

The Detroit Metropolitan Region



The Region

About 4.4 million people live in the six-county Detroit metropolitan region. The city of Detroit, Michigan — with 950,000 residents — is the largest in the region, which also includes Dearborn, Pontiac and Port Huron.

Detroit is best known for its auto industry. The region's economy relies heavily on the industry and its suppliers, though it is more diversified than in the past. The region's auto industry is no longer dominated by manufacturing, but instead has a high concentration of research, engineering and design jobs. A larger amount of foreign owners in the industry has led to more uncertainty in the Detroit region. In general, the region's consumer confidence is still closely linked to the auto industry's well-being.

Detroit is also one of the world's busiest inland ports, a major steel producer and a leader in the production of office equipment, paint, salt, garden seeds, and pharmaceuticals. The Detroit River is linked by 25 steamship companies to more than 40 countries, with vessels from ocean-going freighters to private yachts docking in the city's protected harbor.

Detroit has experienced some revitalization in recent years, with the debut of Compu-ware's new headquarters, the construction of three casinos, the relocation by General Motors to the renovated Renaissance Center downtown and the construction of new stadiums for the Detroit Tigers and the Detroit Lions.

But the region remains very segregated by income and race and between the city and suburbs. The Lewis Mumford Center for Comparative Urban and Regional Research ranks the racial segregation between white and black residents of the region as very high. The Center's data analysis also highlights large income, poverty, unemployment and educational disparities between Greater Detroit's central city and suburbs. In 2000, the region's rate of poverty was 10.6%, 1.6 percentage points higher than the U.S. metro average of 9%. Regional leaders are eager to overcome its poor reputation.

Greater Detroit's regional priorities include overcoming divisions between the city and suburbs and among races and income levels; improving transportation; continuing the diversification of the auto-centric regional economy; and boosting the region's image to attract good workers and companies.

The Business-Led Organizations

The Detroit Regional Chamber proudly touts its title as the largest chamber of commerce in the U.S. It currently has over 20,000 members, nearly twice as many as five years ago.

Ninety-eight percent of those members are small businesses. The Chamber has 89 full-time staff members and 70 Board members.

The Chamber serves its members by lobbying in Lansing and Washington, D.C. and by attracting people and businesses to the region through its business development arm, the Detroit Regional Economic Partnership. The Chamber has several regional priorities, including transportation, attracting and keeping businesses, public policy lobbying, worker training and healthcare.

Detroit Renaissance has 48 members, 90 percent of which are large companies. Its 48-member Board includes the chief executives of many of the major corporations in southeast Michigan, including the Big Three automobile manufacturers. Detroit Renaissance has nine staff members.

Detroit Renaissance was formed in 1970 by business leaders who wanted to improve the city's deteriorating core. In 1991, the group's Board reevaluated its mission and decided to focus on issues that are strategically important to the city. At the same time, the group decided it would no longer manage events such as the Montreux Detroit Jazz Festival and the Detroit Grand Prix that had become vital to the city's image-building. That role was passed to other groups, and Detroit Renaissance's emphasis shifted to economic and physical development of the downtown. In addition to downtown development, Detroit Renaissance reviews public policy questions and develops a legislative agenda on selected issues. The group's regional priorities include boosting regional cooperation, improving public transportation and strengthening the Southeast Michigan Consortium for Water Quality.

The Metropolitan Affairs Coalition is known for its role as a "think tank" and its emphasis on research, polling and focus groups. It brings together leaders from business, labor and government to address public policy issues affecting the region's economic vitality and quality of life. The Coalition is closely linked to the Southeast Michigan Council of Governments. Paul Tait is the Chief Executive of both groups.

The Metropolitan Affairs Coalition's 50-member Board includes "second tier" business leaders such as corporate affairs vice presidents, leaders of accounting, legal and other professional services industries, and some of the major auto suppliers. By contrast, Detroit Renaissance's Board includes the region's top tier CEOs. The Coalition also has representatives from government, nonprofit and labor. MAC's Board represents 44 companies. Slightly more than half of them are large companies. Funding comes not from annual dues but from private-sector contributions, investments and grants. The Metropolitan Affairs Coalition's regional priorities include public transportation, a regional river initiative and a regional alliance for firefighter training.

The Regional Business-Civic Landscape

One leader described Detroit's business-civic landscape as "a web of entangling alliances." There is considerable overlap in membership among the region's business-civic organizations,

and some businesses are beginning to question paying multiple checks every year to the various organizations to which they belong. As the region's auto industry continues to shrink, that sentiment is likely to grow.

The first signs of pressure to consolidate have occurred in the city, where development groups such as the Greater Downtown Partnership and Detroit Economic Growth Corporation compete for attention, participation and dollars. The City, for its part, wants to streamline the two groups' demand for project money.

There has also been talk of mergers on the regional level. Some of the talk has focused on the monthly breakfast meetings attended by the executives of the Regional Chamber, MAC, Renaissance and other civic groups at which agendas are shared and issues divided. There has been talk of formalizing these meetings to better coordinate the work of the various civic groups, but for now it remains only talk.

One concern about consolidation is that because several CEOs are based in the suburbs, merging the regional groups might shift the CEOs' attention away from the downtown, leaving downtown-focused organizations with second tier executives who have less influence.

Despite the talk of consolidation, the groups have carved out distinct roles. The Chamber takes the lead on attracting and keeping companies, and has led on some transportation and other public policy issues. The Chamber acts as the chief lobbying body for the business community. Renaissance takes a "bricks and mortar" approach by focusing on commercial and real estate development in the core city. Renaissance has also taken the lead on the cultural arts and a supportive role with the regional water quality consortium. The Metropolitan Affairs Coalition focuses on research and advocacy and is seen as representing the community side on public policy issues.

Some regional issues are common agenda items for two or all three of the groups. These issues include transportation, an unsuccessful sales tax proposal to fund the arts and water quality.

Business Leadership

The influence of business leaders in the Detroit region has been hurt by the region's fragmentation. The region's city, suburbs and emerging suburbs are more polarized on regional issues than they were five years ago, which makes it difficult for business leaders to build consensus. An example is a sales tax proposal pushed by many business leaders to pay for cultural and artistic activities. The business leaders that supported it were unable to galvanize enough support, and the proposal failed.

Other factors have diminished the influence of business leaders in the region. As large corporations have merged and become more global, CEOs have become less engaged in civic issues. Many CEOs have switched jobs in the executive "revolving door" seen at many companies today, so they are less rooted in the Detroit region and less likely to

take part in civic affairs. Detroit Renaissance is one of the only organizations that still has top-level CEO involvement, but even there, board attendance has fallen in the last five years. Some business leaders are less active in civic affairs because it takes more time to run a business in today's tight economy.

The importance of the "Big Three" automakers also has an impact on business leadership in the region. The Big Three have plants and offices around the world, so they're focused on many things outside of the Detroit region. "Their world is not in Detroit alone," said Detroit Regional Chamber President Richard E. Blouse, Jr. "They care but they are not going to put their neck out on something local."