

**BY HONORABLE COUNCIL MEMBER SCOTT BENSON:**

**RESOLUTION ESTABLISHING WEALTH GENERATION TASKFORCE**

WHEREAS: Detroit is the largest majority Black city in the country, with approximately 78 percent of its residents being of African American decent. Until recently, Detroit was the poorest large city in the nation with over 30 % of residents living below the poverty level, a decrease from 42.3 percent in 2012, only recently has Cleveland Ohio overtaken Detroit with that distinction.

WHEREAS: The Institute for Policy studies analysis of the Federal Reserve data shows that while the racial wealth gap has improved slightly, nationally an estimated 28 percent of black households and 26 percent of Latinx had zero or negative wealth in 2019, twice the level of whites.

WHEREAS: Families of color are less likely to own homes and significantly have less in liquid retirement savings. Black families carry more student loan debt than white families even though they are less likely to go to college. White families are five times more likely than families of color to receive large financial gifts and inheritances.

WHEREAS: Escaping poverty and gaining economic independence and access to wealth can mean increasing access to opportunity particularly for Black and Hispanic families who have less wealth than white families. Family wealth, not just income, must be a consideration in developing policies and programs to improve economic mobility

WHEREAS: Detroiters have been disproportionately affected by home foreclosures and subprime lending. Homeownership by African Americans in the Detroit area which is traditionally viewed as a method to accumulate family wealth, has been steadily declining.

WHEREAS: The income and wealth gap fuel a gap in education and upward mobility. Stagnant wages, diminishing job opportunities, rising college debt and lack of home equity can have long term negative effects on families and young adults preventing young adults from ever making up enough ground to live better than their parents' generation.

WHEREAS: Government has traditionally focused on job creation as the primary corrective action to address the generational wealth gap, but a wider array of policies must be explored and implemented to shrink the wealth and income gap that exist. Policies aimed at helping low-wealth families save for emergencies, children's education, a home, and a secure retirement can improve families' financial stability and provide a pathway into the middle class.

RESOLVED; That the Detroit City Council through Councilman Scott Benson creates the Task force on Wealth Generation to study methods to close the wealth and income gaps that exist within the City of Detroit.