

## Responses to the City of Ann Arbor Questions from August 7th, 2023

Ann Arbor SPARK is a non-profit organization, spearheading a collaborative regional endeavor between the public, private, and academic sectors. Our work encompasses support for early stage companies, business development support for larger companies, and marketing Ann Arbor. Our budget amounts to approximately \$10 million, with a notable allocation of about \$5 million dedicated to fostering the growth of early-stage companies within the Ann Arbor-Ypsilanti SmartZone/LDFA. Additionally, our financial framework encompasses the proposed contract of \$80,000 for economic development services in partnership with the City of Ann Arbor.

The Entrepreneurial Services team plays a pivotal role in extending support to startups within Ann Arbor through engagement with the Local Development Finance Authority (LDFA). The data below is derived from an annual survey, which startups voluntarily participate in to provide self-reported data. These findings are then compiled into a comprehensive annual report furnished to the LDFA.

Separately, our Business Development team primarily focuses on collaborating with more established businesses, typically characterized by fast-growing companies, or those with a significant employee base. In response to a request from Washtenaw County, we initiated the practice of capturing data pertaining to leadership representation within engaged companies in 2022. This encompasses company leaders who identify as racial or ethnic minorities, women, veterans, or disabled. This inclusive definition was purposefully selected due to the diverse ownership models often seen among larger-scale businesses, which seldom conform to sole proprietorship structures. We have made our best efforts to gather this information when possible, recognizing that we may not capture all leaders or company owners within those categories.

### **1. What percentage of clients served by SPARK in their previous contracts with the City were Black/ethnic minority-owned businesses?**

#### **Data from Entrepreneurial Services:**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023 <sup>1</sup>
Black /	9.70%	10.90%	14.70%	24.30%	31.90%	35.70%

<sup>1</sup> This is the current year and metrics may change before final submission on 08/30/2023.

ethnic-minority owned (percentage)						
Black / ethnic-minority owned (number)	17	18	28	56	73	84

#### Data from Business Development:

Since 2022, the SPARK Business Development team has actively engaged with a total of 47 distinct black/ethnic or minority-owned businesses situated within the City of Ann Arbor. These interactions spanned 56 different instances, encompassing various endeavors like business retention calls and pursuing business attraction or expansion prospects. These efforts account for 46% of the overall business development opportunities observed from 2022 to 2023.

#### SPARK East:

Notably, our outreach extends to Eastern Washtenaw County as well. Since its inauguration in 2008, the SPARK East Innovation Center, located in Ypsilanti, has functioned as a vibrant hub, nurturing visionary individuals crafting innovative concepts in the technology sector. The initiatives carried out within this incubator are tailored to cater specifically to underserved founders, including those who identify as Women and Black/ethnic minority-owned. Recent statistics highlight the impact of our dedication, with 63% of SPARK East clients in the past year fell into the category of minority-owned or Women-owned enterprises.

### **2. How many of the businesses SPARK worked with under their City contracts were disability-owned?**

#### Entrepreneurial Services:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Disabled-Owned Businesses	0	0	1	1	4	3

#### Business Development:

None have been identified since 2022.

**3. What was the number or percentage of women-owned businesses that SPARK supported during their previous contracts with the City?**

**Entrepreneurial Services:**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Woman Owned Businesses	23	29	36	47	62	69
% Woman Owned Businesses	13.10%	17.60%	18.80%	20.40%	27.10%	29.40%

**Business Development:**

Since January 2022, SPARK's business development team has engaged with at least 18 unique women-owned businesses in the City of Ann Arbor on 21 different occasions (business retention calls and business attraction or expansion opportunities), representing 17% of business development opportunities from 2022 to 2023.

**4. How many veteran-owned businesses were among the clients served by SPARK in their previous contracts with the City?**

**Entrepreneurial Services:**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Veteran Owned Businesses	0	1	3	8	6	6

**Business Development:**

None have been identified since 2022.

**5. What was the number or percentage of LGBTQ+-owned businesses that SPARK supported during their previous contracts with the City?**

**Entrepreneurial Services:**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total LGBTQ+ Owned Businesses	1	1	2	6	8	10
% LGBTQ+ Owned Businesses	0.60%	0.60%	1.00%	2.60%	3.50%	4.30%

## **Business Development:**

Since January 2022, SPARK's business development team has engaged with at least 1 unique LGBTQ+-owned business in the City of Ann Arbor on 2 different occasions (business retention calls and business attraction or expansion opportunities), representing 1% of business development opportunities from 2022 to 2023.

### **6. Could you elaborate on the methods or strategies SPARK used to outreach to communities of Black/ethnic minority-owned, disability-owned, women-owned, veteran-owned, and LGBTQ+-owned businesses?**

Since 2018, we have been monitoring the engagement of business owners within specific demographics, in particular through our Entrepreneurial Services work. In addition, the unprecedented impact of Covid-19 on these businesses has opened up a unique opportunity to forge additional connections with underserved business owners. Leveraging support from State, County, philanthropic, and individual sources, we were able to provide financial assistance to 305 companies in the City of Ann Arbor through multiple grant programs.

As part of that work, we have successfully compiled a contact list of underserved business owners. This repository has proven invaluable in effectively disseminating information about new business support prospects. A tangible instance of this was our strategic utilization of this contact database to promote the "Accelerate Your Business" initiative. This program, backed by Washtenaw County funding, was tailored to empower underserved and income-limited businesses. The program garnered overwhelming interest, as evidenced by its oversubscription, ultimately disbursing \$5,000 to 20 companies, 40% of which were minority-owned businesses, and all of which were low-to-moderate income level. Eight of the companies were based in the City of Ann Arbor.

As part of this program, we also assumed a fiduciary role for the Association of Business-Owners of Color and the Small Business Development Center, two other organizations that provided support through the program. Our collaborative endeavors resulted in tangible support totaling \$240,000 for 48 minority-owned and income-constrained companies. Notably, we are actively pursuing additional funding from the State of Michigan to not only sustain this program but also to expand its impact in collaboration with other business support entities.

In tandem with our financial endeavors, our approach to outreach and inclusivity has been purposeful and comprehensive. An example of this is our ongoing leadership in a regional initiative aimed at enhancing our understanding of the regional childcare landscape. Our formed Coalition encompasses women and minority-owned childcare centers, alongside the

Racial Equity Officer of Washtenaw County. To gain deeper insights into our work in this domain, please visit [www.annarborusa.org/childcare](http://www.annarborusa.org/childcare).

**7. What amount of funding was secured by SPARK for businesses owned by Black/ethnic minorities, people with disabilities, women, veterans, and the LGBTQ+ community?**

**Entrepreneurial Services:**

Our Entrepreneurial Services team has provided the following funding amounts for businesses owned within those categories. These figures include the number of tech companies that SPARK provided services to, including accelerator grants, incubator space, mentoring, consulting, training, etc.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Black/Ethnic-Minority Owned</b>	\$149,000	\$213,000	\$322,000	\$393,000	\$467,000	\$626,000
<b>Woman-Owned</b>	\$304,000	\$392,000	\$364,000	\$372,000	\$502,000	\$671,000
<b>Disabled</b>	\$0	\$0	\$2,000	\$0	\$3,000	\$0
<b>Veteran</b>	\$0	\$30,000	\$82,000	\$82,000	\$113,000	\$84,000
<b>LGBTQ+</b>	\$11,000	\$4,000	\$37,000	\$42,000	\$40,000	\$41,000
<b>Total</b>	<b>\$464,000</b>	<b>\$639,000</b>	<b>\$807,000</b>	<b>\$889,000</b>	<b>\$1,125,000</b>	<b>\$1,422,000</b>

In addition, we track additional funding received from other investors. Our data indicates additional funding secured by the entrepreneurs served during this timeframe:

- Black / Ethnic Minorities: \$26.84 million
- Disabilities: \$0
- Women: \$26.05 million
- Veterans: \$0
- LGBTQ+: \$0.1 Million
- Total: \$52.99 million

**Business Development:**

Since 2018, Ann Arbor SPARK's business development team has supported 50 successful business attraction or expansion projects in the City of Ann Arbor. More than half (29 projects or 58%) were with businesses with leaders represented or owned by black/ethnic minorities, people with disabilities, women, veterans, or LGBTQ+ community members. These project

successes resulted in the potential job creation of 755 new jobs and a total investment of nearly \$77 million. Incentives valued at over \$10 million were secured as part of those engagements.

**8. How has SPARK’s approach to supporting diverse business owners, including the LGBTQ+ community, evolved since the Washtenaw Development Council and Ann Arbor SPARK consolidation in 2006?**

Since the consolidation of the Washtenaw Development Council and Ann Arbor SPARK in 2006, our approach to supporting diverse business owners has experienced substantial evolution. Notably, our organization's strategy has undergone a transformation, particularly evident through our latest strategic plan—a comprehensive, year-long effort developed in collaboration with our board and various stakeholders. The Plan’s title is “Driving Smart Economic Growth in Service of Prosperity for All.” You can read more about it here: <https://annarborusa.org/news/ann-arbor-spark-2022-strategic-plan/>.

One noteworthy change is our proactive focus on integrating diversity, equity, and inclusion (DEI) concepts into our initiatives. This strategic shift reflects our recognition of the vital role that representation and inclusivity play in fostering a vibrant business community.

Moreover, our evolution is marked by a deliberate endeavor to not only understand the distinct challenges and aspirations of diverse business owners but to also actively address these needs. This understanding has been a driving force behind the creation of targeted programs and services designed to make a tangible impact in these specific areas. As we move forward, our commitment to DEI concepts, embedded within our latest strategic plan, underscores our dedication to empower and uplift diverse entrepreneurs.

**9. How many SPARK incubated and assisted businesses hired graduates from Michigan’s public universities and colleges? How many of these graduates became employed through SPARK’s job board?**

While we have not directly posed this question to the companies involved in our initiatives, it's evident that the talent pool cultivated by Michigan's public universities and colleges significantly influences companies' decisions to establish, expand, or initiate operations within the Ann Arbor region. Below, you will find pertinent insights regarding our Job Board and other key talent programs.

**SPARK Job Board Statistics (2018 – 2022):**

- New Employers Enlisted: 807

- Jobs Posted: 3,881
- Job Views: 233,140
- Apply Links Clicked: 9,927
- Job Applications Submitted: 3,854
- Jobs Successfully Filled: 969
- Subscribers to Additional Job Seeker Newsletters: 6,464

#### **MI STEM Forward:**

- MI STEM Forward was a State-funded internship program, administered by SPARK, to provide STEM-related internships at companies in Michigan.
- We supported 558 student interns across 181 companies. 97% of the students were from Michigan-based schools, with 21 coming from Eastern Michigan University, 183 from the University of Michigan, and 10 from Washtenaw Community College.

#### **The Ann Arbor/Ypsi LDFA-support Internship Program:**

- We provide an internship program through our SmartZone work that places students at growing startups in Ann Arbor and Ypsilanti.
- Since 2018, We have supported 346 student interns across 121 companies, with nearly 100% hailing from Michigan-based educational institutions.

#### **Student Perception Survey**

- In 2022, we collaborated with the Qualitative Methods in Social Science (QMSS) program at the University of Michigan. Together, we conducted a survey targeting "emerging professionals" within the University of Michigan community. The objective was to gauge their perceptions of Ann Arbor and the factors guiding their choices when selecting a location to embark on their careers. The results indicated that pivotal considerations encompass access to well-paying jobs, cost of living, and housing availability.
- Notably, the students expressed reservations about Ann Arbor's cost of living and housing options, highlighting a potential area for growth within our community. We are diligently working on compiling further insights from this survey, and in the upcoming period, we intend to release more information, and develop a marketing strategy to address these perceptions.

#### **Governance:**

#### **1. What is the racial and ethnic composition of SPARK's staff and board? How many members are from Black or ethnic minority backgrounds?**

### **Ann Arbor SPARK Board of Directors**

SPARK's Board composition, as outlined in the organization's bylaws, mirrors its role as a collaborative hub linking the regional academic, private sector, and local government entities. This partnership involves all three sectors providing both direction and financial support for our endeavors. The academic sector boasts representation from the University of Michigan (two members), Eastern Michigan University (1 member), and Washtenaw Community College (1 member). In the private sector, we presently have 18 members contributing their expertise. Meanwhile, local government is represented by six board members hailing from diverse entities: Washtenaw County (2 members), City of Ann Arbor (1 member), Livingston County (1 member), Pittsfield Township (1 member), and Ypsilanti Township (1 member).

Among the current 28 board members, eight (28%) come from Black or ethnic minority backgrounds. Leadership roles on the board, including the chair, vice-chair, treasurer, and secretary, encompass three-year terms. It is worth noting that the present vice-chair (and incoming chair) is a woman, while the current secretary is a minority woman, emblematic of our dedication to fostering diverse leadership voices.

### **Ann Arbor SPARK Staff**

We're extremely proud of the team we have built at Ann Arbor SPARK. We have 28 professionals working to support our region, bringing a variety of experiences and professional history to our work.

Ann Arbor SPARK does not discriminate on the basis of ancestry, race, sex (including pregnancy or childbirth), color, religion, national origin, age, non-job-related handicap or disability, height, weight, marital status, sexual orientation or identity, familial status, educational association, veteran or any other classification covered by law. This policy relates to all phases and aspects of employment, including recruitment, placement, promotion, testing, training, demotion, lay-offs, recall and termination, rates of pay, use of company facilities, and participation in all Ann Arbor SPARK-sponsored employee activities in which it operates.

Among our staff, 5 members come from Black or ethnic minority backgrounds.

## **2. How many members of SPARK's staff and board are individuals with disabilities?**

This is not a question we have asked our Board members or Staff to self-identify, and is not something we have asked as part of our employment non-discrimination practices.



**3. What is the gender balance within SPARK's staff and board? How many are women?**

- Staff: 19 women, 9 men
- Board: 20 men, 8 women

**4. How many members of SPARK's staff and board are veterans?**

This is not a question we have asked our Board members or Staff to self-identify, and is not something we have asked as part of our employment non-discrimination practices.

**5. What is the representation of LGBTQ+ individuals within SPARK's staff and board?**

This is not a question we have asked our Board members or Staff to self-identify, and is not something we have asked as part of our employment non-discrimination practices.

**6. What strategies or initiatives has SPARK implemented to promote diversity within its staff and board?**

Ann Arbor SPARK is committed to the diversity of its staff, stakeholders, and ecosystem. We recognize that the influence of technological advances has made the world a smaller place. Our community, and the businesses we serve, have become more globalized. We are committed to having the demographics of our staff, board, and constituents be reflective of this diversity, and as a result, SPARK will be able to draw from a broader range of ideas and influences and continue to be innovative and creative.

As noted above, Ann Arbor SPARK does not discriminate on the basis of ancestry, race, sex (including pregnancy or childbirth), color, religion, national origin, age, non-job-related handicap or disability, height, weight, marital status, sexual orientation or identity, familial status, educational association, veteran or any other classification covered by law. This policy relates to all phases and aspects of employment, including recruitment, placement, promotion, testing, training, demotion, lay-offs, recall and termination, rates of pay, use of company facilities, and participation in all Ann Arbor SPARK-sponsored employee activities in which it operates.

Also, we are dedicated to making sure our employee recruitment is diverse, as directed by our CEO across the organization. This involves consciously sharing job opportunities in various places, reaching out to communities and networks that might not usually consider careers in economic development, and ensuring a diverse talent pool is interviewed for opportunities.

**7. Can you provide information about any training or development programs that SPARK has implemented to ensure its staff and board are knowledgeable about working with diverse businesses and communities, including Black/ethnic minority-owned, disability-owned, women-owned, veteran-owned, and LGBTQ+-owned businesses?**

As mentioned earlier, Ann Arbor SPARK places a strong emphasis on diversity within our staff, stakeholders, and the broader ecosystem. Within our staff, we have integrated education on concepts related to diversity, equity, and inclusion (DEI) into our employee training. This involves familiarizing employees with relevant vocabulary and fostering an understanding of DEI principles. Additionally, we've created opportunities for every team member to openly share their personal backgrounds and experiences. This intentional approach aims to promote inclusivity and enhance comprehension of diverse perspectives.

Furthermore, in 2021, we introduced the "Inclusive Workplace Series." This initiative is designed to offer guidance and training to emerging companies in the greater Ann Arbor region that aspire to integrate diversity, equity, and inclusion practices as they grow and evolve. The series is tailored for executives, HR professionals, team members, and all those who champion and support these values. Through this free online event series, participants engage deeply with specific topics, benefiting from interactive discussions and activities. Our 2023 lineup includes events centered around:

- Increasing DEI Awareness
- Enhancing Diversity in Talent Hiring
- Cultivating Inclusive Leadership
- Nurturing Inclusive Communications

In addition, we have designed tailored programs for income-limited business owners, like our "Accelerate Your Business" initiative backed by Washtenaw County. This program provided \$5,000 to 20 companies, with 40% being minority-owned, all from low-to-moderate income backgrounds. Eight of the companies were based in the City of Ann Arbor.

Additionally, we acted as fiduciary for two other organizations that provided support through the program (the Association of Business Owners of Color and the Small Business Development Center). Together, those efforts supported 48 minority and income-constrained businesses with \$240,000. Currently, we're seeking State of Michigan funds to sustain and expand this program in collaboration with other business support organizations.

**8. Has SPARK taken any measures to ensure its leadership (including the board of directors) reflects the diversity of the communities it serves?**

We believe the Board reflects the diversity of the community and the stakeholders that fund the organization. SPARK's Board makeup per the organization's bylaws reflects its work as a regional academic-private sector - local government partnership in which all three sectors direct and provide financial support for our work. Breaking that down, the academic sector has representation from the University of Michigan (two members), Eastern Michigan (1 member) and Washtenaw Community College (1 member). The private sector currently has 18 members. Local government has six board members; Washtenaw County (2 members), City of Ann Arbor (1 member), Livingston County (1 member), Pittsfield Township (1 member) and Ypsilanti Township (1 member).

Of the current 28 board members, eight (28%) are from Black or ethnic minority backgrounds. Board leadership (chair, vice-chair, treasurer, and secretary) serve three-year terms. The current vice-chair (and incoming chair) is female and the current secretary is a minority woman.

On an annual basis, the Board officers review the composition of the Board to ensure alignment with the bylaws and the stakeholders.