



The Power of Purchasing: Using University of Michigan Procurement to Promote Social Change

A Report by Trevor Dolan, Julius Goldberg-Lewis, Ruby Kirby, Steven O'Neill, Alec Ramsay-Smith, Dominic Russell, Michael Spaeth, and Ashley White

December 2, 2015

INTRODUCTION

The University of Michigan, as a public university, has an inherent responsibility to serve the interests of the community it represents. U of M is an anchor institution, in that it is “a long-standing and deeply rooted community organization that... [is] the largest contributor to the community’s continued economic stability and strength.”¹ The institution purchases more than \$1 billion of goods and services each year², and how the university chooses to spend that money shapes the structure and values of Ann Arbor and Southeastern Michigan as a whole.

U of M has already acknowledged its key role in promoting social change on campus and beyond. Since 1999, it has implemented several strict codes to combat sweatshop conditions in the manufacture of its licensed apparel³; strengthened ties to local transportation initiatives by purchasing free bus rides for students and faculty for \$1.7 million⁴; and purchased the dairy and agricultural products used in its dining halls from local Michigan farmers.

Anchor institutions experience concrete, long-term benefits from improving their local economies. Many students choose to attend the University of Michigan in part because Ann Arbor is a dynamic, growing city with a wealth of culture and activities to offer students. For many, the same draw extends to the proximity of Detroit, with its own vibrant history, art, and culture. The idea that place matters to prospective students is not just conjecture; it has repeatedly been shown to be a factor at many major research institutions. For years, the area of Cleveland surrounding Case Western Reserve University hurt admissions numbers. Prospective students would often comment about empty storefronts and eerily quiet streets. After a \$44 million mixed-use development project was launched in the surrounding neighborhood in 2009, however, the community experienced a significant upswing and attracted new students from across the country. In the three years following the development project, the number of applications received by Case Western almost doubled, culminating with the incoming class of 2012, which was the “largest, most diverse and most academically accomplished in the university’s history.”⁵ To continue attracting

¹ “Building Resiliency: The Role of Anchor Institutions in Sustaining Community Economic Development”, *U.S. Department of Housing and Urban Development*, February 2013.

² University of Michigan Procurement Services, “MConnect overview,” <http://www.finance.umich.edu/procurement/supplierinfo/mconnectprogramoverview>

³ “Actions by the University of Michigan to Combat Sweatshop Conditions in the Manufacture of Licensed Apparel,” *Public Affairs of the University of Michigan* (2011). <http://vpcomm.umich.edu/pa/key/chron.html>.

⁴ David Askins, “Transit Group Adopts New Name, Work Plan,” *The Ann Arbor Chronicle* (Ann Arbor, MI), Aug. 17, 2013.

⁵ “Cleveland’s Greater University Circle Case Study,” Cleveland Foundation, (Cleveland: 2013), 39-40.

the brightest young minds in the country, and to retain them, Michigan needs to take greater steps in promoting diversity and regional economic ties.

Fundamentally, the University of Michigan is public institution that benefits enormously from \$300 million in taxes of Michigan residents.⁶ As U of M President Mark Schlissel said in his inaugural address, “We must seek partnerships that infuse our economy with talent and energy, and build an appreciation for our region’s heritage as a place of past and future innovation.”⁷

A STRUGGLING LOCAL ECONOMY

The University of Michigan sits within a community, state, and region that are still suffering from the economic effects of the Great Recession. Michigan’s unemployment rate averaged 7.2 percent in 2014, a full point higher than the national average.⁸ The university is also located 45 minutes away from Detroit in Wayne County, which has an unemployment rate of 9.2 percent—one of the highest in the nation.⁹ In the Midwest as a whole, employment has not recovered enough to accommodate new entrants in the labor force; the average number of weeks a person will spend unemployed is still nearly double the average pre-2008 level.¹⁰

Economic challenges are distributed unequally, both locally and nationally. While Michigan’s unemployment rate averaged 7.2 percent, it was 15.9 percent for African Americans and 8.8 percent for the Hispanic population.¹¹ Nationally, women- and minority-owned business enterprises (WBEs and MBEs) comprise 50 percent of all U.S. firms but receive only 7.3 percent of business transactions.¹² This disparity is at least partially due to a lack of access to capital: women and minority entrepreneurs are less likely to have loans approved and more likely to pay higher interest rates even after controlling

⁶ “University of Michigan Funding: A Snapshot.” University of Michigan.

<http://vpcomm.umich.edu/budget/fundingsnapshot/>

⁷ Mark Schlissel, “Inaugural Address” (Inauguration of President Schlissel, University of Michigan, Ann Arbor, MI, Sept. 5, 2014) qtd. in Mlive. http://www.mlive.com/news/ann-arbor/index.ssf/2014/09/read_u-m_president_mark_schlis.html.

⁸ “Preliminary 2014 Data on Employment Status by State and Demographic Group.” Bureau of Labor Statistics. <http://www.bls.gov/lau/ptable14full2014.pdf>

⁹ “Detroit Area Economic Summary.” Bureau of Labor Statistics. January 5, 2015. http://www.bls.gov/regions/midwest/summary/blssummary_detroit.pdf.

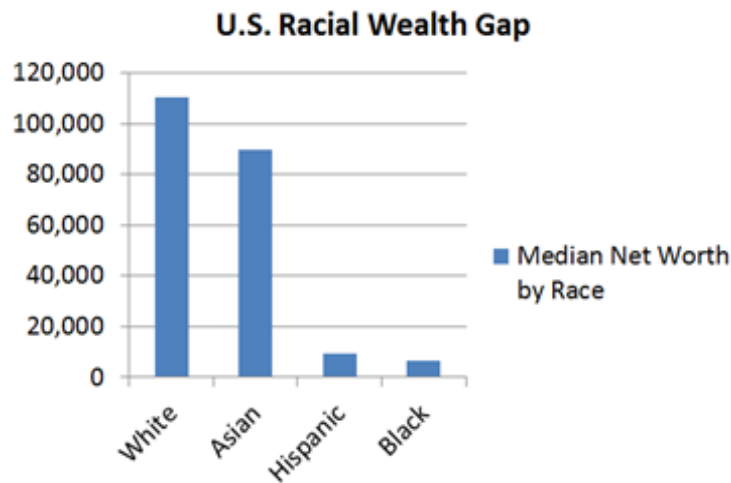
¹⁰ Bureau of Labor Statistics. Sept. 2014.

¹¹ “Preliminary 2014 Data on Employment Status by State and Demographic Group.” Bureau of Labor Statistics. <http://www.bls.gov/lau/ptable14full2014.pdf>

¹² Jesse Moore, “Educational Institutions Are Getting Their Supplier Diversity Acts Together.” Education Procurement Journal, Spring (2014). http://www.apogeepublications.com/emags/NAEP_spring2014/index.html#/1/.

for credit score and other factors.¹³ African Americans and Hispanic Americans have significantly less wealth than white Americans but rely more on their own money to start businesses.¹⁴

These conditions contribute to the nation’s racial wealth gap. The median household net worth for white Americans is \$110,531, compared to \$6,349 for African Americans and \$7,683 for Hispanic Americans.¹⁵ This inequity is exemplified by Wayne County, where 82 percent of white residents own homes, compared to only 33.9 percent of African Americans.¹⁶



Graph 1 shows national median net worth by race.¹⁷

This data suggests that the economy surrounding U of M is still struggling, and that this struggle falls disproportionately on minority populations. The university alone may not be able to solve these problems, but with its billions in purchasing dollars, it can have a massive impact.

¹³ Alicia Robb, “Access to Capital among Young Firms, Minority-owned Firms, Women-owned Firms, and High-tech Firms.” U.S. Small Business Administration, 2013, <https://www.sba.gov/content/access-capital-among-young-firms-minority-owned-firms-women-owned-firms-and-high-tech-firms>

¹⁴ Ibid.

¹⁵ Tom Harnish, “3 Ways to Help Minority Businesses Succeed,” Global Workplace Analytics, February 27, 2012, <https://www.americanexpress.com/us/small-business/openforum/articles/3-ways-to-help-minority-businesses-succeed/>

¹⁶ “Metropolitan Detroit Race Equity Report.” New Detroit. March, 2014.

http://www.newdetroit.org/docs/press/MetropolitanDetroit_RaceEquity_Report_NewDetroit.pdf

¹⁷ United States Census Bureau, “Detailed Tables on Distribution of Wealth and Debt,” Wealth and Asset Ownership, http://www.census.gov/people/wealth/data/disttables.html?eml=gd&utm_medium=email&utm_source=go_vdelivery

CURRENT LANDSCAPE AT U OF M

University of Michigan Disadvantaged Business Purchasing

There is a great opportunity for the university to tap into the pool of local diverse suppliers. In 2007, the most recent year the data is available, there were 4,607 MBEs in Washtenaw County, representing \$809,912,000 in sales, receipts, and value of shipments and 12.4 percent of total firms.¹⁸ WBEs in Washtenaw County numbered 10,795, or 33.1 percent of firms.¹⁹

U of M acknowledges that new suppliers may have difficulty soliciting business with the university. While the university meets federal regulatory and compliance reporting goals, following the example of other institutions, U of M has the potential to greatly increase its purchasing from disadvantaged businesses.

University of Michigan Local Purchasing

U of M's most extensive efforts to increase its local purchasing have been in buying more sustainable food, both for catering and dining hall services. One of the goals of the university's Office of Campus Sustainability is to increase sustainable food purchasing by 20 percent, and it estimates that it has already achieved a 10 percent increase.²⁰ In the university's Sustainable Food Purchasing Guidelines, local purchasing plays a large role in meeting this goal, not only because of lower transaction costs and carbon emissions, but also because "supporting local farmers and growers keeps money circulating within the community longer and directly profits local producers."²¹ The same guidelines state that the production facility must be located within 250 miles of Ann Arbor and that at least 50 percent of the ingredients of the product must be grown within 250 miles of the processing facility.²² These purchases are being tracked by the Office of Campus Sustainability and data reports are available publicly.

For general procurement, unlike food purchasing, the university does not have a systematic and publicly available program for local sourcing. There is no comprehensive definition of

¹⁸ US Census Bureau, "Statistics for All U.S. Firms by Industry, Gender, Ethnicity, and Race for the U.S., States, Metro Areas, Counties, and Places: 2007 Survey of Business Owners," American Factfinder, 2007. http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSA01&prodType=table

¹⁹ US Census Bureau, "State and County Quickfacts: Washtenaw County, Michigan," 2014. tools.umich.edu/portal

²⁰ "Healthy Environments." University of Michigan Office of Campus Sustainability. Accessed March 19, 2015. <http://www.ocs.umich.edu/sustainable-food.html>

²¹ "Sustainability Goal Reporting Guidelines." Planet Blue. November 2014. <http://www.ocs.umich.edu/pdf/SustainableFoodPurchasingGuideline.pdf>

²² Ibid.

local purchasing, nor are their targets or tracking established in this area at either the university or departmental level.

OTHER UNIVERSITIES AND INSTITUTIONS

Disadvantaged Business Purchasing

Many institutions around the country, including both public and private universities, have recognized the role they can play in driving economic inclusion in their local communities through their purchasing. While all public institutions must meet various federal regulatory compliance and reporting standards, many also recognize the benefits of employing an individual (or individuals) specifically to work with small, local MBEs and WBEs.

Some of these schools, including Michigan State University, the University of California, the University of Florida, and Pennsylvania State University, are elite, highly departmentalized public research universities similar to the University of Michigan. Their small and diverse supplier manager positions vary but generally involve matching small and MBE/WBE suppliers to departmental buyers, managing small and diverse supplier databases, assisting with federal small business subcontracting plans, and tracking additional diversity spending goals. Many of these positions have been highly successful: By employing a group to set metrics and collaborate with local institutions, the University of Pennsylvania has increased diversity purchasing from \$41,441,311 to \$105,763,912 over the past decade.²³

Some schools, such as Penn, Kent State University, and the University of Minnesota provide public information on the goals and activities of their supplier diversity programs.^{24 25} These programs demonstrate the universities' commitment to supporting disadvantaged businesses and expanding their local economies beyond federal requirements. The University of Minnesota Board of Regents has said:

Consistent with the University's outreach and public service mission, it is appropriate that the University foster economic growth in the urban communities of which it is a part. Reduction of poverty and unemployment in the urban community is of vital interest to the University. The University shall take advantage of opportunities,

²³ University of Pennsylvania Purchasing Services, "Diversity Supplier Spend," <http://www.purchasing.upenn.edu/supply-chain/diversity-supplier-spend.ph>

²⁴ Kent State University, "Supplier Diversity Goals and Progress," <http://www2.kent.edu/procurement/diversity/supplier-diversity-progress.cfm>

²⁵ Office for Business & Community Economic Development, "Small Business Report: July 2010- June 2011," University of Minnesota, 2011. http://www.bced.umn.edu/forms/4thQtr_2011_updated.pdf.

*presented by its construction projects and its contracts for goods and services, to promote the training and employment of urban community residents in skilled trades and professions.*²⁶

Private firms are also reaping the benefits of local purchasing. A study of 50 companies from the service and manufacturing sectors found that “leading procurement organizations had slightly higher adoption rates of supplier diversity than the typical company, yet generated 133 percent greater returns in the cost of procurement than the average performer, driving an additional \$3.6 million to their company’s bottom line.”²⁷

Merck & Co., one of the largest pharmaceutical companies in the world, engages in diversity purchasing. American Safety Products, a small Raleigh-based MBE, “performs construction site cleaning, provides safety supplies to Merck’s subcontractors on site, and delivers other services as needed.” The owner, Warren Arlington, has declared, “our partnership with Merck has increased our annual revenues by 20 to 25 percent.” He added that without the initiative of diversity purchasing, “we would not have that opportunity.”²⁸

These examples demonstrate the feasibility and necessity of employing an individual focused on diverse procurement.

Local Purchasing

Many institutions and private businesses have created systematic local purchasing programs that have benefitted both their local economies and their own financial development. Indeed, few American universities do not have at least a nominal commitment to local purchasing. Programs with specific, trackable goals or metrics are often the most successful at generating a positive economic impact.

The University of Pennsylvania, which spent \$109.2 million on goods and services from local suppliers in FY2013, posts information about its purchasing online in easily understandable charts and tables. It estimates that this local procurement program generates about 200 jobs and \$6 million in local area wages.²⁹ Similarly, Case Western

²⁶ Board of Regents, “Targeted Business, Urban Community Economic Development, and Small Business Programs,” University of Minnesota, amended February 12, 2010. <http://bced.umn.edu/forms/TargetedBusiness.pdf>

²⁷ The Hackett Group. “Supplier Diversity Pays Off,” *Purchasing*, 135, no. 12, (09/07/2006): 27

²⁸ Nicholas, Vanessa. ‘Matchmaking Yields Mutual Benefit For Merck And Diverse Vendors’. Ncimed.org. N.p., 2015. Web. 20 Mar. 2015.

²⁹ Dubb, Steve, Sarah McKinley, and Ted Howard. *Aligning Institutional Practice To Meet Low-Income Community Needs*. Takoma Park: The Democracy Collaborative, 2013. Web. 20 Mar. 2015. The Anchor Dashboard.

Reserve University has entered into a partnership with the Cleveland Clinic and University Hospitals to develop a local purchasing program. These three institutions realized that while they were purchasing \$3 billion in goods and services annually, none of it was being spent in their own surrounding neighborhoods. They now allocate a portion of their procurement to local sustainable worker co-ops that they helped develop.³⁰ Michigan State University has agreed to partner with the Pure Michigan Business connect program and commit 50 percent of its purchasing to Michigan businesses.³¹ The program is a part of a Michigan Economic Development Corporation initiative and will allow MSU to connect with local business more easily.

Numerous municipal and county governments have also committed to systematic local purchasing policies, including Grand Rapids, Lansing, Columbus, Cleveland, Washtenaw County, and Macomb County, as have the state governments of Indiana and California.³² The economic and financial impact of some of these policies is described below.

POLICY RECOMMENDATIONS

Reinstate the position of Supplier Diversity and Social Responsibility Leader

The University of Michigan should reinstate the position of Supplier Diversity and Social Responsibility Leader (SDSRL). This leader would serve the following primary roles:

1. *In-reach*: The SDSRL would assist and educate purchasing teams and schools (including principal investigators for federally funded research projects) within the university and provide tools and resources to maximize purchasing from small, diverse, and local suppliers. This would include:

- Creating and holding in-person and online trainings for university buyers
- Ensuring that small, diverse, and local suppliers are adequately represented in the university's online contract supplier database
- Educating departments on how to find small, diverse, and local suppliers, and highlighting opportunities to source from these businesses
- Communicating with and supporting departments that wish to purchase from small and diverse suppliers

³⁰ Guinan, Joe; McKinley, Sarah; Yi, Benjamin. "Raising Student Voices: Student Action for University Community Investment," http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/REC_WEB_singles.pdf

³¹ Michigan State University, "MSU First University to Join Pure Michigan Business Connect", May 2013. <http://msutoday.msu.edu/news/2013/msu-first-university-to-join-pure-michigan-business-connect/>

³² Office of Community & Economic Development, "Local Procurement Policy Report," *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

- Incorporating local and women- and minority-owned businesses in departmental order systems to promote these businesses while maintaining efficiency

2. *Outreach:* The SDSRL would find and work with qualified small, diverse, and local suppliers to ensure that the university is utilizing the best suppliers it can. This would include:

- Representing the university at diversity supplier events throughout the state and region
- Developing sustained relationships with local organizations that can lead to relationships with diverse and local businesses (e.g., Detroit Economic Growth Corporation, Detroit to Detroit, Michigan Minority Supplier Development Council, Michigan Economic Development Council, Michigan Black Chamber of Commerce, other universities)
- Ask for input from purchasing teams to identify additional organizations that the purchasing department may not be aware of
- Hosting supplier diversity networking sessions that allow diverse suppliers to meet influential decision-makers within the university

3. *Supplier Relations/Service:* The SDSRL would engage with small and minority suppliers to ensure that they are offered a fair opportunity to engage with university departments. This would include:

- Handling inquiries from small and diverse suppliers wishing to do business with the university
- Meeting with suppliers to help them better understand how to do business with the university
- Creating trainings and writing guides to help navigate university purchasing
- Creating a supplier diversity website
- Providing support to suppliers wishing to register as certified MBEs or WBEs

4. *Regulatory and Compliance Reporting:* The SDSRL would work to ensure the university continues to meet all state and federal policy relating to institutional purchasing. This would include:

- Working with subcontractors to help develop and submit small business subcontracting plans for contracts exceeding \$650,000³³

³³ The University of Michigan Office of Finance, “Federal Small Business Subcontracting,” <http://www.finance.umich.edu/procurement/howtobuy/policies/fed-small-business>

5. *Public Relations*: The SDSRL would serve as the social responsibility face of the university's purchasing department, helping to highlight the department's work to potential donors, students, and faculty in conjunction with the university's other diversity initiatives.

Create a Definition of Local Purchasing and Set Metrics for Achievement

The purchasing department should better define "local business" and set concrete goals to monitor their ability to follow them.

1. *Creation of a Definition of "Local"*: The university should create a specific, measurable definition for a local business. Some possible requirements include:

- The headquarters of the business are located within the region of interest
- The business has paid property taxes within the region of interest in the past year on property essential to the completion of the proposed contract
- The business has been dealing in goods and services similar to the subject of the contract on a regular basis for at least one year
- 50 percent of the employees of the business are residents within the region of interest

The university could establish a two-tiered system in which a business could be considered "local" if it met these requirements for Washtenaw and Wayne Counties and "state-based" if it met these requirements for the state of Michigan.

2. *Set Metrics for Local Purchasing Achievement*: The university should set a series of goals including

- Short-term purchasing goals for local and state-based sources to be accomplished by 2020
- Long-term purchasing goals for local and state-based sources to be accomplished by 2030

Purchasing should be tracked based on local and diversity criteria, and the goals and progress should be made available publicly online.

POTENTIAL IMPACTS

External Economic Impact

Targeted purchasing from small, disadvantaged, and local businesses has the potential to create a powerful positive multiplier effect on the local economy. A study looking at the U.S. from 1989 to 2003 found that small businesses accounted for 92 percent of new job

creation.³⁴ Small businesses also usually contribute more to local philanthropy and are more involved in the community than non-local chains.³⁵

The needs of disadvantaged and small suppliers will often overlap. Due to their difficulties obtaining capital, minority firms are disproportionately small businesses: They employ eight individuals on average, whereas white-owned firms employ 21.³⁶ In addition, purchasing from disadvantaged businesses has the potential to reduce racial wealth gaps, which in turn can have a positive effect for the overall economy. A study done on California's procurement practices for small and disadvantaged business concluded that these targeted public contracts generated approximately \$4.243 billion in new economic activity.³⁷ By having an employee dedicated to ensuring that disadvantaged businesses have a fair opportunity to compete for its business, the University of Michigan can have a similar impact.

Local purchasing can also have a significant economic impact by creating jobs, generating greater tax revenue, and promoting economic vitality. According to a report that analyzes local purchasing in seven U.S. cities, for every \$100 spent on purchases from locally owned business an additional \$52 stays in the local economy. This stands in contrast to non-local purchasing, which only results in an additional \$25 staying in the local economy.³⁸

By these estimates, increasing local purchasing by 5 percent of total university procurement would generate \$13.5 million in additional local economic activity. Using the same spending-to-job-creation ratio as Washtenaw County, this marginal increase would also lead to the creation of more than 450 new local jobs.³⁹ Local purchasing can also have positive environmental effects; lower transportation distances for locally produced goods require less energy and generate fewer carbon emissions.

³⁴ <http://www.documents.dgs.ca.gov/dgs/PIO/SB/SmallBusinessStudy.pdf>

³⁵ Office of Community & Economic Development, "Local Procurement Policy Report," *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

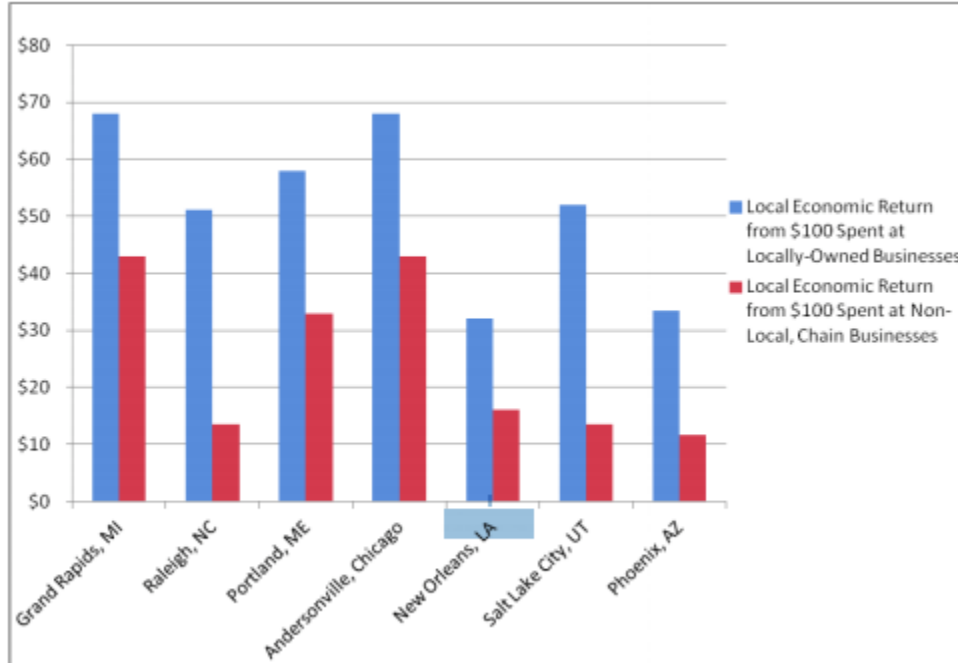
³⁶ Harnish, Tom. "3 Ways to Help Minority Businesses Succeed." February 27, 2012. <https://www.americanexpress.com/us/small-business/openforum/articles/3-ways-to-help-minority-businesses-succeed/>

³⁷ "The Economic Impact of the Small Business and Disabled Veteran Business Enterprise Programs on the State of California." California State University. June 2009. <http://www.documents.dgs.ca.gov/dgs/PIO/SB/SmallBusinessStudy.pdf>

³⁸ Office of Community & Economic Development, "Local Procurement Policy Report," *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

³⁹ Office of Community & Economic Development, "Local Procurement Policy Report," *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

By sourcing from small, disadvantaged, and local businesses, the university can drive economic prosperity and inclusion, create more vibrant local communities, and contribute to global sustainability.



Graph 2 shows local economic return calculations from locally-owned businesses vs non-local chains according to studies from seven different U.S. cities.⁴⁰

Internal Financial Impact

Diversity purchasing

The SDSRL will streamline the diverse purchasing process, helping the university cut costs and speed up the pace of major projects. Since public institutions must meet federal regulatory compliance and reporting standards compliance on projects that use over \$650,000 in federal money, a centralized SDSRL would be able to guide every major project efficiently through these obstacles, thus minimizing administrative costs. Further, the SDSRL could establish long-term relationships with a talented, innovative new pool of diverse suppliers for the university. This means the university would eventually have a larger selection of businesses that could better cater to its needs. The University of Chicago already recognizes this benefit, noting that “broadening the supplier pool means better service and value for the University.”⁴¹ While this employee’s salary would cost \$60,000–

⁴⁰ Office of Community & Economic Development, “Local Procurement Policy Report,” *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

⁴¹ Office of Business Diversity, “Why Diversity Matters,” University of Chicago. <http://businessdiversity.uchicago.edu/page/why-diversity-matters>.

\$90,000, the economic benefits for the state and university make this proposal feasible, if not totally revenue neutral.

Local purchasing

If U of M stimulates the economy of the surrounding community, it will make itself a more attractive destination for the country's brightest and best students. Students want to live in or near a city with world-class institutions, with significant museums, music, and theatrical performances, and a strong nightlife. A strong Ann Arbor, a strong Washtenaw County, and a strong Detroit will all contribute.

KEY FACTS

- The median household net worth for white Americans is \$110,531 versus \$6,349 for African Americans and \$7,683 for Hispanic Americans.⁴²
- By creating trackable goals and collaborating with local institutions, the University of Pennsylvania has increased diversity purchasing from \$41,441,311 to \$105,763,912 over the past decade.⁴³
- Targeted spending at local, small, diverse businesses can have a multiplier effect on the economy: Penn estimates that it generates about 200 jobs and \$6 million in local area wages with its program.⁴⁴
- In 2002, the last year the University of Michigan had a full-time supplier diversity leader, the university was named Corporation of the Year by the Michigan Minority Business Development Council.⁴⁵
- For every \$100 of spending on local business, \$52 is recirculated or reinvested within that community.⁴⁶
- The Pure Michigan Business Connect and the Detroit to Detroit (D2D) purchasing program can potentially create 7,700 jobs and lower costs by 25 percent in Detroit and will increase sustainability.⁴⁷

⁴² United States Census Bureau, "Detailed Tables on Distribution of Wealth & Debt," Wealth and Asset Ownership, http://www.census.gov/people/wealth/data/disttables.html?eml=gd&utm_medium=email&utm_source=govdelivery

⁴³ University of Pennsylvania Purchasing Services, "Diversity Supplier Spend," <http://www.purchasing.upenn.edu/supply-chain/diversity-supplier-spend.php>

⁴⁴ Steve Dubb, Sarah McKinely, and Ted Howard, "The Anchor Dashboard: Aligning Institutional Practice to Meet Low-Income Community Needs," The Democracy Collaborative at the University of Maryland, 2013 <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/AnchorDashboardCompositeFinal.pdf>

⁴⁵ Joel Seguire, "Minority business group recognizes U-M," The University of Michigan Record Online, October 7, 2002, http://www.ur.umich.edu/0102/Oct07_02/7.shtml

⁴⁶ Office of Community & Economic Development, "Local Procurement Policy Report," *Washtenaw County*, July 2013, http://ewashtenaw.org/government/boc/agenda/wm/year_2014/2014-11-05wm/lvp-2-report

TALKING POINTS

- The recirculation and reinvestment of money spent locally increases local economic activity and prosperity.
- The University of Michigan should direct its purchasing toward businesses within the state and local area to provide economic stimulus for its community.
- Women- and minority-owned businesses are less likely to have access to capital due to historic disadvantages, 20th century governmental policies, and current bank practices.
- The University of Michigan should retake its place as a leader in supplier diversity and social responsibility to remedy this disparity and revitalize the local economy.
- A dedicated supplier diversity position could be financially beneficial because it would create a pool of small, diverse suppliers that the university could tap for federal spending requirements.

⁴⁷ “About D2D.” The Detroit Economic Growth Corporation. Accessed March 1, 2015
<http://d2dbusiness.org/about/>