**JPMorgan Impact**

When many parts of the country began recovering from the 2008 recession that shocked world markets, Detroit, Michigan was left behind. In other cities, those laid off found new jobs, and property values returned to healthier levels. The Motor City told a different story. Once the booming epicenter of the auto industry, Detroit faced a staggering unemployment crisis, and thousands of properties were being abandoned. In June 2009, the unemployment rate was frightening 28 percent, and more than a third of the city’s properties were foreclosed on between 2005 and 2014. The formerly affluent suburbs, which were once a source of relief for Michiganders within Detroit’s city limits, were combating the same issues of joblessness and blight as the inner city. These conditions combined with mass emigration and the sharp decline of the auto industry that once dominated Detroit’s job market made Detroit one of the most impoverished zip codes in the United States. Just a few decades ago, Detroit boasted the highest median income and the highest rate of home ownership of major cities in the U.S. After the Recession, Detroit now found itself 300 million dollars in debt, and the situation was growing worse. Minimal federal and state funding was available to address the dire situation in Detroit, calling for strong public-private partnerships to get the city back on track. Almost a decade after the Recession, the city of Detroit is now on the road to a strong recovery, thanks to private sector partners like JPMorgan Chase. In 2014, JPMorgan Chase made a five year, 100-million-dollar investment into the revitalization of Detroit and plans to invest 150 million into Detroit by 2019. This strategic investment was a key player in getting Detroit’s economy back on track, by giving neighborhoods, workers, and businesses, the tools they needed for long-term recovery.

**The JPMorgan Chase Model**

Detroit is no stranger to come backs. After the Great Depression, Detroiter rushed to make deposits in the new National Bank of Detroit, jumpstarting the economy and putting the city on the path to recovery. While the automotive era is over, residents spend more in Detroit locally than any other city in the U.S. Detroit’s revival taught an important lesson on urban revival. Revitalization is about more than access to funding and capital, it is about inclusive growth and public-private partnerships. JPMorgan’s innovations in Detroit demonstrate the significance of businesses using their skill sets to solve problems typically outside their scope of expertise. Rather than cutting a check for their favorite project, the experts at JPMorgan closely examined Detroit’s challenges, and their own resources. After some research, JPMorgan determined that a multifaceted approach was needed to combat poverty and joblessness in Detroit. Peter Sher, the global head of corporate responsibility at JPMorgan detailed, “We were very intentional to not come in with New York answers to Detroit problems. We had to listen. We had to understand. Because frankly, if they didn't have the ideas on the ground, and the buy in on the ground, there's not a lot we can do to substitute.” Rather from approaching their project in Detroit from a purely charitable, check-cutting perspective, they thought of their endeavors as an investment in the city, and future of Detroiter. “And if we can begin to bring more people into the economy, to create more opportunity, to make people feel like the system is not stacked against them, and make sure the system is not stacked against them, then we think long term for both society and business, that’s a really important thing we should be doing.” JPMorgan’s success was defined by a hands-on approach to tackle economic inequality deemed unfixable by the government.

**Revitalizing Neighborhoods**
A main pillar of JPMorgan’s efforts in Detroit was neighborhood revitalization and stabilization to attract newcomers to Detroit and increase the quality of life for native Detroiter. The Recession left Detroit with a declining population and around 91 thousand vacant lots, causing neighborhoods to become desolate, and uninviting for businesses and innovation. JPMorgan invested 50 million dollars into two community development funds; Invest Detroit and Capital Impact Partners. These firms support business, real estate development, and innovation. They have created a lasting impact by revamping urban housing in Detroit and making the city inviting to businesses once again. These funds have also financed community development projects that create livable and work-able neighborhoods in the heart of Detroit. JPMorgan’s initial investment allowed Invest Detroit and Capital Impact Partners to secure 147 million dollars in outside investment, giving the firms 270 million to work with. With these funds, they have preserved 800 housing units, 800 jobs, and 175 thousand square feet of commercial space. An abandoned warehouse from the auto company Willys Overland in midtown was converted to a new retail and residential hub, creating an innovative blend of both old and new.

Additionally, to further their goal of stabilizing Detroit neighborhoods, JPMorgan invested five million dollars in a strategic neighborhood fund to provide resources for residential and commercial real estate rehabilitation. JPMorgan also worked with the Detroit Land Bank Authority to help expand their program to combat neighborhood blight. The Detroit Land Bank Authority partnered with a local start-up, Loveland Technologies. This initiative began the Motor City Mapping Project, which aimed to create an online map detailing Detroit’s property information to promote real estate development.

Detroit also suffered from a lack of public transportation due to the prevalence of the auto industry in the city. A lack of reliable transportation for some made it difficult to utilize all the available career and business opportunities. JPMorgan decided to invest 1.5 million and raised 30 million dollars to finance a new light rail that could connect downtown to the cultural district. The Michigan Department of Transportation estimates that the light rail will serve 5,400 Detroiter a day. Prioritizing public transportation breathed new life into neighborhoods, connecting individuals and businesses, and making travel around the city more accessible, all while encouraging new investment along the light rail. The light rail will also serve as a new retail opportunity, giving businesses the chance to set up shop in the newly redone 1212 Griswold building in Capitol Park and the newly created Shoppes at Woodward Park, along the rail.

**Job Training**

JPMorgan understood that to create long-term, systemic change, Detroit residents must be equipped with skills to navigate the changing job market. To create inclusive growth that would increase prosperity for all Detroiter, even at a young age, JPMorgan financially supported the Detroit Promise. This guarantees each student in Detroit Public Schools two years of community college. Additionally, in 2016, the New Skills Youth Initiative was created to expand career-focused education programs to Detroit students. Recognizing the importance of strong educational and career-related support for students, JPMorgan also supported the United Way of Southeastern Michigan, a program that aims to provide high school students with support in the college admissions and job search process.

JPMorgan also worked to provide data-driven information about different job sectors in Detroit. They funded the creation of the Detroit Skills Gap Report, to help innovators in Detroit understand employment trends in different sectors. They also aimed to increase labor market intelligence by partnering with the Workforce Intelligence Network (WIN). WIN is a collaboration among nine community colleges, seven workforce boards, and economic development partners.
to align education and training with job industry needs. JPMorgan has also partnered with the Detroit Employment Solutions Corporation, which provides services to 50 thousand Detroiters seeking jobs, and over five thousand businesses. JPMorgan supported DESC’s with funding to train Detroiters with technical skills.

Jump starting the economy also helped Detroiters already of working age. JPMorgan supported job training programs in Detroit to better equip Detroiters with useful skills for jobs that needed to be filled to get city’s economy up and running again. JP Morgan supported initiatives to help wage earners make smart decisions with their salary, generate savings, and work towards home ownership. Develop Detroit was created to foster financial literacy in adults and help more city residents work their ways towards home ownership.

Helping Business

JPMorgan thought strategically about any investment decisions, to ensure that they were supporting business growth that would create long-term change in Detroit. They supported companies like TechTown, an entrepreneurship accelerator, and Eastern Market, a Detroit tradition that provides food and grocery vendors with a hub for making sales.

Despite JPMorgan's goal of impact investing, they noticed that some small businesses were being left in the dust, and even more troubling, businesses owned by racial and ethnic minorities were having difficulty getting access to funding. JPMorgan joined forces with the Detroit Development Fund and the W.K. Kellogg Foundation to create the Entrepreneurs of Color Program to award over three million dollars to 40 different small businesses. Additionally, half of EOC loans have been given to female minority-owned businesses. From hair salons to plumbing companies, a diverse array of new businesses is helping Detroit keep up with the times.

To further aid businesses in getting back on their feet, JPMorgan created the Detroit Service Corps comprised of 68 of JPMorgan’s most experienced experts in finance, organization, and marketing who worked on-site to assist business owners with revitalization efforts.

The Motor City has been given a second chance, thanks to strong public-private partnerships and JPMorgan’s commitment to making strategic investments that created inclusive growth. Data driven, collaborative, efforts changed the lives of Detroiters for the better. Small businesses are unable to thrive without a trained workforce, and a strong workforce must be backed by healthy communities. Luckily, JPMorgan took note of these relationships, and used their skills and resources to create holistic growth and develop a model that can be applied to other struggling cities. JPMorgan has set an exemplary example of businesses truly partnering with local and state governments, rather than simply writing checks. JPMorgan didn’t just apply their financial resources to Detroit’s problems, they wanted a seat at the table. Businesses should feel comfortable taking on a larger role in communities and contributing to the conversation about innovation solutions to solve societal problems. The sheer size of Detroit made such a partnership seem daunting. JPMorgan would not have been so successful without a strong political leadership in Detroit, a business and nonprofit community, and a local-community commitment to solving the city’s problems. In the words of Peter Sher, “get in the game and be part of fixing [these] problems, because your company and your future is dependent on a more stable society and more stable economy.”