to rent it to another business-owner.

Blight Tickets

Although Black commercial property owners in non-gentrifying neighborhoods did not report the same issues with full-scale inspections, they often brought up blight tickets. In Detroit, blight tickets are issued by building and health inspectors and by

⁴⁶ Colton owned three buildings, in total. The third was in a low-income neighborhood near Downtown.

police officers, and can be issued for an array of violations, including high weeds and grass, snow and ice removal, and failure to maintain exterior property. The maximum fine that can be imposed is \$10,000, and failure to pay fines, fees and costs result in collection actions, which may include garnishment of wages and/or liens being placed on upon property.

In 2015, the City ratcheted up enforcement, catching many residents and business-owners off-guard (Helms 2015a). Lori, a 44-year-old, Black business-owner, who owned a storefront in a low-income neighborhood in Northwest Detroit explained,

Now, they're writing blight tickets, like nobody's business. It's on my building, but it's not my blight. Somebody spray-paints my building, now I'm getting a \$250 ticket. They just spray-painted it. I didn't even get a chance to clean it, before they came with the ticket.

Lori said that other business-owners in her community received similar tickets. She added:

I can't keep up with all of this. A friend of mine, she owns a business where she rehabs commercial buildings and houses, and flips 'em. She's getting' blight tickets. She's like, "I didn't dump in the alley. They dumped in the alley, and how the heck did they get it that quick?" It wasn't even much. It was a trash can sprayed. "Someone else did it, and I'm getting a \$250 ticket that I've gotta pay, now." This is crazy. It's not just me. It's other people.

Lori noted that she and other nearby business-owners found it difficult to keep up with the tickets. She felt that the city often gave business-owners little time to make repairs before assessing tickets. For many Black business-owners in non-gentrifying

neighborhoods, these blight tickets were a source of anxiety. At \$250 per violation, these tickets represented a major cost to business-owners who also owned their building and struggled to turn a profit.

Confronting a Crumbling Infrastructure in Non-gentrifying Neighborhoods

In addition to the normal costs of business, many residents and business-owners in Detroit neighborhoods that have not undergone significant investment deal with the symptoms of an aging infrastructure. While these issues are not restricted to Detroit's most disinvested neighborhoods⁴⁷ the costs bore by business-owners in these areas have a greater impact on their financial status.

Tabitha, a 64-year-old, business owner in a low-income neighborhood on Detroit's Westside, when asked about challenges her business faced, described how a series of multi-day power outages had cost her:

It's affected me several times—the power outages; maybe three, four, and one was for three days. I'm only open Thursday through Sunday, so that was bad, not to mention did it not bring in revenue. It cost money, because I had to get rid of all of the items, so with that, that was really discouraging.

⁴⁷ The city has struggled to cover the cost of much needed repairs. A 2016 report commissioned by Gov. Rick Snyder estimated a nearly \$4 billion annual investment gap on addressing infrastructure improvements and maintenance in the state of Michigan—concluding that current taxes and user fees fail to raise enough revenue to build and repair infrastructure systems (Gibbons 2018). Many areas of the city, including some of those receiving the most significant investment, routinely suffer from flooding caused by breaks in the water pipeline (Livengood 2018). Additionally, the Detroit metropolitan area has been plagued by rampant power outages. A series of prolonged outages, lasting as many as eight days in some Detroit neighborhoods (Laitner 2018). In 2017, high winds cut power to nearly one million properties in metro Detroit (Allen 2017).

The power outage meant that Tabitha had to throw out inventory, for which she would never receive compensation. Moreover, because she only opens her shop four days a week, the power outage meant that she, for that week, was only able to open one day, causing her to lose even more money.

For some Black business-owners in non-gentrifying neighborhoods, the issue was compounded by apathetic landlords. Curtis, a 44-year-old business-owner, whose business is in a low-to-middle-income neighborhood near an area that has received much investment, explained:

We experience flooding and unfortunately, we don't have—the lease that we have is one that says basically the landlord's not responsible for anything. When we get a lot of snow and the snow melts, the snow comes in. The snow messed up the furnace. We had to repair it. Our landlord's not responsible for anything and we can't—we've tried to renegotiate and he's not having it. 'Cause he knows that he can find somebody else to pay whatever he's asking. Yeah, we have been impacted by the infrastructure issues here.

For business-owners in gentrifying neighborhoods, the problem was less the infrastructural issue—in some neighborhoods, repair projects were underway. What caused concern was the disruption to business operations. Suzanne, who earlier mentioned receiving numerous, costly parking fines, explained how local construction made it difficult for potential customers to access her business. She stated:

We got all this infrastructure going on. Like I said, it's probably been the worst summer I've had since I've been here in terms of income, and so we know that

things are already happening. They're moving the gas lines, now they're doing—whatever little temporary thing they're doing, they're still doing it. Then there's stuff in the back. Now we can't park in the back, now we can't park in the front. We could park down here, but where do you park? Where do our customers park? You givin' us any special advertising, or promotion, or marketing to help us through this? Ain't been no talk about it.

Suzanne wondered if the city had considered the cost to businesses like hers. While the repairs would certainly improve the delivery of key utilities, she felt the financial pang of even slower foot traffic than usual. On the one hand, Black business-owners in non-gentrifying neighborhoods incurred costs associated with deteriorating infrastructure. On the other hand, Black business-owners in gentrifying neighborhoods dealt with disruption associated with local construction projects. For both groups, these challenges were exacerbated by pre-existing financial constraints.

Few of the white business-owners I interviewed mentioned that their business was majorly impacted by infrastructural issues, and those that did seemed to view it as episodic and, perhaps, inconsequential. For example, Amber, a 31-year-old business-owner on the city's Eastside stated:

We've had power outages. We've had water pressure issues, or water loss, or whatever, or hot water issues. From my perspective I've never really knew if that was a Detroit infrastructure issue, or if that just happens sometimes. Sometimes it is hard to get those answers that you need about when it's gonna come back on, and stuff like that. I think there isn't—we've had issues before where there's work being done and the city, or whoever's doing it, doesn't communicate it to the businesses like, "Oh. We're gonna turn you water off." They'll tell us the day of.

It's like, "Well, what are we gonna do about that?" There's communication stuff that is problematic.

For Amber, power outages and water utility issues were a nuisance, but the bigger issue was a lack of communication on the part of the city or service providers. She did not mention an impact on profits or provision of service.

Summary

This chapter, I argue that Black business-owners in both gentrifying and non-gentrifying neighborhoods negotiate different financial challenges that profoundly shape their perceptions of precarity as business-owners. Black business-owners in gentrifying neighborhoods navigate rising rents, unstable consumer base, and higher and more frequent fees associated with licenses, permits, and inspections. Black business-owners in non-gentrifying neighborhoods contend with a deteriorating infrastructure and blight that often yields additional costs. Black business-owners in both gentrifying and non-gentrifying neighborhoods struggle to make business-ends meet, but it is Black business-owners in gentrifying neighborhoods who more often describe a sense of precariousness in navigating the gap between profits and rent. Moreover, they describe an increase in city demands that they have trouble surmounting. On the other hand, white business-owners I interviewed expressed fewer financial concerns related to rents, fees, and infrastructure.

These chapter helps us better understand the everyday costs of gentrification for business-owners. My findings support previous work which suggests that rising rents and unstable consumer base and revenues present challenges for local businesses in

gentrifying neighborhoods (Curran 2007; Zukin 2008; Zukin et al. 2009). However, this work highlights an additional gentrification-related cost to business-owners: higher and more frequent user fees and taxes. These findings have implications for the sustainability of Black businesses in gentrifying neighborhoods. A number of Black business-owners I interviewed described a sense that their businesses might be in real trouble if revenue did not increase.

My findings help to fill the gap in our knowledge about how revitalization efforts shape outcomes for Blacks beyond the residential dimension. However, it is important to note possible limitations to this component of the study. In conducting interviews, I capture business-owners' perceptions. Without observation, I am unable to fully corroborate their accounts. I have tried my best to check many of their claims about neighborhood projects, infrastructural issues, and city policies and procedures using archival materials. Future research, including more comprehensive observation—perhaps, of one community—could provide valuable insights into these dynamics.

Moreover, this research calls for greater attention to the changing landscape of user fees, particularly in the context of gentrification. The topic is virtually non-existent in the gentrification literature but deserves greater attention, as it served as a significant factor in the experiences of the business-owners in this study.

Chapter 7: Detroit Futures

My research has traced inequalities among Black businesses in gentrifying and non-gentrifying neighborhoods and white businesses in gentrifying neighborhoods. Given the varying experiences among Black business-owners in gentrifying and non-gentrifying neighborhoods and white business-owners in gentrifying neighborhoods, how do their perception about the future of their neighborhoods and the city, more broadly, differ? Understanding how business-owners' perceptions of neighborhood and city futures converge or diverge offers insights into the future of revitalization and its impacts on Detroit.

White Business-Owners

Allie, a 59-year old, white business-owner, who had moved to Detroit from a nearby suburb just over two years ago after her children graduated from college, described the changes to Detroit as dramatic: "It changed so fast during... So say 2005 to... 2010 to 2015. It was, to my eyes—it was really dramatic." She was pleased with the changes, particularly in the greater Downtown district, where she lived. Her business was located in a gentrifying neighborhood on the Westside. Allie, believed the city had much to overcome, including a negative reputation. She continued:

So, Detroit's got a reputation and it's overcome a lot of it. But it depends on... You know how people read headlines, right? So it depends on what their focus has been. And if you want to focus on the negative, it's out there. It's out there everywhere.

Allie reflected on how the city's reputation, particularly among suburbanites made her neighborhood and business stand out. She added:

I have people—I do get suburbanites coming in and more even from the more far outreaches. I've had a couple people come in and they say, "So where is this?" And I said, "It's Detroit." "No, no, no this isn't Detroit." So I used to—I'm like, "No really it is Detroit." And but then I thought, well, okay, if you don't want to think this, I'm fine. Or, think whatever it is. Like, "Where do you think I am?"

Allie noted that some of her suburban customers were surprised to see a neighborhood like hers in the city. The physical character and business selection in the neighborhood did not match up with the image of Detroit that they held.

She went on to say that many suburban residents, still felt some apprehensive about venturing out to neighborhoods outside the greater Downtown area. She stated: "A lot of that is reputation too, people are anxious especially because they got to park on the street and if you live in Bloomfield [nearby affluent suburb], you don't know what that means. You don't even know what that is to park right on the streets." Allie attributed their anxiety to mundane things like parking on the street, but as we continued to talk, I got the sense that what her suburban customers were actually concerned about was their safety in Detroit. She added:

And it does, it can be very trashy around here. And I pick up, but by the end of the day it can be all back. So that's the responses. The other thing is Detroit's a huge footprint city. So yeah. So it's got that negative connotation going to it. But, you're not going to find an area in the city with more income, and more education, and more density than this neighborhood right here.

Allie recognized Detroit's negative reputation within the region, and she seemed to empathize with her suburban customers' perceptions of the city. After all, negative depictions of the city had been long-running in the media; and, compared to many of the city's suburbs, even the Detroit neighborhoods receiving significant investment paled in comparison.

Allie went on to suggest that redevelopment would continue in her neighborhood. She felt there a strong sense of community had emerging in the neighborhood, and that it had become a distinct town within the broader city. She said:

This area is a community. It is. When I opened, I treated it like this is a little city in itself right here. This is a small town, right here in this area. And, that's what I wanted, and that's what I found. This neighborhood, that's unique. It doesn't exist in all the neighborhoods, certainly, in Detroit. There aren't that many stable—there's plenty—but there's not that many stable neighborhoods around. But that's been really rewarding for me to feel like I'm part of this community, for people to treat me like I am part of the community. So, that's been nice. But it just feels like a small—

This area has an economic development group—an active one. And, so they are working on plans for [major thoroughfare on which Allie's store is located] and for future plans and development. They have a whole plan put together to make this more walking friendly. They're going to narrow the road. They're going to put bike paths, all kinds of things—the bump outs [building extensions]. So, I think it's going to be horribly painful to go through, but it needs to be done. It'll make a huge difference when it's done.

Allie was careful to draw a distinction between her neighborhood and others around the city. At times, it was hard to discern what she believed made her neighborhood different from so many others. She said that neighborhood was stable, when, in fact, it had undergone significant demographic change following a major redevelopment project that attracted an influx of younger more affluent residents looking for an alternative to the greater Downtown. She was aware that the area had become one of the wealthier, more educated areas in the city; so, perhaps, that is what she meant by “stable.” Moreover, Allie was excited about the new plans to continue neighborhood redevelopment. She identified a strong local community development group that she felt was moving the neighborhood—in particular, the business district—in the right direction.

When asked what she thought the future of the city might be, Allie was hopeful. She pointed to the significant private investment already made in the greater Downtown area and the success of businesses there as a sign of good things to come. She said:

The future of Detroit? Wow. So, initially when all these restaurants were opening, I'm thinking, “oh, I hope this isn't moving too fast. Do we have enough people to—Are they going to make it? So, we're only a few years in. And, amazing as it is, the city's only been up to this a few years. I think it's got a lot of momentum. And, I think it has support from the right philanthropic organizations to help. So I hope, I think that the trend will continue.

You look at some of the resources that the city had that was never taken advantage of, like the [Detroit] River and that whole cultural district with the DIA, and then Wayne State with the university. And so I think the city has recognized that.

And is now focusing effort, which I think is a good thing. Focusing efforts around there. The city would not be where it is without Dan Gilbert without a doubt, without a question. So that's private money that came in too. So I think it'll continue. I believe that some areas we'll see housing come back up. This area already has.

Though Allie said she felt concern about the rapid pace of development initially, she now believed it was sustainable. She felt that private investment had been a godsend for the city, even attributing much credit to Dan Gilbert—a oft-contentious figure in Detroit revitalization. Gilbert is the billionaire founder of Quicken Loans and Rock Ventures—Gilbert's holding (or parent) company that controls more than 100 other distinct financial, gaming, sports, technology, and real estate companies. Gilbert is also majority owner of the Cleveland Cavaliers NBA team and development league hockey, football, and basketball teams. In 2010, Gilbert moved the Quicken Loans headquarters to Detroit. As of 2016, Gilbert had spent an estimated \$451 million to buy more than 60 properties in Downtown Detroit (Aguilar 2016). While Allie celebrated Gilbert's investment, many across the city have expressed concern that so much of Detroit's redevelopment hinges on the decisions of one person. Furthermore, Gilbert has used public funds for many of his projects in the city, spurring concern that taxpayers end up footing much of the bill for his development projects, while he reaps all the profit (Perkins 2017).

In the end, Allie was confident in Detroit's revitalization; however, for other white business-owners, it was a bit more complicated. For example, Jack, the 24-year-old white business-owner who earlier described starting his business at 22, believed that his neighborhood would continue to grow, but he thought that it was necessary that broader

revitalization efforts grapple with the impacts of that redevelopment. He began by discussing the future of his neighborhood:

I have faith that the community has enough strong influencers and enough people that are moving—have moved in early enough before any changes really hit that we'll maintain. Each neighborhood has a board they maintain. [Residential neighborhood within the broader district] you can't really change, 'cause it's historic. If you change it, you get a ticket. That's the reality.

[The neighborhood] is picking up their game; they're doing more stuff. I think overall there's a lot more growth potential for the neighborhoods and there's a lotta growth potential for the commercial district—we're at that point where we need more new people, but we don't want to—you wanna be selective, which sounds terrible, but we—

You need—you have to be in a community mindset to live here. You have to know that you're gonna know your neighbor. There's a Block Club Captain. You're gonna know what's happening. You have to know what's happening. If you go outta town your neighbor's gonna watch your house for you, and you're gonna do it for them.

Jack felt that the neighborhood had strong organization and that the organization would protect the character of the community. He hoped that new people would continue to move in but felt that existing residents and business-owners needed to be selective in who they allowed. For him, it was important that newcomers had a community mindset.

Despite being a newcomer himself—he had only been in the neighborhood for two years at the time of the interview and had grown up in a neighboring suburb—Jack felt a part of the neighborhood. He wanted to protect the “cooperative” vibe of the neighborhoods, but

also saw it continuing to transition to a younger, hipper community. He added: “There are festivals here now. We do a lot of stuff down here, and it has the potential to be very, very young and very, very vibrant. It could be a miniature Royal Oak [affluent Detroit suburb]. It’s got all the necessities and it’s walkable and it’s just got to get built up.”

On the one hand, Jack wanted to preserve the original character of the neighborhood. On the other, he hoped for demographic change. As he continued, he began to think about his neighborhoods in the context of the city, more broadly. He stated:

It’s just—I think there’s two views on Detroit, though, nationally. I think there’s the view of Detroit being the comeback kid, the shiny new place to be, that’s—rent prices are raising and things are doing well. I think you have people still stuck in the mindset of, “Detroit’s dangerous. There’s ton of vacant property. There’s people selling drugs. There’s dogs running everywhere. Blah-blah-blah-blah-blah.”

Jack recognized that his neighborhood stood in sharp contrast to many others around the city. He perceived a duality in national media coverage that portrayed the city as either amidst a renaissance or in a state of continued decline. He continued:

You can’t have one without the other. It’s such a—the city itself is so divided because there is that factor where there is blocks of burned out homes still, but there’s also this brand-new development. It’s somewhere in the middle of that transition where we’re trying to get our crap together, but it’s—the city’s up such a—up against such a large battle with that, because there’s so many vacant homes, there’s so many burned-out homes, there’s so many that need to be on the demolition list. In order to be on the demolition list if they’re past a certain age you have to get the asbestos clearance in order to demolish it.

It's such a layered thing that it—Shrek. Detroit's an onion. It's got layers. Anthony Bourdain, I think, put it where it's still dirty. It's still—the dirt's kinda comin' off now. That kinda scares me, because I like Detroit with a little grime on it. It needs to be a little dirty. It's still Motor City. We're still—it's a city of truly, truly tough people that care a lot about the communities they're in, that have toughed it out. That have been around through thick and thin. Those people need to be highlighted more than the new people.

For Jack, both realities existed simultaneously. He felt the city had much to contend with. Addressing the effects of widespread abandonment was a tall and complex order. Using a line from the animated film, *Shrek*, he described Detroit as an onion with many layers. He then, recalled an episode where, the late food critic and tv show host, Anthony Bourdain portrayed, what Jack perceived to be a more authentic depiction of Detroit. For Jack, the city was still “dirty.” He felt the “dirt” was what gave the city its character and that to remove that would be to remove what made Detroit, Detroit. He also believed that, in order to preserve the city’s authenticity, long-time Detroiters needed to have the spotlight shone on them, rather than on newcomers. He continued:

That's kind of the shortcoming of most of the media—is “We're gonna focus on the negative of all the people that were here that left because they couldn't afford their homes, and then we're just gonna patch that over with all the positive things that are happening, but we're gonna ignore this mass population of people who existed here already.” That's a problem. Because there is a population that existed here. They're strong, they're tough, they're guarded. They don't like outsiders. It's a thing.

If you can get in with them, you're family. You're blood. Doesn't matter. That's the Detroit that I'm kind of in, where you're in it—Detroit's a community. It is. It's a very large small town. Everybody' knows what's going on. The people who've been here care a lot and wanna see the young people moving in care as much as they do. There's that disconnect between the shiny new and the existing old, and where's that middle ground? That's the concern, is for most of us living here, and working here, and existing here; it's what's that middle? Because we're losin' that. That's not a good way to do it. You gotta keep those people. You gotta respect the fact that they've been through shit. They've stuck it out, and there's history.

Jack, again, pointed out that he felt most of the media had failed to accurately depict what was happening in the city. He felt that he media often negatively portrayed long-time Detroiters and the issue many of them continued to face in favor of redeveloped parts of the city. He was sympathetic to the guardedness of long-time residents, to whom he felt a bond. He said that though it was difficult to break in among them, once established it was an unbreakable bond. Jack believed that there had to be a middle ground between the two Detroit's. Still, he worried that the newer Detroit was winning out over the older, as there was an overall lack of understanding between newcomers and long-time residents and business-owners.

It was rare that white business-owners I interviewed discussed race directly; however, Jack described a persistent racial divide in the city that he felt would shape Detroit's future if not properly addressed. He stated:

Detroit was racially divided back in the day. It still is today. There's major issues in the city that we're not addressing. We're just painting over. I think that's where the story should be, is how do we fix these issues that are in the bedrock of Detroit. But we haven't figured out how. We're just gonna continue ignoring and hoping that they go away. That's not how we should be dealing with this. You should be working through this so that we're not shitting on impoverished people some more, so that we're not taking jobs away from Detroiters to give 'em to shiny people from the suburbs like there's—yeah...

That's my concern. That's my disconnect. That's what most of the media is missing. We're so concentrated on the shiny new and the decrepit old and terrible that we're missing this big, gray zone of, "Hey, there's people who were here. They were awesome. They were tough. They stuck it out."

Jack felt that there lacked a serious consideration or discussion about racial inequality in the city. For him, these issues were woven into the fabric of Detroit and that Black Detroiters would continue to be on the losing end of redevelopment if race issues continued to be ignored.

Jack felt that entrepreneurs were driving the positive changes in Detroit. Again, he felt there was much to be learned from Detroit's history. He felt that Detroit had always been a city for entrepreneurs, but now development needed to be rooted in the communities. He said:

I think Detroit has the potential to come back in a very unique way, because it is a city of now mostly entrepreneurs. It always has been. Shit was built here. We've been doin' it forever. It's capturing the new ideas, holding onto the things that we know worked, changing the things that don't, and doing it based in communities.

I'm not talking about a buncha whiney millennials who think they're entitled to something. These are people who have lived through it. They have earned their right to tell you to fuck off. They have earned their right to tell you, "No. You're not doing that on my block." They have also earned the right to put those demands on the table and say, "This is what needs to be fixed first."

He felt that more power should be held by the people who had always been here. After all, they had been through the worst, and they, rather than younger, more affluent newcomers, should make the decisions about what revitalization should look like.

It's getting the people above them to listen and to put the power with the people and not with the big government, the big companies, the multi-millionaires who are coming here, or even the investors; who come here, who buy homes and neighborhoods, they get dilapidated, now we have an eyesore and now we have crime again. Now there's dogs, there's cats breeding in there. There's somebody squatting there. Now we have an issue on a block that was beautiful. Now we have an issue.

A lotta—I'd say most of the blame, in my eyes, comes from people who aren't Detroiters. It's not the Detroiters who fucked the city up. It's the people outside. To watch all these outsiders come back in and try and fix what they screwed up doesn't give me a whole lotta faith. Because they're not asking the Detroiters. They're not talking to the people who live here.

In contrast to Allie, Jack did not have a favorable view of private investment. He felt that, rather than build up the city, it has worked to tear it down. Indeed, many Detroiters were angered by a trend of speculative investment, where investors would purchase properties

in the city, but wait to renovate them while values increased. The outcome was that many properties were taken off the market but remained vacant and fell into further disrepair.

Jack identified most of these investors as outsiders. As such, he felt they were disconnected from what, in his eyes, was truly best for the city. Jack concluded: “That’s Detroit. Who gives a shit about the geography of the city? Who cares where it is? Detroit is the people who reside here. It’s not a land for ‘em. It’s not a place on a map. It’s the people.”

Black Business-Owners in Non-Gentrifying Neighborhoods

For many of the Black business-owners in both gentrifying and non-gentrifying neighborhoods, the people defined the city, also. Like the white business-owners, they felt that revitalization was necessary, but they wanted to see the process be more inclusive. Gail, a 48-year-old business-owner in a non-gentrifying neighborhood on the Westside explained:

There’s a lot of lights, camera, action around here, because literally the world is watching to see how this comeback city, how this takes place. Downtown is its own story. I’m over it, honestly. As a native Detroiter, I go downtown, but it’s not exciting to me. It is to see, wow, when did that get there, but I don’t really want to pay \$50 to park. I don’t want to do that. I walk around, and I’m glad that this is happening, because it’s still good for our city. I appreciate the efforts being put into the neighborhoods now, but it should be more than just lights, camera, action. It should be here, because this is where your people are. We are the lifeline of the city. People that are in and out of downtown, they come and go, but we’re here. We’re here to stay, so the focus needs to be on us. That’s my feeling.

Gail felt that there was much attention surrounding redevelopment in the city. She expressed a sense that the changes Downtown were good for the city. She also expressed a sense that she was mostly disconnected from that change. Gail wanted more investment in her neighborhood, but she wanted it without all the fanfare. She felt that development should be about the people—the long-term residents and business-owners, who she said were the “lifeline of the city.” Until then, she would face challenges in growing her business. She continued:

Because there’s really nothing else around here, because of the way it looks, because of the lack of other businesses, people aren’t really bumping into me, because there’s nothing collectively drawing their attention. I’ll contrast that with the [nearby gentrifying neighborhood]. There are tons of things there, so there’s a variety of—you can eat. You can shop. You can grocery shop. You can go to the pharmacy. All of those things are present in that one space. I know that that is the intention of here, but for right now that’s not my reality, so that is the struggle of getting people to come consistently.

Gail had recently learned that development would soon take place in her neighborhood. In a recent community meeting, residents and business-owners met with a developer who expressed interest in bringing redevelopment projects to the neighborhood. She said the meeting had raised concerns about gentrification. She added:

There is change and fear, maybe uneasiness, and a lot of questions, a lot of questions about motives, who’s here to stay, who really cares, who’s an opportunist. First of all, who are you? That’s a question that we’re asking. Who are you? What are your intentions? We are here so you cannot ignore us. The gentleman who pretty much purchased most of that over there [points across the

street] that was available for sale, his name is [name redacted]; a lot of money. His company is the [name redacted], I believe it's called. So we're in the room with a millionaire investing in the city, and I'm like, "me?" I'm just a little old black girl from Detroit. How did I even get on the list? So he [the developer] said, we want to include you in the process. So someone says, "I find your use of the word include jarring, because to include means it's already in place," and I never even thought of it like that, but it's true. You already have it in place if you're including me. The point is, it needs to be from the very inception, you have to—all the pieces have to be there. Otherwise, you're just asking us to join your party, and you don't get to throw a party in our neighborhood without us. That's kind of how it came across. I've learned to be that way as well. It's not what you say, it's how you say it, but to remember that we have a voice.

Gail and others in her community were fearful of what redevelopment in the neighborhood might mean for existing residents and business-owners. She was also suspicious of the developers' motives. Though, she felt a bit intimidated, she was encouraged to voice her concerns by other community members. She described a moment during the meeting when a community member challenged the developers' plans. In the end, Gail and nearby residents refused to let development proceed without their input.

Others were more ambivalent about the future of the city. Laverne, a 58-year-old business-owner in a non-gentrifying neighborhood said:

The city is—it's kind of like the wind: you don't see it, but you feel it. That's the best way I could describe it. It's just a certain grit, and I don't mean that in a negative connotation—just very resilient. Most people that are here and have been here have a certain pride in it. It's near and dear. Good, bad, or ugly, we embrace our city, and we'll defend it. I think that's how I would describe

Detroiters. To describe Detroit, I don't really know, because it's changing, and I don't know what the end result is going to look like.

Laverne defined Detroit's past and present by the people living in the city. To her, Detroiters had grit. They were resilient. They took pride in the city and were always ready to defend it. But, with significant changes happening around the city, Laverne was less sure about its future. She went on to say:

I think it definitely will be different. I think the Detroit I grew up in is over. I don't know if it's good or bad. I won't be able to answer that, but I think certain things will never—they're gone. They're things of the past, so I don't know. Change isn't always good, but it's not always bad either. I think it will definitely be a different Detroit. The Detroit that I grew up in is over. That's over.

Laverne explained that the strong sense of community and collectiveness that had defined Detroit for her as a child was now gone. She said that the city felt more isolating. She was not sure if the changes happening now were cause for hope or despair. But change was certain.

Black Business-Owners in Gentrifying Neighborhoods

Black business-owners in gentrifying neighborhoods also expressed concerns about the future of their neighborhoods and the city, more broadly. Bernice, a 60-year-old business-owner in a gentrifying neighborhood near Downtown acknowledged uneven development in the city but attributed it to misguided resistance from Black Detroiters in neighborhoods outside the greater Downtown. Hers was a unique take among the Black business-owners I interviewed. She explained in the following way:

They're [the city and developers are] trying to bring as much revenue back into the city as they can, and they have done that with Downtown, Midtown, Corktown, West Village. Now they're trying to bring it into the neighborhoods. It's just slow on getting there. Then it's like, "Which neighborhood are you gonna do first?" In other words, what niggas is gonna ' give you the most resistance?

Bernice felt that public and private developers were trying to expand redevelopment to Detroit's struggling neighborhoods. However, she felt the city had to negotiate around resistance from residents and, ultimately, had no choice but to move on to neighborhoods where they faced less backlash. She continued:

I'm sorry, because that's really what it is. We've given them a lot of resistance, so guess what? They've moved to other neighborhoods, so they don't have to deal with the drama of all of that. "Let's go somewhere else where maybe we'll get a little bit more accomplished." Maybe they'll be a little bit more receptive and try to get engaged, and involved, and interact with one another. They've still got a long way to go. They've still got a long way to go. But again, you're dealin' with us not being educated, not being trained, and if you don't know any better, you ain't gonna do no better.

Bernice was not explicit in who she thought was more receptive, but it was clear that she thought that Black Detroiters were responsible for the slow rate of development in their neighborhoods. She added:

We don't know any better, so we're not doing any better. We're doing just enough. You'll have a few angels out there, a few fireflies that'll light up and say, "Oh, I see the rainbow. This is a great opportunity. Let me take advantage of this, and they do, and they blow up, but those are few and far between.

According to Bernice, many Black Detroiters were simply not prepared to take advantage of what development offered. As a result, she believed they sabotaged their access to opportunities related to redevelopment.

When asked if these residents might be resistant out of fear for what redevelopment might mean for their residential and business circumstances, Bernice added:

Yeah, absolutely. Everything is either fear or faith, and that's just part of life. I have my own fears. My fear is what am I going to do in a year. What do I want to do with the next 10 years of my life? Because in my head, that's how I'm kind of looking at it. I'm not too young. I could collect Social Security, but if I went to 65, I can collect even more. You're thinking about all of those things in terms of how it affects you.

I mean, nobody wants to be moved out of their space, out of their home, and it is a very daunting and hard thing to go through when you have to do that. I think what we, especially as far as Black folks are seeing, is that whites are coming in, they are taking over, and they are moving us out, bottom line. Where do we go? We can't afford anything, but then again, we don't try to work to try to do nothin'. We think it's easy to lay down and have a kid and go get you some aid rather than working on an education, trying to help people, working on your neighborhood.

Bernice's comments reflect a tension, as she contended with the idea that gentrification had already displaced Black Detroiters in some communities. Still, she felt the fault ultimately lay with the Black community whose attitudes and behaviors were not conducive to upward-mobility. Bernice's statements reinforce many racist stereotypes

about Black people. Indeed throughout the interview, she drew sharp comparisons between her business and other types of Black businesses in Detroit. She disparaged Black businesses, such as salons and clothing stores, that catered to a younger, Black demographic. Wingfield (2008) observed similar boundary-work among Black women salon-owners, who, at times, reproduced gendered racism by applying stereotypes (i.e. ghetto or hip-hop) to other salons or clientele who engaged in behaviors they found distasteful. In the end, Bernice favored current revitalization efforts. She implied that the future of Detroit rested on whether redevelopment continued to spread throughout the city.

Sandra, a 59-year-old Black business-owner in Midtown, said the neighborhood had changed dramatically in the 19 years since she had opened her business. She said that the neighborhood had once been diverse but had since changed. She explained:

It has changed dramatically. This neighborhood used to be filled with university students, university instructors, employees of the DMC [Detroit Medical Center], hospital employees on all levels from new doctors to any support staff for hospitals because this was an affordable neighborhood to live in. Probably undesirable to a lot of people, but it was always filled with students and people who just could afford to live in Detroit and live here. Because it was University driven it always had a culture of music and arts. Whether that music or arts was underground or above board, it was a hippy neighborhood.

It's very much not a hippy neighborhood anymore. The 'hippyness' and the 'funkyness' is being sanitized and being washed away. It is still present because some people just refuse to relinquish all of this neighborhood to its newness, but this gentrification thing is doing a good job of sanitizing this neighborhood.

Sandra said that gentrification had changed the neighborhood. The overall culture had shifted, and it had become unaffordable to many of the original residents. When asked how the character of local businesses had changed, she recalled an experience she had with the owner of one of the newer businesses. She explained:

The businesses as well as their customer base are coming from outside of Detroit. People say: "now there is a reason to come." I said, "there's always been a reason to come because we have been here all that time." And, sometimes their comments are very disingenuous, as well. I said, "well, that's not true, we've been here." I actually had a conversation with someone around the block that's a new business that's probably been there about maybe 5-7 years and I haven't been around him. He didn't know me, I walked in and he was working with another customer. I said, 'you know what, I'm going to come back around here and see what's going on'. He in front of his customers, who didn't look like me, 'well we've been here for 7 years'. I said, 'well welcome to the neighborhood, we've been here for 18'. Thank you for coming.

So they say very disingenuous things, and so with that type of comment he didn't necessarily have a response. So with the new businesses it brings a different face, people who don't look like me. And, it's not just them. There's people who look like me in Detroit who have never been in this neighborhood because they didn't have a reason. They didn't have a reason to. So they are shocked and then sometimes apologetic. "I'm so sorry I didn't know you all were here." "It's okay everything is new the first time."

Sandra felt that some of the newer businesses were not welcoming. She pointed out the racial difference among many of the newer business-owners, and she noted that many were not native-Detroiters. She disliked that many of these newcomers did not recognize

that her business had been there first. She described them as disingenuous. She also noted that many Black Detroiters had only recently discovered her store, because the area had only recently become a destination with heavy traffic.

Sandra's business was doing well, and she thought that redevelopment was necessary. Nevertheless, Sandra was concerned about the narratives surrounding Detroit's past and its revitalization. She continued:

It is—well, all of a sudden the artist community in Detroit has exploded, as though it never existed. I remember some years ago reading an article—it was outside of Detroit—about encouraging people to come to Detroit, because it's a blank slate and you can do whatever you want to do, which is pretty disingenuous to the people who have been here.

I've had to tell people over the years—people come back, "Oh my god!" You know? And, they're surprised. People who look like me and people who don't—and, they're surprised, and they were like, "there was nothing here!" And, I was like, "No."

Sandra felt that there was an emerging narrative that emphasized a new artist community, while ignoring the existing community that characterized the neighborhood. She felt that it had been marketed to out-of-towners to attract them to the city. She begrudged the notion that there had been nothing in the neighborhood before revitalization.

At the city-level, she sensed a similar narrative. She went on to say:

People would say what happened to Detroit? And, I would say, "Well, a lot of things happened. I said, "But, what you're not going to do is make me the reason and the cause for why Detroit ended up the way it did." I said, we all have to

accept some responsibility here, because we stayed, is not the reason that Detroit is the way that it is. We went through some terrible administrative things, we went through a bankruptcy, and we're still fulfilling the bankruptcy agreement, it's on our backs. Our literacy rate is 55%, there is economic poverty, there's poverty in leadership. When you look at this you don't see the real Detroit. You see the bright, shiny parts. The other parts, nobody is saying anything.

I've been here my whole life, and I have seen and lived through, for my age, the glory days of downtown and all the interactions and all of that, to the downfall of it. And now, to the revitalization of it. I'm realistic in the fact that I know that it had to happen. It had to get better than what it was, but along the way the residents of the city, because of the poverty, poverty, and education, and leadership, and economics. There hasn't been enough support for those people in order to transition into what the change is and what the changes are.

Sandra worried that Detroit had been cast as a “blank slate,” which she argued ignored the people who inhabited Detroit, pre-revitalization. She also resented the notion that Detroit’s decline was the fault of long-time Detroiters. Even so, Sandra was hopeful: “The future of the city looks bright.”

She remarked that the rising rents meant that the neighborhood would continue to transition to a more affluent space, and she wondered what the political consequences of this demographic shift would be. She told me that around the corner, new million-dollar condominiums were being built. She explained:

I know that whoever can afford that will have to pay property taxes and to a school system that has failed. And how long will they support a failed school system with their tax dollars? As the people in this neighborhood get younger,

and they have children and we have schools of choice. What will they choose? Will they vote in Detroit elections? Will they be on Detroit's school boards? What will happen? I'm waiting to see. Because, someone was just telling me a week or so that there's a Detroit public school [near her shop] that is closing. The building has already been purchased by Montessori. And so, I can say that that's good because it gives everybody an opportunity to an alternative to the public-school system. Which I think, that's a whole other conversation. But I'm just interested in seeing how vested these people will be in the politics of the city and how those things will change.

And, once this curve in this car insurance—I don't even want to talk about—once that happens. I was like, does somebody paying almost a million-dollar mortgage care that the car insurance is expensive as it is. So I say yeah, they probably do. But we've been fighting that for four years. But nobody could feel it. And so, it's not until somebody else gets a bump. Now there's a bruise. Now there's a mark let's do something, let's do something. So, it'll be interesting to see.

As a former educator, Sandra was familiar with the troubles of Detroit Public Schools, and she wondered if the influx of tax revenue would improve the public-school system or intensify issues surrounding school choice⁴⁸ in the city. She also wondered how politically active newcomers would be, and whether their political participation would change the city for the better. She mentioned car insurance, which a major point of

⁴⁸ There has been much interest around the issue of school choice in Detroit. In the early 1990s, education reformers, including current U.S. Secretary of Education, Betsy DeVos, championed charter schools and school choice in Michigan. Depopulation coupled with a rush of students to new charter schools, gutted Detroit's public-school system. As of 2016, there were 97 traditional public schools, 98 charter schools, and 14 schools in the Education Achievement Authority, a controversial state-run district created in 2012 (Gross 2016). In effect, Detroit has three competing school systems.

contention for Detroit residents. A recent study ranked Detroit as the city with the highest auto insurance rates in the U.S. by a wide margin. Full coverage rates in Detroit are nearly 5.5 times the national average and about 200 percent higher than the Michigan's average.⁴⁹ Detroit residents have urged legislators to act to lower rates with little success over the years. Sandra deliberated about whether affluent newcomers would be as concerned with the high rates. She would just have to wait to see, she said.

Overall, Black and white business-owners agreed that revitalization was necessary. In fact, there was much overlap in their visions of the future of the city. However, some white business-owners, like Jack, and Black business owners, like Gail and Sandra, were resistant to aspects of revitalization that they deemed unfair. Jack was satisfied with the redevelopment in his community, but he felt that the city, more broadly, needed to honor long-time Detroiters and address persistent racial issues if it hoped to achieve widespread revitalization. Gail was inspired to use her voice to advocate for the changes she hoped to see in her neighborhood. And, Sandra would continue to remind anyone who was unsure, that Midtown and Detroit, more broadly existed before the recent wave of revitalization.

⁴⁹ In a nation-wide analysis, Carinsurance.com, a quote comparison website, evaluated insurance rates for a 2016 Honda Accord with full coverage in nearly all zip codes in the country. The study showed that the national average rate for the Accord is \$1,355. The same coverage on the 2016 Honda Accord would cost a Detroiter \$7,415. Brooklyn, NY came in at a distant second, with a rate of \$4,440. The average rate for the state of Michigan is (Megna 2017).

All of the Black business-owners I interviewed in both gentrifying and non-gentrifying neighborhoods were life-long Detroiters, and they had lived through the city's decline. For the most part, they were proud of the city, despite their struggles. They looked forward to the future but kept a close eye on how the process of revitalization unfolded. Most recognized that redevelopment had the potential to displace long-time residents and business-owners. But, in the end, Detroit was their city. As Laverne put it: "Good, bad, or ugly. We embrace it. We defend it."

Chapter 8:

Conclusion

In this chapter, I briefly summarize the main findings of this dissertation. I point to additional questions that remain unanswered and discuss the limitations of this research. I offer some potential directions for ongoing research. While there remains much to learn about the long-term impact of gentrification on small businesses in Detroit, the preceding chapters provide relevant information regarding the impact of gentrification on existing racial disparities in small business-ownership and success. Hence, it provides a foundation for future research examining the wide-ranging impacts of contemporary urban transformation.

Summary of Findings

Despite growth in Black entrepreneurship, significant racial disparities in overall business development persist. In Detroit, Black-owned businesses are far more likely to be non-employee businesses, have lower sales, hire fewer employees, and have smaller payrolls, even though blacks make up the overwhelming majority of the city's population. These disparities are well-documented at the national-level; however, no existing research has systematically examined variations in the degree of disparity between black and white businesses across different cities, states, or regions. One obvious limitation of this chapter is related to the data. As I mentioned, the U.S. Census discontinued the Survey of Business Owners and replaced it with the new Annual Business Survey set to release in December 2019. As a result, my analyses are limited to

the period between 1997 and 2012. Future research should examine whether disparate trends hold into the latter half of the decade.

As I turned to my qualitative data, I began by exploring business-owners' motivations and inspirations for starting small businesses. White business-owners I interviewed cited individual and community enrichment as primary motivations. Black business-owners cited similar motivations; however, race was a salient factor in the decision to start and continue business operation. For some Black business-owners, a desire to create and preserve black space was a driving factor. For other Black business-owners, the history of Black business in Detroit, and the diaspora more broadly, served as inspiration. For them, business-ownership was deeply connected to that history. I contribute to existing research, which has suggested that entrepreneurs start businesses out of a desire to build wealth (Wadhwa et al. 2009). Instead, I find that, for many business-owners, starting and operating a business is motivated by more than money.

I then turned to examining owners' experiences operating their businesses across gentrifying and non-gentrifying neighborhoods. I found that Black business-owners in non-gentrifying neighborhoods indicated that they were isolated from local business organizations and networks. They struggled to hire employees—constrained by financial challenges. Unable to create formal employment positions, they often relied on family to staff businesses. Alternatively, they relied on temporary and infrequent employment arrangements. For Black business-owners in non-gentrifying neighborhoods, financial limitations were aggravated, as they contended with aging infrastructure and commercial properties.

Black business-owners in gentrifying neighborhoods also struggled to gain access to local business organizations and networks, citing a lack of productive organizations in proximity, time constraints, and exclusive organizations as factors impeding access. Financial limitations often prevented Black business-owners in gentrifying neighborhoods from hiring employees; however, some employed unpaid interns and utilized local youth employment programs to bring on summer staff. These business-owners' financial issues were intensified as rents rose and user fees associated with licenses, permits, and inspections were more frequently assessed.

White business-owners' experiences differed significantly. White business-owners reported a relative ease of access to local organizations, networks, and capital. They more often engaged in formal employment arrangements. Moreover, in the absence of financial restrictions, white business-owners even described using employment practices, such as implementing equitable workplace conditions and paying a fair wage, to address broader social issues. Ample resources allowed these business-owners to focus on employment conditions, rather than on simply creating jobs; and, in many cases, these business-owners were rewarded with increased media and consumer attention. These business-owners expressed fewer financial concerns related to rents, fees, and infrastructural issues.

In an examination of Detroit business-owners' perceptions of the future of their neighborhoods and Detroit, as a whole, I find that business-owners overwhelmingly agree that revitalization is necessary. However, some business-owners perceive current revitalization efforts to be exclusive. Some white and Black business-owners in both

gentrifying and non-gentrifying neighborhoods worry that revitalization efforts have failed to adequately acknowledge long-time Detroiters. Notions of Detroit's authenticity seemed to be tied to the people who have long lived in the city, despite the absence from dominant narratives. In the face of widespread urban transformation, these business-owners—both Black and white—struggle to preserve old Detroit, while grappling with the influx of younger, more affluent residents and business-owners.

These findings contribute to theorizing of gentrification and racial inequality by offering a unique vantage point into gentrification through the eyes of business-owners. Prior research has focused primarily on residential impacts, with many scholars documenting the physical displacement of long-standing, predominately minority residents (Betancur 2011; Deener 2012; Hyra 2008; Lloyd 2006; Patillo 2007; Taylor 2002; Newman and Wyly 2006; Wyly et al. 2010). A less developed body of scholarship has examined commercial displacement (Centner 2008; Deener 2012; Zukin et al. 2009). These works attribute the displacement of long-time neighborhood businesses to changing tastes associated with shifting demographics in gentrifying neighborhoods. However, I argue that newcomer's tastes and preferences are not the only factor shaping commercial displacement in gentrifying neighborhoods. Racialized disadvantage in factors influencing entrepreneurial success play a significant role in shaping the fate of small businesses in gentrifying neighborhoods. That is, broader patterns of inequality in entrepreneurship—particularly inequalities in access to social and financial capital—are intensified in gentrifying neighborhoods.

Existing research suggests that social capital, or the ability to access and derive benefits from social structures and networks, is a critical factor in business success (Bruderl and Preisendorf 1998). For minorities, social capital is of even greater importance, as they often enter business ownership with lower levels of education, less prior business experience, and lower levels of startup (financial) capital (Fairlie and Robb 2008). While existing studies demonstrate the importance of social capital in small business success—particularly for minority business-owners, they do not examine barriers to access to social capital. I address this gap, and I find that Black business-owners in gentrifying neighborhoods in Detroit cite a lack of productive local organizations, feelings of exclusion, and time constraints as barriers preventing access to important social capital. Black business-owners in non-gentrifying neighborhoods in Detroit described a lack of proximate organizations and networks. They were often situated in neighborhoods with low-business density where the formation of local business organizations and networks was unfeasible.

In addition, prior research has examined racial disparities among small businesses in employment size (Fairlie and Robb 2007, 2010). However, these works employ quantitative data; and, therefore, tell us little about how business-owners approach hiring and employment. My data fills these gaps by demonstrating, that while Black business-owners are less likely to implement formal employment arrangement, they rely on alternative arrangements, such as temporary and infrequent informal employment and family employment. Black business-owners in gentrifying neighborhoods also utilize local youth employment programs to staff businesses during summer months. Taken

together, my findings support existing research by demonstrating that Black businesses have fewer to no employees compared to white businesses. My findings also suggest that more research is needed about alternative employment arrangements.

Although this study is among the first to explore the ways that gentrification shapes the experiences of Black business-owners compared to white business-owners, there are a number of limitations that should be addressed. First, I capture business-owners' perceptions, rather than what is actually happening. Though, I attempted to spend time in each business establishment—visiting many of the businesses multiple times, I am unable to corroborate all that they told me without extensive ethnographic observation. Future research would do well to focus on one business-owner or a small group of business-owners over a period of time to better understand how business-owners navigate the many dimensions of entrepreneurship in a variety of neighborhood contexts.

Additionally, the Black business-owners' experiences captured in this study are profoundly shaped by Detroit's unique context. While the number of business incubators, accelerators, and support programs in Detroit has increased significantly in the past decade; when compared to other U.S. cities—particularly in the South—Detroit's economic environment is not particularly conducive to Black business development. Despite having the largest share of Black-owned businesses of the 50 largest U.S. cities, the Detroit metropolitan area falls out of the top 10 best places for Black businesses in the U.S. In 2015, Nerdwallet.com, a personal finance website, ranked the best places for Black-owned businesses based on economic environment and Black business success

(Todd 2015).⁵⁰ The Detroit metropolitan area came in at 17—outranked exclusively by cities in the U.S. South. For the most part, these cities beat Detroit in percent of Black businesses with paid employees, median annual income of Black residents, and cost of living. Moreover, Detroit’s severe economic downturn, depopulation, and related social distress, from which many Detroit neighborhoods have yet to recover, certainly presents unique challenges for Detroit’s Black population. I would expect that the same research design in another city would yield somewhat different results. Future research should explore these research questions in other urban contexts that differ from Detroit on these key measures.

Moreover, over the course of my fieldwork, I attended many community and business organization meetings, where Latinx Detroiters voiced similar concerns to those expressed by Black Detroiters. In these meetings, I observed the forging of solidarity among Black and Brown Detroiters in the face of a perceived invasion. Future research should explore how gentrification impacts Latinx businesses and how gentrification can spur cross-ethnic coalitions.

⁵⁰ Economic environment is 50 percent of the overall score. Nerdwallet used four metrics: Overall number of businesses per 100 people is 15 percent of the score; unemployment rate is five percent of the score; Black median income is 15 percent of the score; Cost of living index is 15 percent of the score. Black-owned business success is 50 percent of the overall score. Black-owned business success is comprised of three metrics: Percentage of Black-owned businesses is 30 percent of the score; Average revenue of Black-owned business is 10 percent of the score; Percentage of Black-owned businesses with paid employees is 10 percent of the score.

Related to the limitations of my sample, I also recognize my own limitations as a researcher. As a non-native Detroiter, I was sometimes received with suspicion upon first meeting business-owners. There is much publicity around Detroit's revitalization, and to some, at first, I was potentially just another person snooping around for a sensational news story. Furthermore, as a Black woman, I have to consider that my race and sociological background may have shaped the responses that I got from some business-owners, both black and white. With many Black business-owners, I found that I needed to establish some credibility before gaining their trust and participation. Often times, I was asked whether I had previous ties to Detroit. I shared with participants that I had spent much time in the city over the course of my life, as I have family in Detroit. I found that sharing this information and demonstrating knowledge of Detroit's neighborhoods and history disarmed Black business-owners and led them to speak more openly. With white participants, I am less certain how my race may have influenced the research, though, with few exceptions, white participants avoided direct discussion of race.

This project contributes new insights into the social and economic dynamics of Black communities in a major U.S. city. Previous urban scholarship has focused almost exclusively on the impacts of redevelopment on residential outcomes. This research extends that scholarship by examining impacts of redevelopment on Black businesses in a contemporary urban context. Whereas previous studies have examined residential turnover and displacement, this research addresses gaps in our understanding of how gentrification shapes neighborhood business experiences. I show that gentrification's impacts on small businesses should not be measured by retention or disruption

exclusively. I demonstrate that its impacts are often more nuanced. Businesses may not be displaced, but instead may experience greater hardship. These findings, of course, have implications for business displacement; however, they leave room for the exploration of interventions which may prevent displacement. Future research should continue to explore the various outcomes of small businesses in gentrifying neighborhoods.

This project has the potential to inform policies and practices that can help to improve outcomes of urban Black communities. Understanding the varied experiences of Black business-ownership and white business-ownership during redevelopment narrows the gap in our understanding of racial disparities in entrepreneurship. Such insights shed light on the persistence of racial inequalities in the nature and quality of wealth attainment. Compared to factors, such as homeownership, educational attainment, and wages and income, racial difference in business ownership is often overlooked in the study of the racial wealth gap (for exceptions, see Darity, Jr. et al. 2018; Herring and Henderson 2016). Prior research suggests that entrepreneurs have higher asset holdings, experience greater upward mobility, and have a higher probability of moving to higher wealth classes (Quadrini 2005). However, my results suggest that is not the case for Black entrepreneurs in Detroit. As we see, many of the Black business-owners I interviewed struggled to make a profit and grow their business, while white business-owners described business success. Wealth inequality shapes racial disparities in business ownership. On the other hand, my results suggest that inequality in experiences of business ownership shapes disparities in wealth accumulation. Policies should seek, not

only to increase Black entrepreneurship, but to address barriers that impede business development and success. It is true that rates of Black entrepreneurship are rising. But, policy-makers should focus on the quality of Black business in addition to quantity.

Relatedly, I show that racial disparities in business ownership shape employment and neighborhood conditions. Addressing racial disparities in small business ownership has implications for job creation and Black employment, in particular. Black-owned businesses are more likely to hire Black workers (Sawicki and Moody 1996; Boston 2005; Bates 2006). Moreover, a strong business community is central to the cultural and economic vitality of a neighborhood (Jacobs 1961). As such, policies addressing barriers to Black business growth should address disparities in employment and neighborhood conditions.

Finally, this research has the potential to inform debates surrounding urban policy's reliance on market-based interventions to revitalize urban communities. The theoretical insights gained through this project contribute to broader sociological understanding of how urban growth policies and processes may perpetuate inequality through implicit and explicit barriers. By drawing attention to these barriers, this research can contribute to the broader societal goal, and expectation, that entrepreneurship serve as a path of upward mobility.

Appendix A: Interview Schedule

Introduction of myself/general details about the project

Consent and pre-interview questionnaire

Section 1: Business history

- Tell me about your business?
- Is this the first business that you have owned?
- How long have you owned this business?
- Was it difficult to start your business? What would you say is the most difficult aspect of starting a business?
- Are you a member of any business organizations?
- Do you have any employees? If so, how many?
- Has the business always been at this location?
- How did you choose this location?

Section 2: Community

- How would you describe this community?
- Where does this neighborhood begin and end? Which streets or locations mark its boundaries?
- Can you tell me a little about the community members? Has the character of the neighborhood changed?
- How would you describe neighboring communities?
- How has this community changed since you opened your business at this location?
- Have changes in the community impacted your business? In what ways?
- Have you ever considered moving your business to other locations in Detroit? Elsewhere? If yes, why?
- What are the benefits to being in this community?
- Do you feel like your business serves the immediate community? In what ways?
- Do you have a stable base of customers?
- Who are your customers? Are they from this community or from other communities?
- Have your customers changed over time? How so?
- Have you noticed population loss in this community? If so, how has it affected your customer base?
- What does this population change mean for the identity of this community?

- Tell me a little about the other businesses in this community. Do you feel like your business fits in with the other businesses in this community?
- What do you think is the future of this community?
- Is there a local neighborhood/community organization? Are you a member of the organization?
 - If not, do you think the community needs an organization? What kinds of things would you like that organization to do?
 - If so, in what kinds of activities do you all engage?
 - If so, have the members of the organization changed? Has the focus of the organization changed?
- Do you live in this community?
 - If so, how long have you lived in this community?
 - If not, in which community do you live? How does that community compare to this one?

Section 3: Redevelopment

- How long have you lived in Detroit?
- How would you describe the city of Detroit?
- What makes Detroit different from other cities?
- How has Detroit changed since you've lived here?
- Who or what is driving these changes in Detroit?
- What are the positives and negatives of owning a business in Detroit?
- How would you describe the larger business community in Detroit?
- Do you feel that your business is part of that larger business community?
- What do you think is the future of Detroit?
- What is your relationship with city officials and developers?
- Do you have access to resources for your business?
 - What types of resources?
 - How did you get that access?
- Which other businesses have access to business resources?
 - How did they get that access?
- Which businesses do not have access to resources?
- Does the city recognize your business?
 - How so?
- Which owners and businesses does the city recognize?
 - How so?
- Which owners and businesses does the city not recognize?
- What would ideal redevelopment of Detroit look like for you?
- What do you think of the redevelopment that is happening in the city?
- Are you part of the redevelopment?
 - How so?
 - Why not?

Section 4: Wrap-up

- What has been the most rewarding thing and the most challenging thing about being a business owner in Detroit?
- Is there anything else you think that I might have missed or that is important to know about owning a business in Detroit?
- Do you have any questions for me?

Appendix C: Demographic Questionnaire for Respondents

1. What year were you born?
2. With which racial and/or ethnic groups do you identify?
3. What is the highest educational degree that you have received?
4. What types of goods or services does your business provide?

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