MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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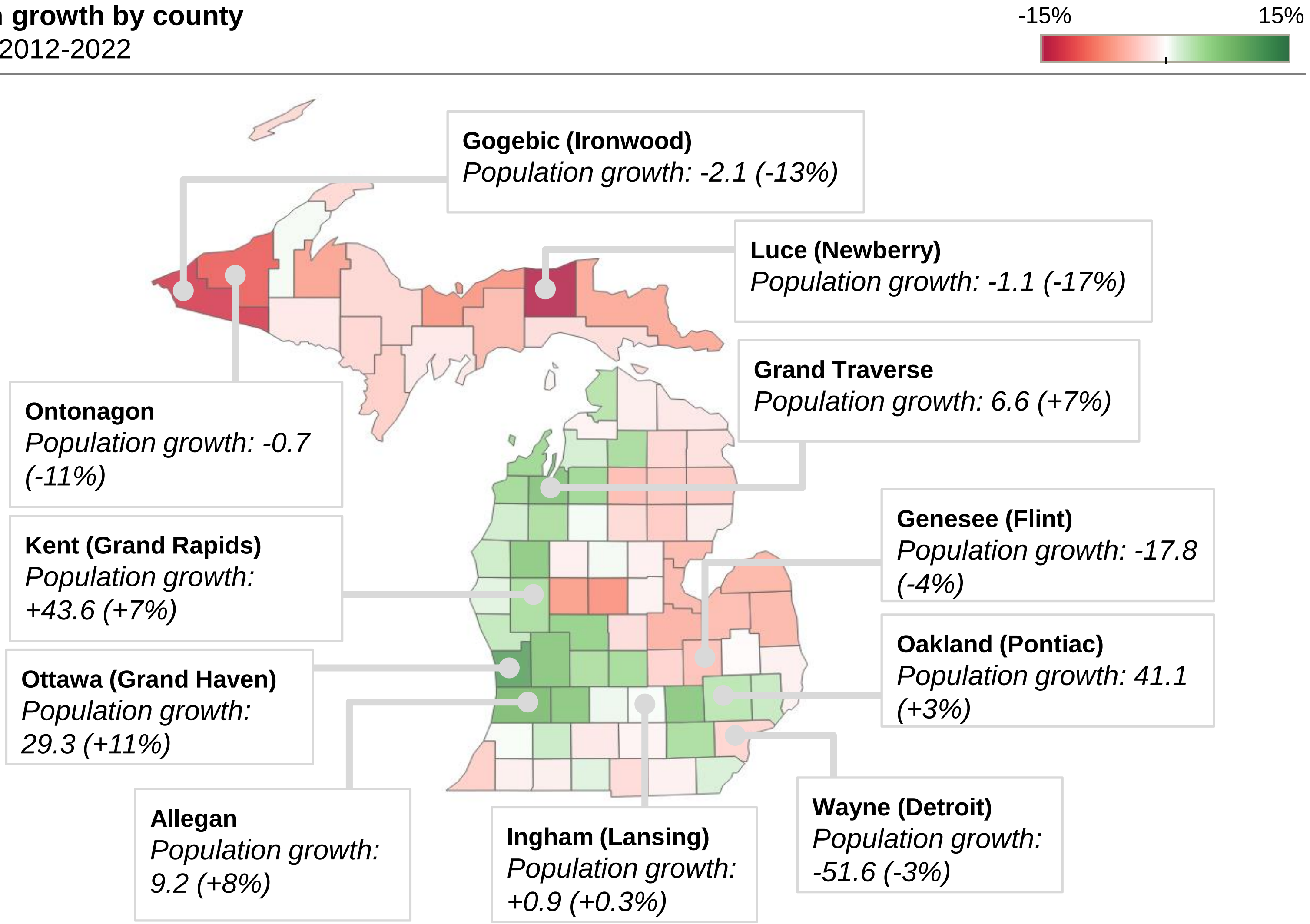
Michigan Growth

November 2, 2023

Over the last decade, migration from urban centers to the Detroit suburbs and Lake Michigan coast has risen

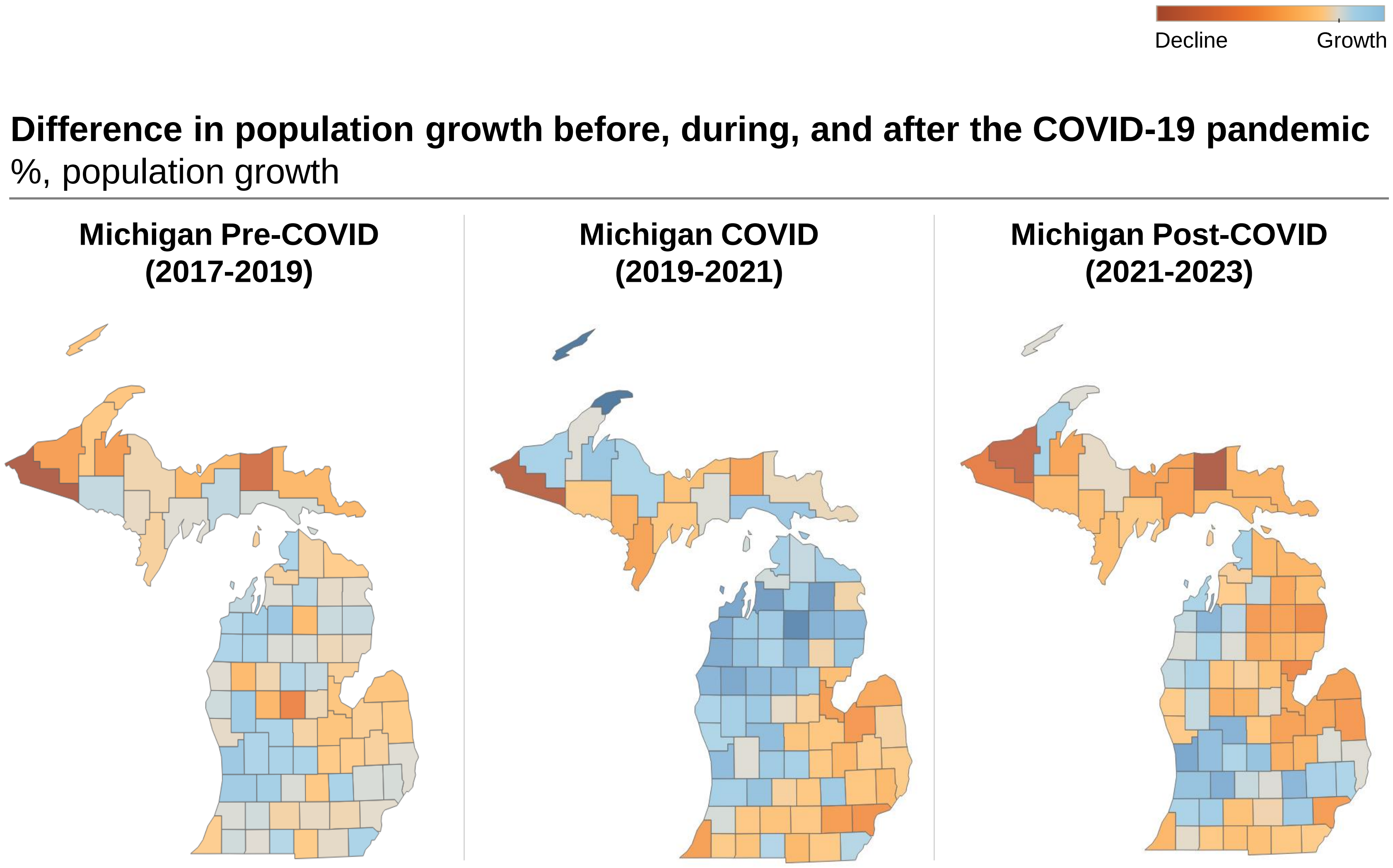
Population growth by county
Thousand, 2012-2022



Source: Moody's Analytics, US Census County to County Flows

Despite the COVID-19's brief slowdown, Michigan's population decline has accelerated over the past five years

Difference in population growth before, during, and after the COVID-19 pandemic
%, population growth



Source: Moody's Analytics

3%

increase in Michigan's "**urban periphery**" archetype population over the past five years

-2%

decrease in Michigan's **"trailing cities"** archetype population over the past five years

-1%

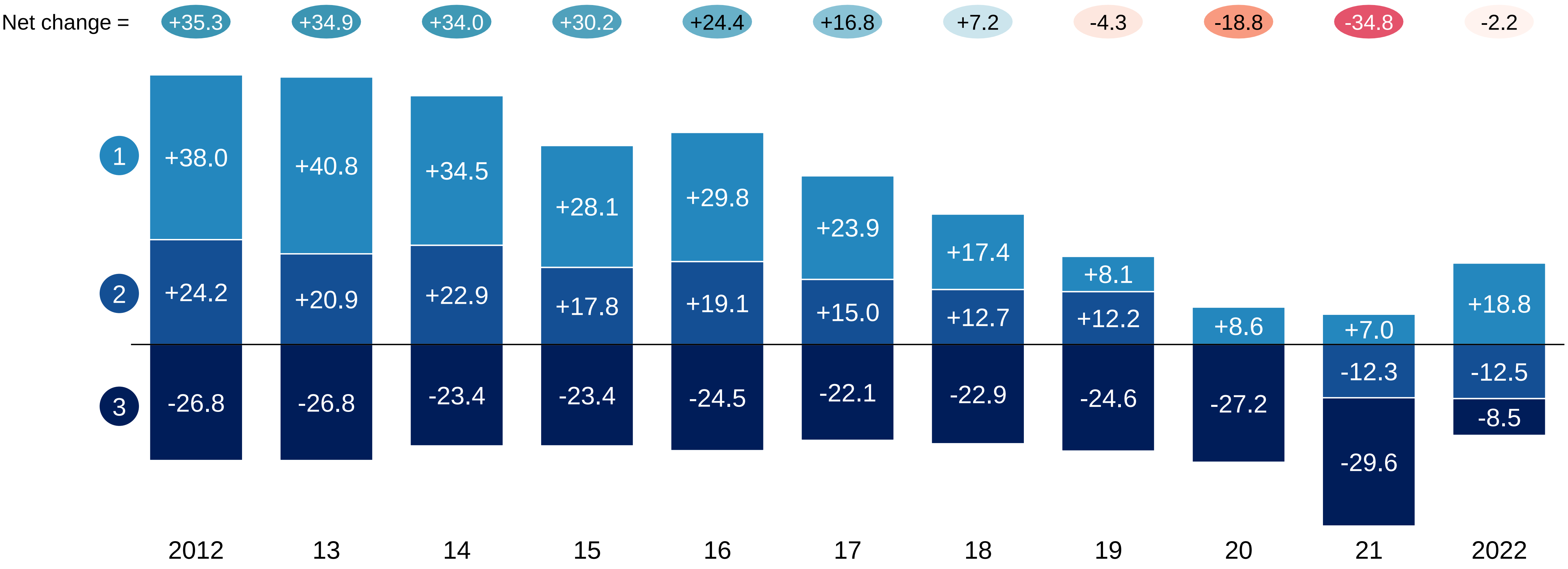
decrease in Michigan's **total population** over the past five years

Over the past decade, there has been a decline in Michigan's net migration, with domestic migration driving the decrease

Three components of population change over time

Domestic Net Migration | International Net Migration | Net Births

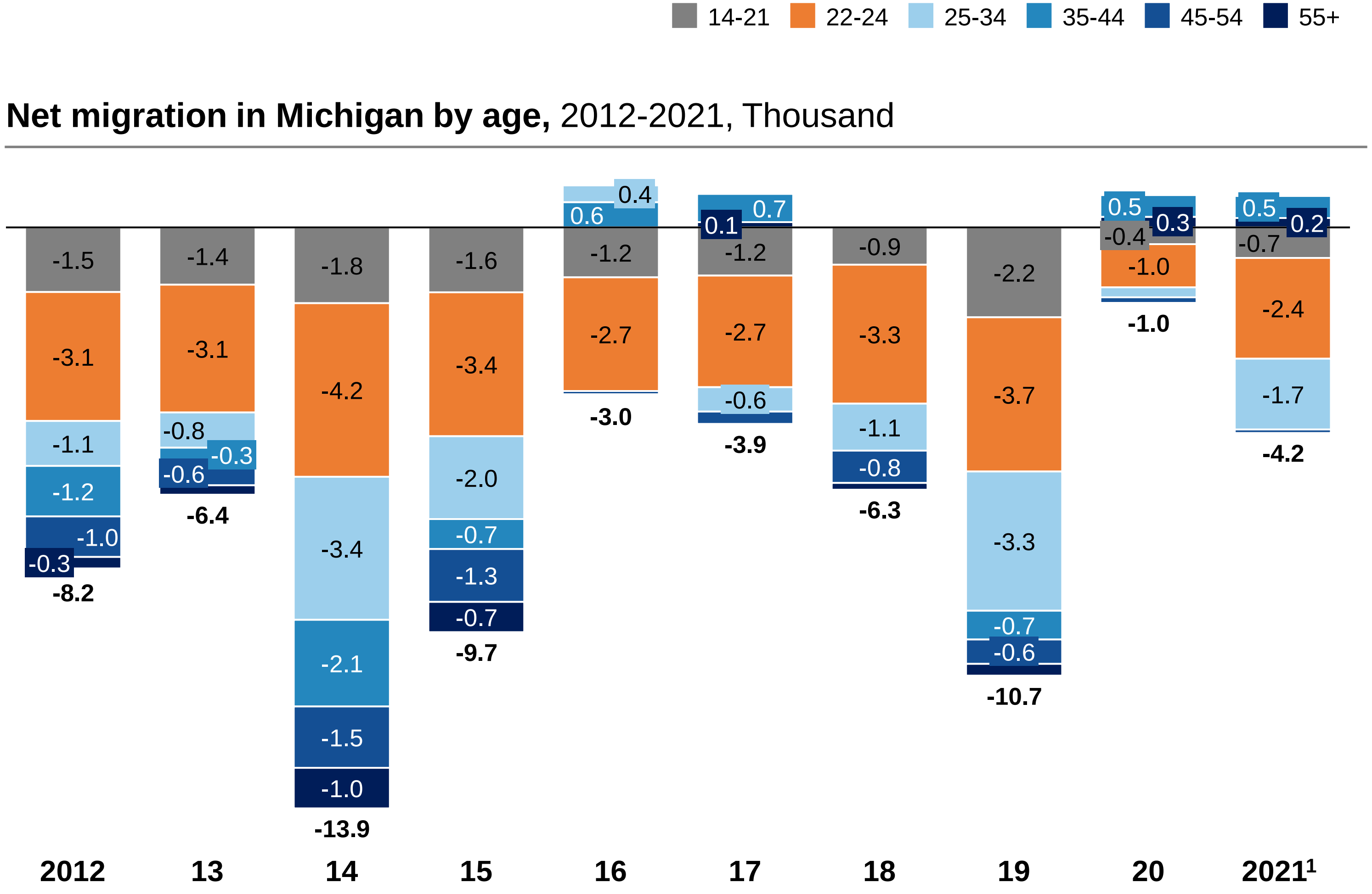
Population trend, Thousands



Source: Moody's Analytics

Age: 44% of migration loss in 2021 is attributed to young adults aged 22-24, underlining a trend of young departure

Net migration in Michigan by age, 2012-2021, Thousand



1. United States Census Bureau Job-to-Job Flows Explorer only has data up to Quarter 3 for 2021 at the time of this analysis. This source only shows the migration of employed people therefore, those who are retired or unemployed are not taken into consideration in the data provided

Source: United States Census Bureau Job-to-Job Flows, United States Census Bureau ACS S2301 Table

General Population Information:

MI 2021 Population	Total Working	Share
14-24 years old	1.2M	14%
25-34 years old	1.3M	16%
35-54 years old	2.4M	30%
55+ years old	3.2M	40%

Takeaway:

- Over the last decade, 22–24-year-olds have been the main age group leaving Michigan, consistently showing a net negative migration

Overview of Michigan migration

Deep dives to follow

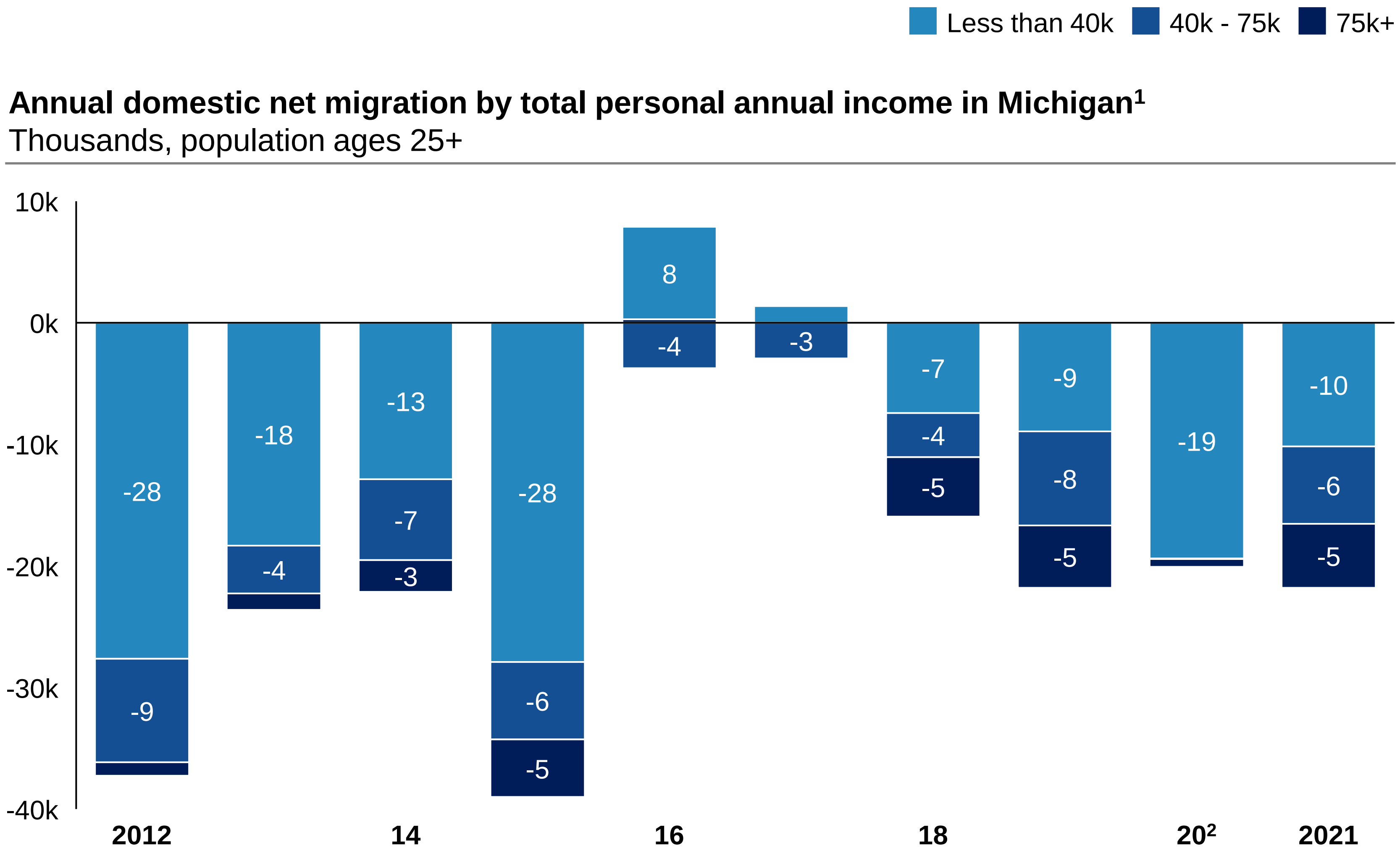
Migration Levers	Focus areas	Key Factors and Indicators
1 Domestic Net Migration	A Sector	Michigan's incoming workforce is predominately finding employment in lower-wage industries, particularly Accommodation & Food Services at 41%. Conversely, the Manufacturing sector, responsible for 36% of employment, is driving the state's negative net migration
	B Gender and Age	Women constitute most out-migrants, representing 58% of departures over the past decade. Furthermore 44% of migration loss is attributed to young adults aged 22-24, underlining a trend of youth departure
	C Race and Ethnicity	Over the last 10 years, Michigan has experienced a net migration loss, primarily among the White demographic, which makes up 59% of those leaving the state
	D Education	The state is experiencing a brain drain with approximately 69% of departures in the past decade consisting of individuals with some level of college education
	E Income	The economic profile of recent out-migrants shows a trend toward lower earners, with the majority making under $40k annually in the past five years
2 International Immigration	A Gender and Age	International migration trends show a balanced gender influx, with women accounting for 51% of newcomers. The age analysis reveals the dominant groups settling in Michigan are individuals aged 18-24 (20%) and 25-34 (22%)
	B Race and Ethnicity	Over the past decade, Michigan's international migrant population has primarily comprised individuals from White (55%) and Asian (31%) ethic backgrounds, diversifying the state's demographic landscape
	C Education	Highlighting an educational uptrend, 47% of international arrivals in the last decade possess college-level qualifications, contributing to the state's intellectual capital
3 Net Births	A Overall Births	Michigan anticipates a decline in birth rates (-15%), falling behind the national average (-12%). The projected number of births for the upcoming years[1] is 137k, representing a 3% decreased compared to previous periods
	B Overall Deaths	Contrastingly, Michigan forecasts a stark escalation in mortality rates, the highest among its counterparts. The estimated number of deaths is 136k, an increase of 1%

1. Referencing the upcoming 5 years which would be 2023 to 2027

Source: United States Census Bureau Job-to-Job Flows and United States Census Bureau ACS S2301 and S0701 Tables

Income: Most individuals leaving the state in the past 5 years were earning less than $40k annual income

Annual domestic net migration by total personal annual income in Michigan[1]
Thousands, population ages 25+



1. Estimates based on IPUMS microdata might not match data from other U.S Census releases (e.g., ACS tables, population estimates) due to data suppression
2. Survey collection was disrupted in 2020 due to COVID-19, and the US Census Bureau has offered "experimental weights" for the data. The Census Bureau advises against comparing 2020 data to other sample years

Source: IPUMS USA, US Census Bureau, American Community Survey 2000 – 2021 1yr estimates

Over the past decade, the average annual migration from Michigan includes:

-12k

individuals earning below $40k

-5k

individuals earning between $40k-75k

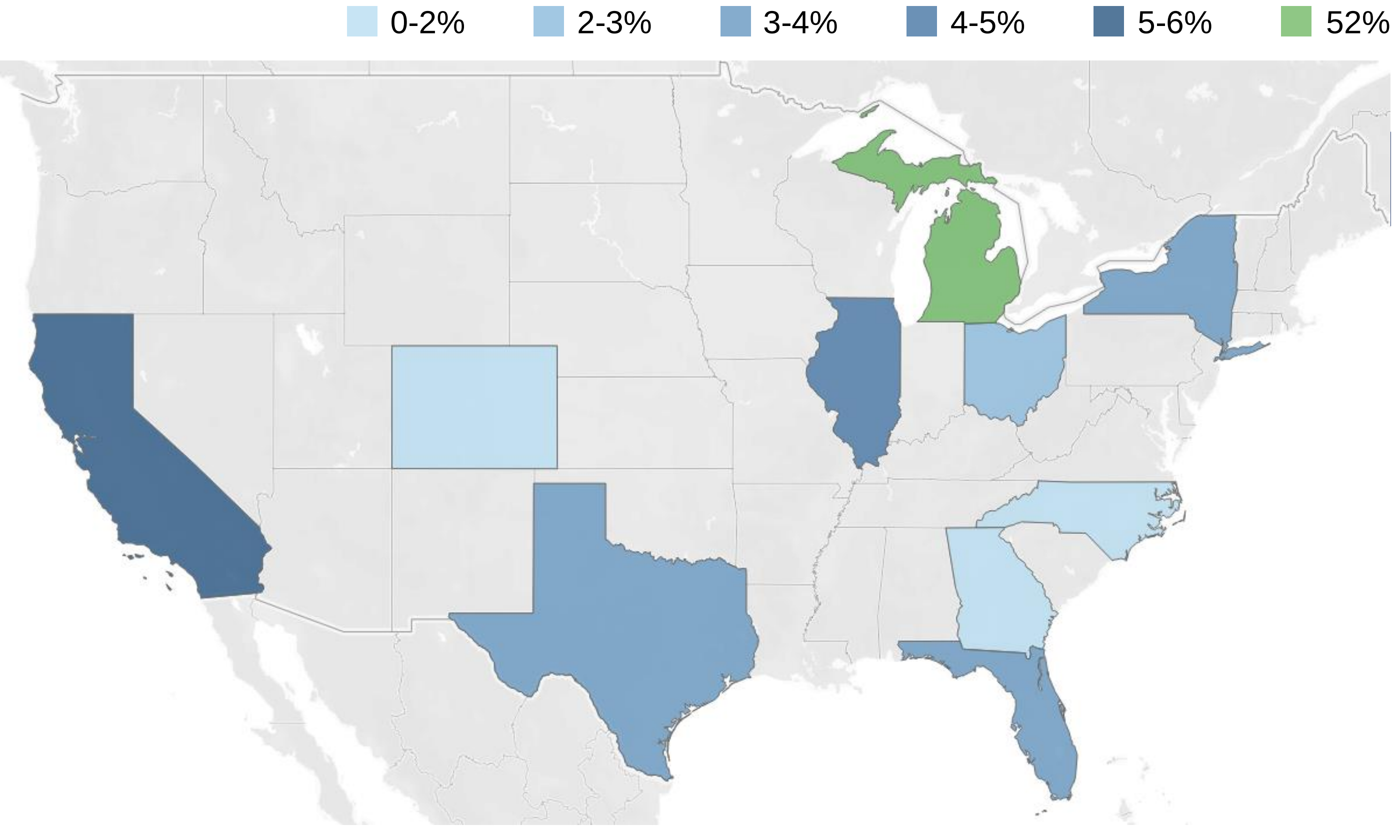
-3k

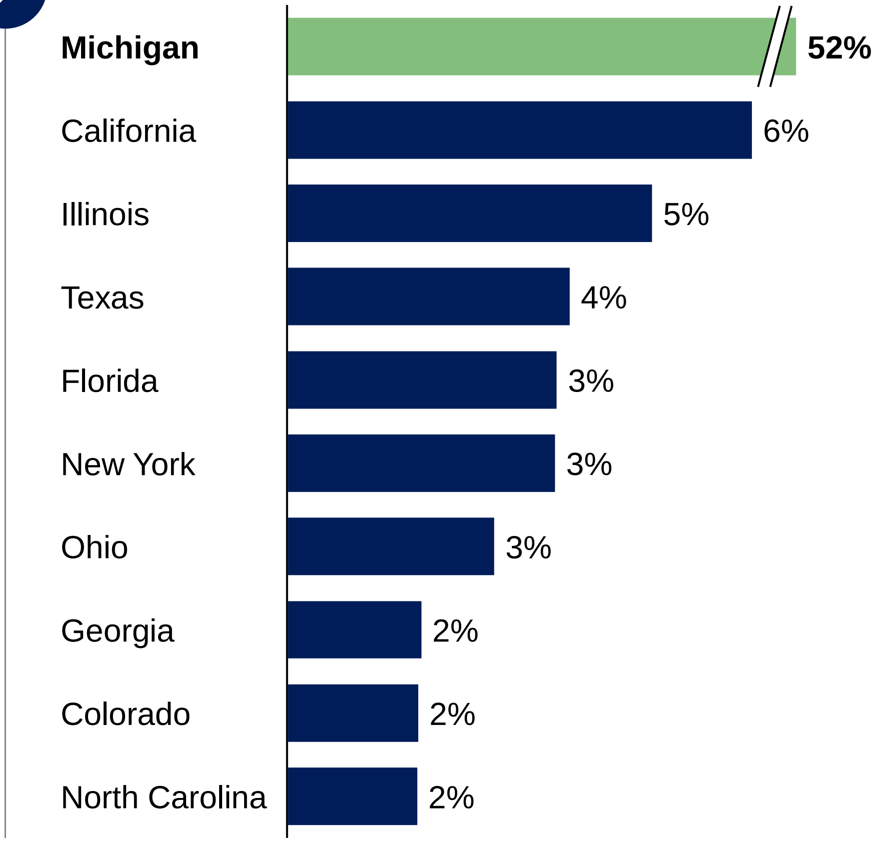
individuals earning above $75k

Education: Approximately 52% of Michigan graduates stay in-state, while 6% go to California and 5% to Illinois

Michigan university graduates by state destination[1]

Where graduates from Michigan institutions work today, %



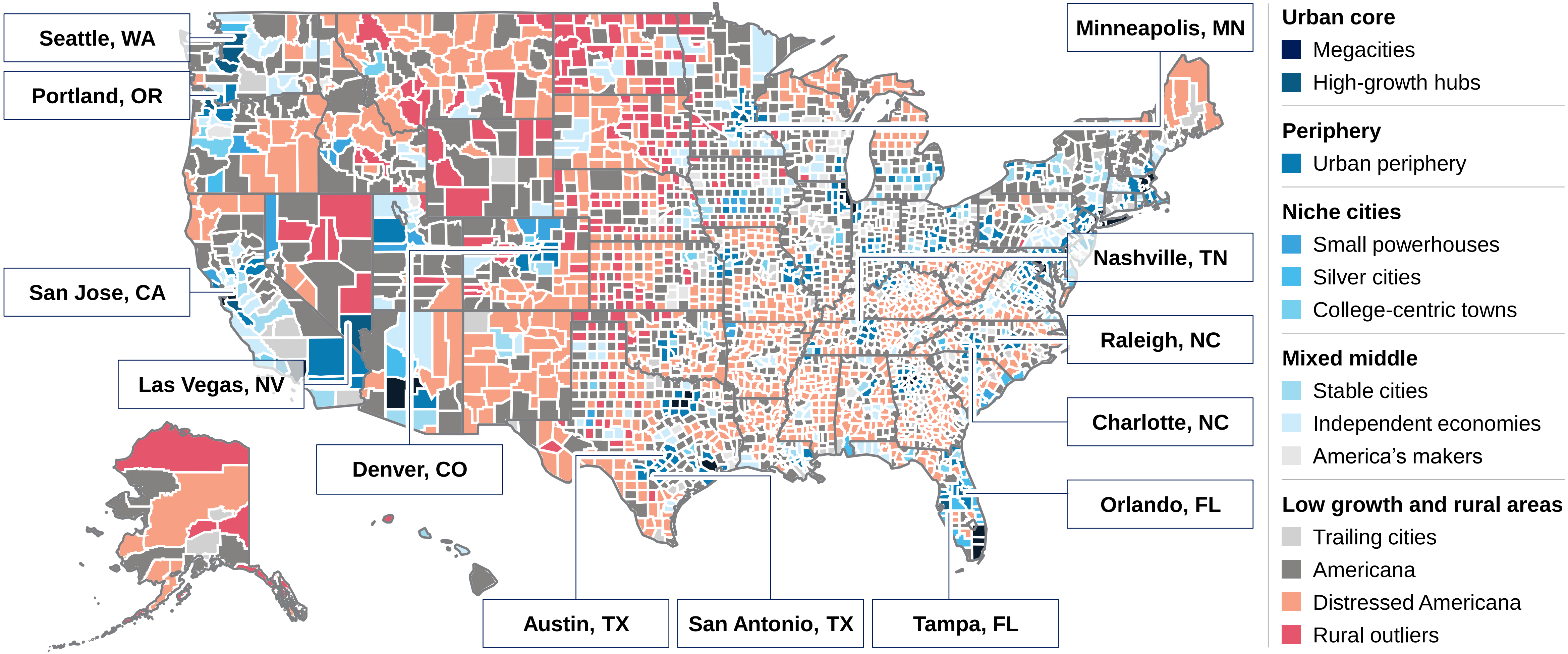


1. Filters for online profiles (e.g., LinkedIn) updated since 2018, though unable to filter for graduate year

Source: Lightcast

The US is a mosaic of local economies that have diverging paths, with 13 distinct community archetypes

High growth hubs represented on the map of US



Archetypes have varying demographic and economic profiles

For discussion

More economically favorable — Less economically favorable

			Economic Indicators					Industry mix	Labor market	
		Examples	House-hold income, $ thousand	GDP growth, 2012–17, CAGR[1]	Empl. growth, 2012–17, CAGR	Net migration 2010–17,[2] %	Poverty rate, %	GDP in high-growth industries,[3] %	Pop. over age 55, %	Pop. with BA or higher, %
Urban core	Megacities 12 cities, 74.3M people	New York, NY San Francisco, CA	68.8	2.5	2.2	3.2	14.2	48.0	24.5	38.5
	High growth hubs 13 cities, 21.6M people	Seattle, WA Austin, TX	65.6	3.7	3.0	7.4	13.4	44.4	23.1	40.0
Periphery	Urban periphery 271 counties, 52.2M people	**Howell, MI** Riverside, CA	69.0	2.5	2.1	4.1	10.2	29.6	28.0	29.4
Niche cities	Small powerhouses 11 cities, 5.0M people	Provo, UT Reno, NV	63.5	4.9	3.6	8.7	12.0	35.3	24.8	33.5
	Silver cities 19 cities, 6.8M people	The Villages, FL Prescott, AZ	53.7	2.4	2.7	11.9	13.3	40.7	40.4	29.2
	College-centric towns 26 cities, 6.1M people	**Ann Arbor, MI** Chapel Hill, NC	55.1	1.9	1.7	3.7	18.9	38.1	23.5	43.2
Mixed middle	Stable cities 36 cities, 39.3M people	**Detroit, MI** Columbus, OH	55.6	1.6	1.4	0.6	15.7	41.2	26.3	32.1
	Independent economies 94 cities, 26.0M people	Little Rock, AR Providence, RI	57.9	2.0	1.6	3.3	13.7	36.7	27.4	29.3
	America's makers 50 cities, 11.2M people	**Grand Rapids, MI** Greensboro, NC	52.7	1.6	1.2	0.2	14.4	29.4	28.0	25.0
Low-growth and rural areas	Trailing cities 54 cities, 14.8M people	**Flint, MI** Bridgeport, CT	53.2	0.3	0.3	-2.0	16.4	33.7	26.8	24.2
	Americana 1,118 counties, 44.0M people	**Marquette, MI** Caddo Parish, LA	48.7	1.1	0.5	-1.1	15.4	23.5	31.6	19.2
	Distressed Americana 972 counties, 18.1M people	**Oscoda, MI** Coahoma, MS	38.9	0.5	0.0	-2.4	20.8	23.0	33.9	15.9
	Rural outliers 192 counties, 1.5M people	Kauai County, HI Juneau Borough, AK	57.5	1.1	0.0	-1.2	10.4	21.3	34.2	22.5

[1] Compound annual growth rate.
[2] Calculated as total net migration between 2010 and 2017 divided by 2017 population.
[3] Information; finance and insurance; real estate / rental leasing; professional, scientific, and technical services; and health care and social assistance.

Note: This exhibit shows only a sample of the more than 40 variables used in a clustering analysis to segment communities acros s the United States.

Source: US Census American Community Survey, Moody's Analytics; McKinsey Global Institute analysis

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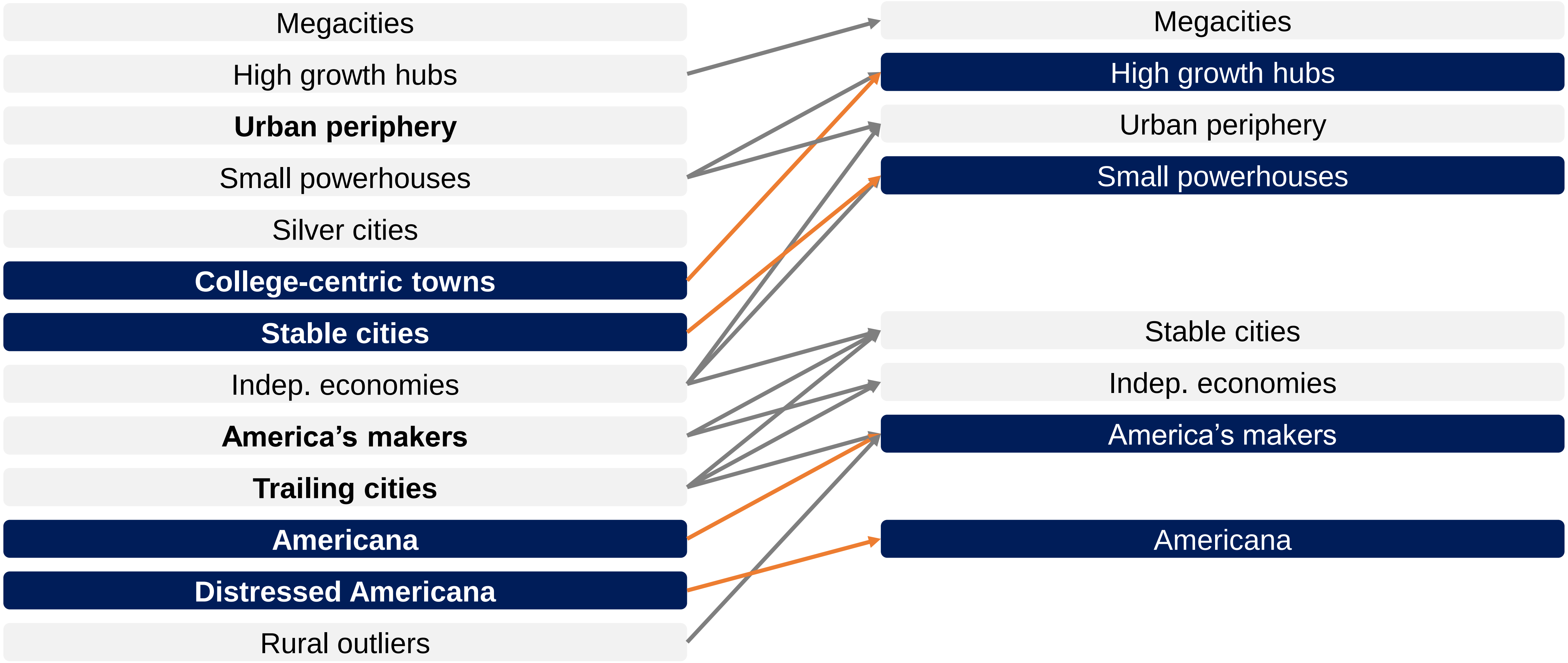
Regions can pursue growth by looking for pathways to more favorable archetypes

Detail to follow

Bold: Archetype in Michigan

Pathways between archetypes



Less favorable archetypes have templates for what it would look like to change the archetypical composition of the city

Current
Change

What it looks like to pursue an inter-archetype pathway

From, *Example*	**To**, *Example*	**House-hold income,** *$ thousand*	**Empl. growth,** *2012–17, CAGR*	**Net migration** *2010–17,[1] %*	**GDP in high-growth industries,[2]** %	**Pop. with BA or higher,** %
College-centric town	**High-growth hub**	**$55.1K**	**1.7%**	**3.7%**	**38.1%**	**43.2%**
Lansing, MI →	*Nashville, TN*	+$10.5K	+1.3 pps	+3.7 pps	+6.3 pps	-3.2 pps
Ann Arbor, MI →	*Austin, TX*					
America's makers	**Small powerhouses**	**$52.7K**	**1.2%**	**0.2%**	**29.4%**	**15.9%**
Grand Rapids, MI →	*Provo, UT*	+$10.8K	+2.4 pps	+8.5 pps	+5.9 pps	+3.3 pps
Kalamazoo, MI →	*Reno, NV*					
Americana	**America's makers**	**$48.7K**	**0.5%**	**-1.1%**	**23.5%**	**25%**
Traverse City, MI →	*Greensboro, NC*	+$4.0K	+0.7 pps	+1.3 pps	+5.9 pps	+8.5 pps
Marquette, MI →	*Greenville, SC*					
Distressed Americana	**Americana**	**$38.9K**	**0.0%**	**-2.4%**	**23.0%**	**15.9%**
Harrisville, MI →	*Yuma, AZ*	+$9.8K	+0.5 pps	+1.3 pps	+0.5 pps	+3.3 pps
Mio, MI →	*Macon, GA*					

[1] Calculated as total net migration between 2010 and 2017 divided by 2017 population.
[2] Information; finance and insurance; real estate / rental leasing; professional, scientific, and technical services; and health care and social assistance.

What do growing states have in common?

1. Robust job markets (diversified) and growing (high) wages / incomes
2. Growing (higher) share of the population with credentials / degrees
3. MSAs with places (infrastructure / transportation / amenities) people want to live in / near
4. Cost of living

What kind of growth does Michigan aspire for?

Thank you