

A NEW AGENDA FOR A NEW MICHIGAN



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A Flat World

- Growing instability of employment
 - Career agility
 - Ladder climbing analogy will become rock climbing
- The Technology and Globalization mega-forces are more powerful than politics

A New Michigan

Q: Where do we want to go from here?

- A:** A high-prosperity Michigan measured by per capita income
- Above national average in economic expansions and downturns
 - High Prosperity by per capita income vs. Low Unemployment

A New Michigan

Q: What distinguishes areas that are doing well?

- A:** Economies happen at the Metropolitan area level

A New Michigan

Q: What really matters for Michigan?

A: Metropolitan areas succeeding in a knowledge economy

- Talent: a combination of knowledge, creativity, and entrepreneurship
- Preparing, Retaining, and Attracting Talent

The New Agenda Report

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- Description of The New Michigan
- The New Agenda for a New Michigan
 - Culture is more important than policy
 - Places that are doing well are cultures that value
 - Learning
 - Entrepreneurial spirit
 - Welcoming others

The New Agenda Report

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- Public Policy
 - Cutting taxes doesn't work

The New Agenda Report

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- **Public Policy**
 - Cutting taxes doesn't work
- **What Matters Most**
 - Investing in Higher Education
 - Investing in Quality of Metro Regions
 - Basic Services
 - Infrastructure – physical, digital, and green
 - Vibrant Central City Neighborhoods

Question & Answer

- A New Agenda and State Government
- Tax Cuts
- Concentration of Talent
- Quality of Place
- Knowledge-based jobs in Michigan

Question & Answer

- Employment Instability
- Regional Economic Decline
- Concentrating Efforts in Michigan
- Retention of College Graduates
- Mobility of Talent

KEY TO PROSPERITY: TALENT, NOT LOW TAXES

	% Bachelors or More, 25+	Personal Income Per Capita
Arkansas	18.9%	\$26,874
Alabama	21.4%	\$29,136
Tennessee	21.8%	\$31,107
Oklahoma	22.4%	\$29,330
Missouri	24.0%	\$31,899
South Dakota	24.7%	\$31,614
North Carolina	25.1%	\$30,553
Georgia	27.1%	\$31,121
Virginia	33.2%	\$38,390
Colorado	35.5%	\$37,946
United States	27%	\$34,586
Michigan	25%	\$33,116
Minnesota	30.7%	\$37,373
New York	31.3%	\$40,507
New Hampshire	31.8%	\$38,408
Vermont	32.5%	\$33,327
Virginia	33.2%	\$38,390
New Jersey	34.2%	\$43,771
Maryland	34.5%	\$41,760
Connecticut	34.9%	\$47,819
Colorado	35.5%	\$37,946
Massachusetts	36.9%	\$44,289

Ten Lowest Business Tax States

Ten Highest Educational Attainment States

Sources: Low Business Tax States as identified in Benchmarking for success: A comparison of State Business Taxes, Anderson Economic Group. Educational attainment data: American Community Survey, Census Bureau. 2005 data.

Characteristics of High Prosperity Metro Areas

- **Concentration of export-based knowledge industries**
 1. Information
 2. Finance and Insurance
 3. Management of Companies
 4. Professional and Technical Services
- **Metro Detroit and Metro Grand Rapids below national average**

Characteristics of High Prosperity Metro Areas

- **High Proportion of Adults have a 4-year degree**
 - Metro Detroit and Metro Grand Rapids below national average
 - Michigan is 34th in the nation

Characteristics of High Prosperity Metro Areas

- **Residents of anchoring central cities have 4-year degrees**
 - Seattle – 51%
 - National Average – 27%
 - Detroit – 11%

A Flat World

- **Definition: A world where work can be done anyplace by anybody**
- **Two mega-forces**
 - Globalization
 - Technology
- **Both forces are in early stages**

A Flat World

- **Technology**
 - Developing machines to do jobs
 - Opportunities for new products and services
- **Globalization**
 - Many countries in early stages of getting involved
 - Will be able to compete with the U.S. on all skill levels in all industries

A Flat World

- **Erosion of the pillars that built middle class Michigan**
 - Good pay for low skill levels
 - Long-term stable employment
