

Compete To Win

Michigan's Path to Top 10



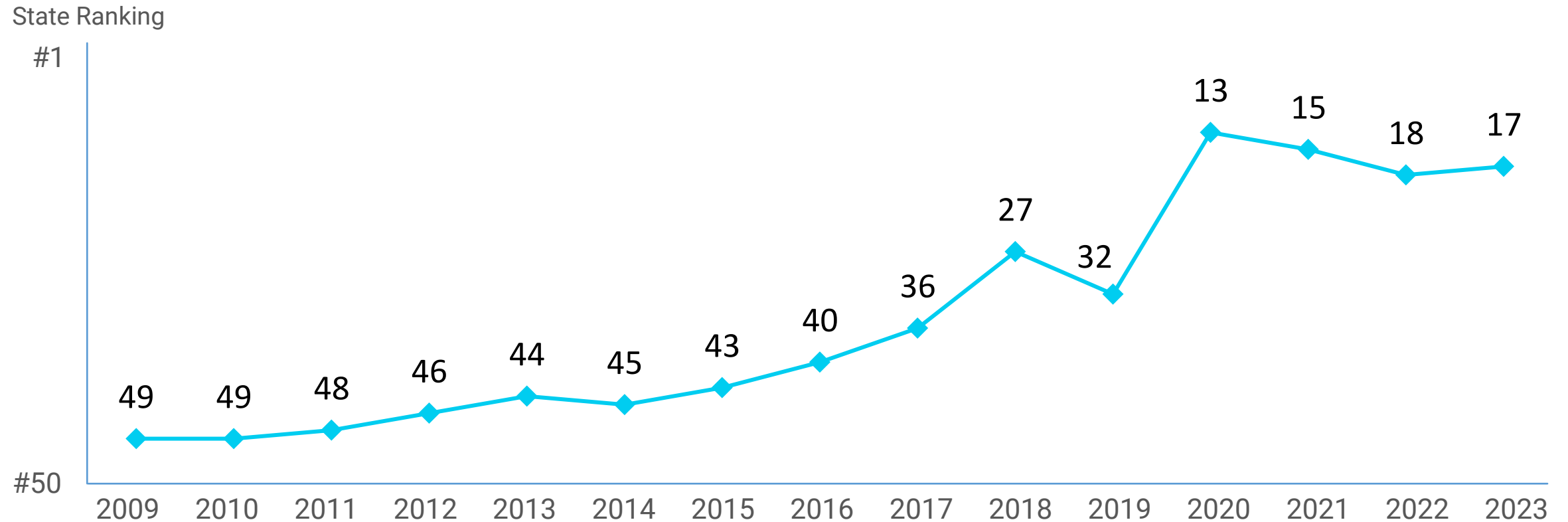
Who We Are



Benchmarking



In the last 12 years, Michigan has seen significant improvement – Business Climate Perception is one example



Source: Chief Executive Magazine

—◆— Chief Executive Magazine



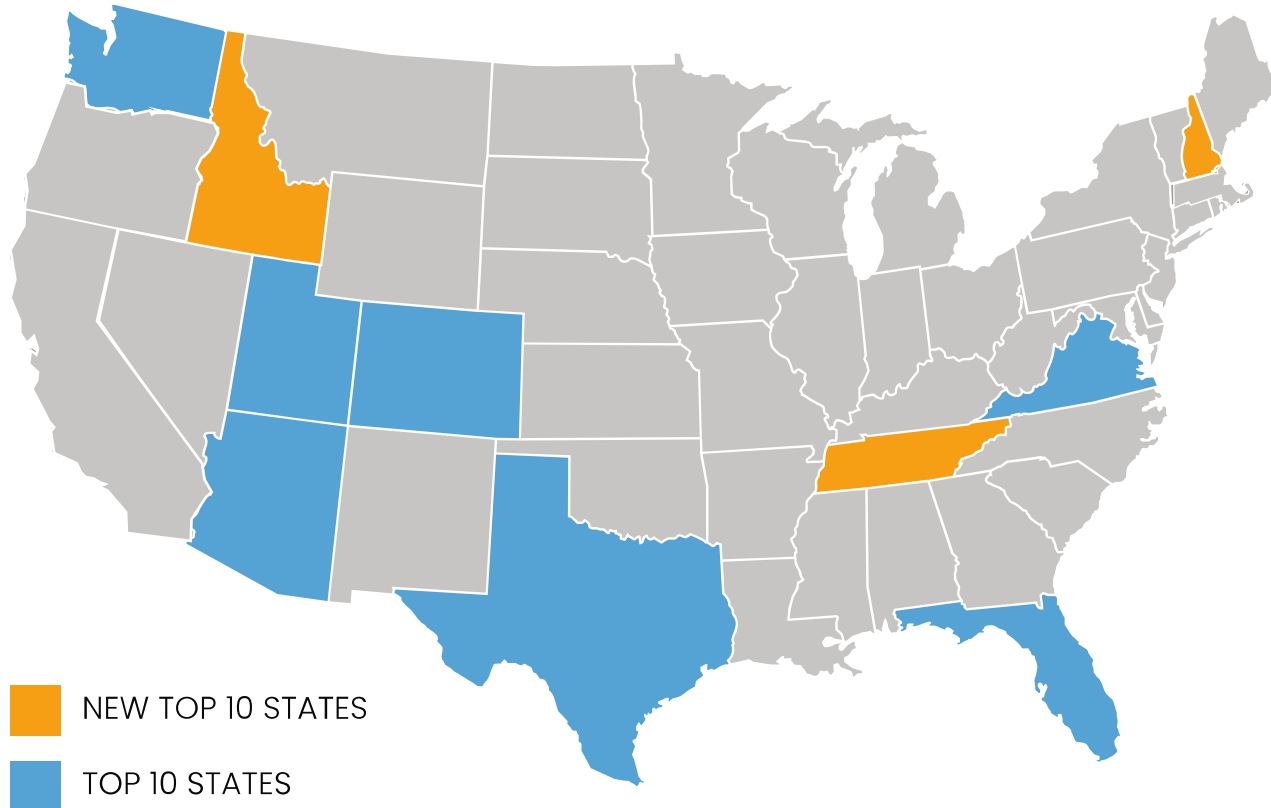
Michigan has a ways to go to get to Top 10

Metric	Current rank	Change from 2021
Labor force participation rate	39	+2 ↑
GDP per capita	35	+1 ↑
Median household income	34	+1 ↑
Poverty rate percent	33	+1 ↑
CEO business climate perception	18	-3 ↓
Net business creation	21	-1 ↓
Net talent migration (high school or higher)	20	-1 ↓
Percent of population with a higher ed degree or certification	37	-2 ↓

We are
ranked 31st



Top 10 States Strengths: Growth and Education



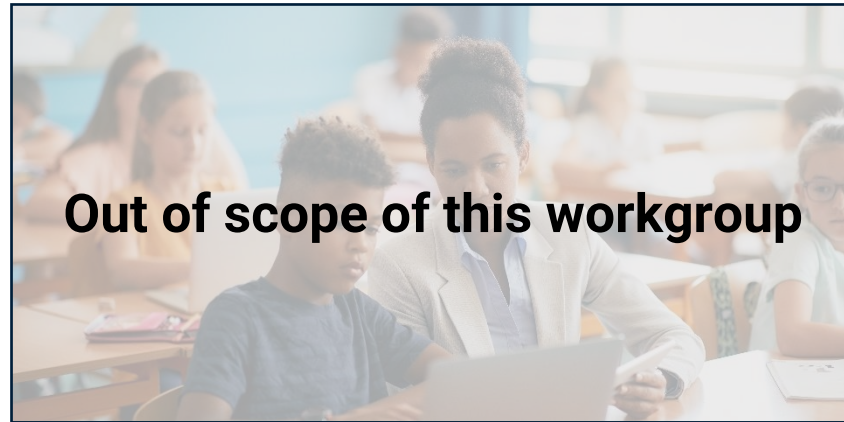
2022 Ranking Top 10

1	Utah
2	Colorado
3	Texas
4	Arizona
5	Florida
6	Washington
7	Idaho
8	Virginia
9	Tennessee
10	New Hampshire



How Michigan becomes a Top 10 state

Do better by our kids



Invest in people



Accelerate our economy



Get the fundamentals right

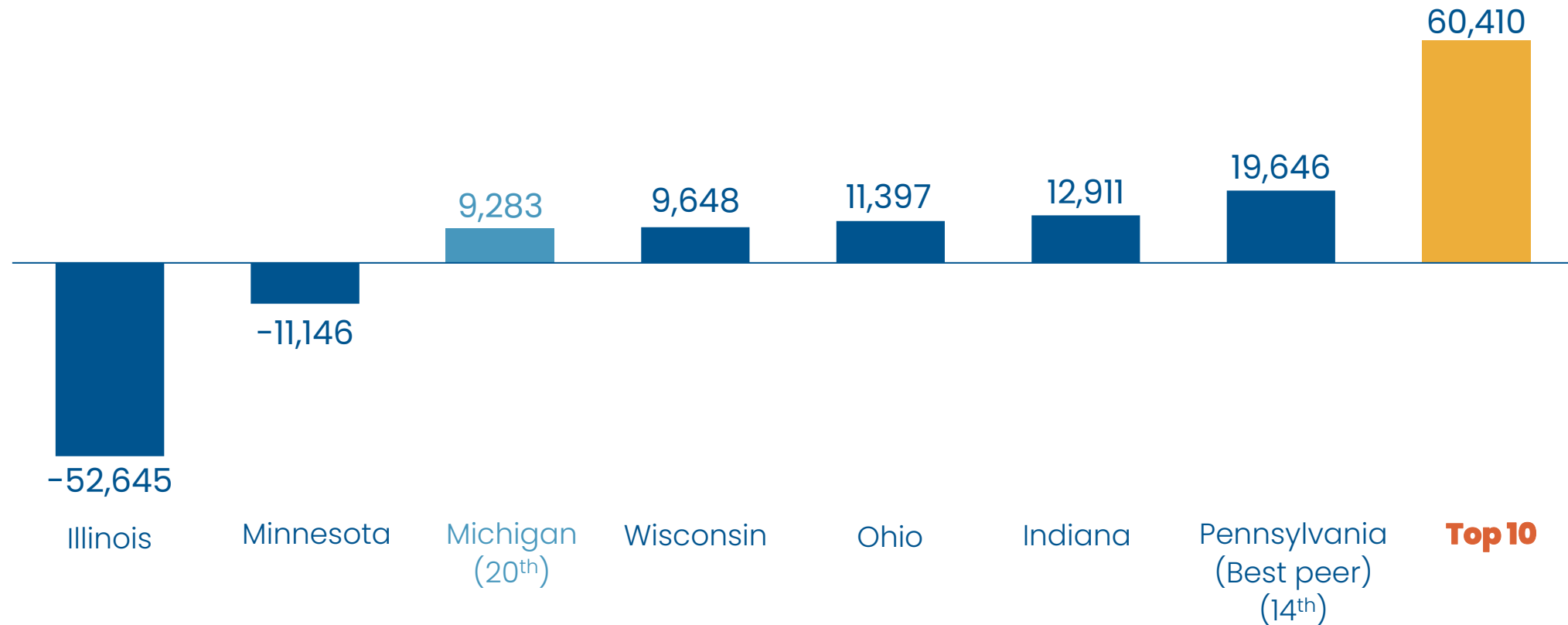


Michigan is projected to lose 100K working age population individuals in next 10 years

	2020	2025	2030	Change '20-'30
Education age (0-19)	2,408,165	2,410,654	2,461,544	53,379
Working age (20-64)	5,799,652	5,714,699	5,698,082	(101,571)
Retirement age (65+)	1,815,605	2,076,998	2,264,885	449,279
Total population	10,023,423	10,202,350	10,424,510	401,087

Michigan workforce is growing through talent migration

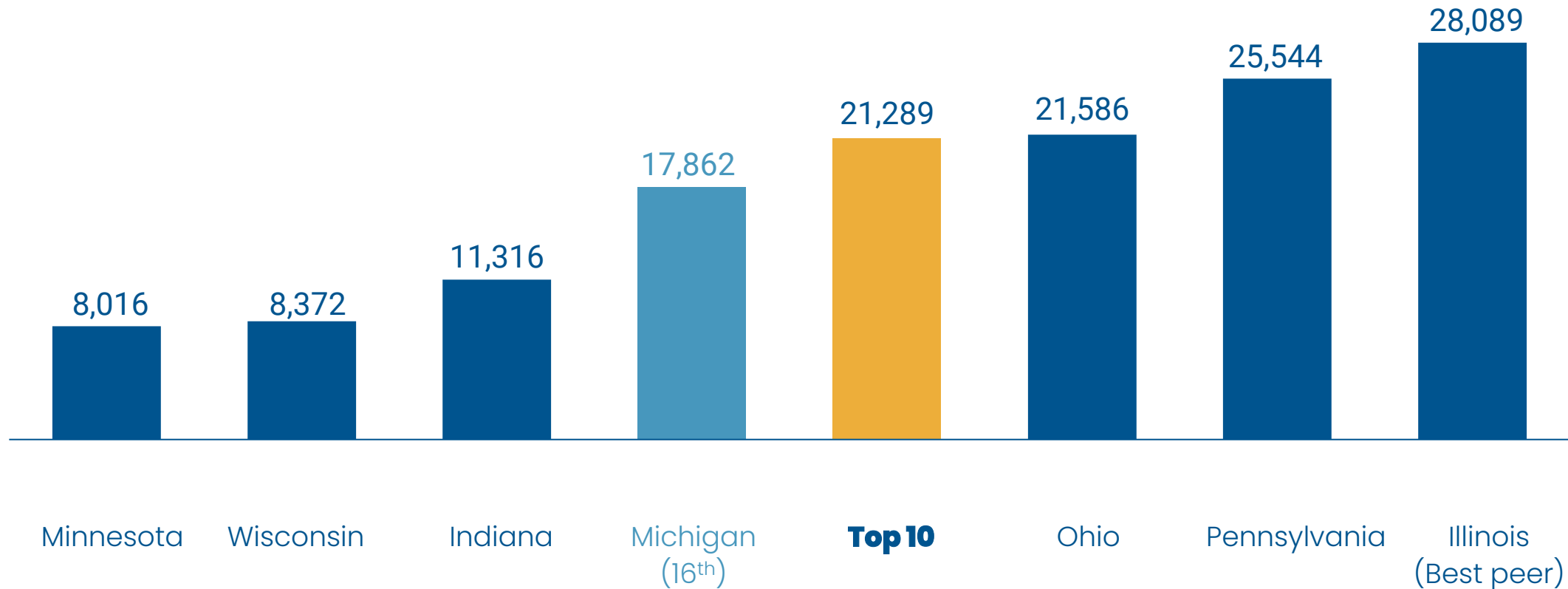
Net migration 18+ (2021) – # of people



Michigan is gaining talent through international migration



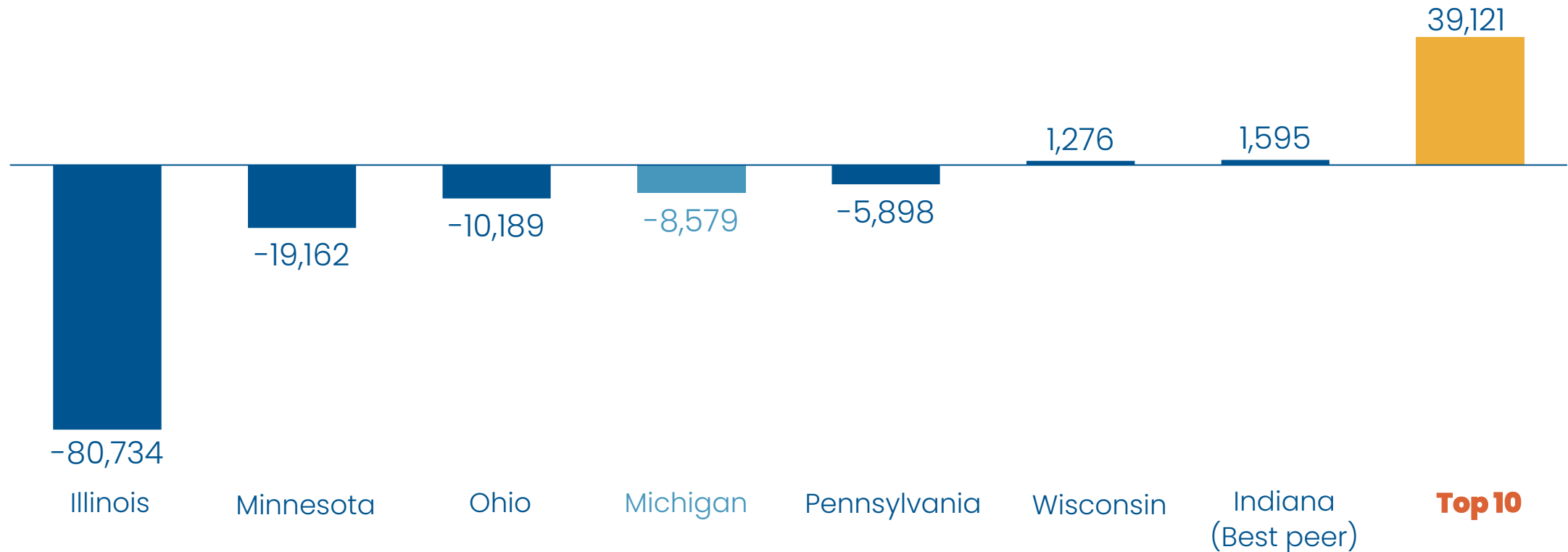
International migration (2021) – # of people



Michigan is losing talent to domestic migration, Top 10 states are growing

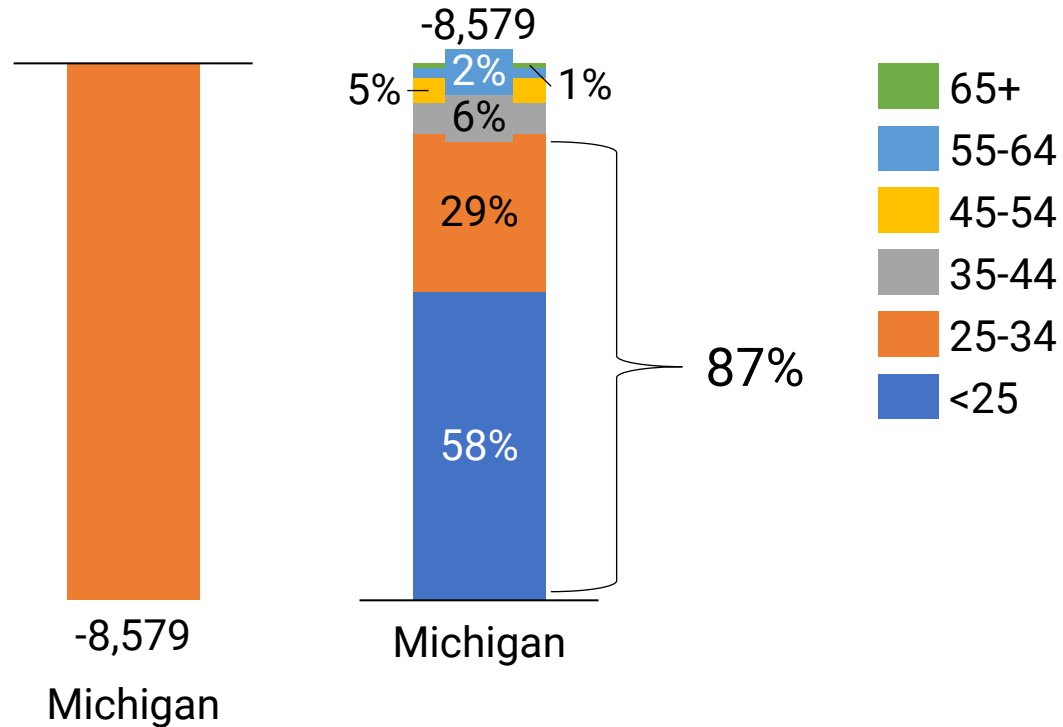


Net domestic migration (2021)– # of people



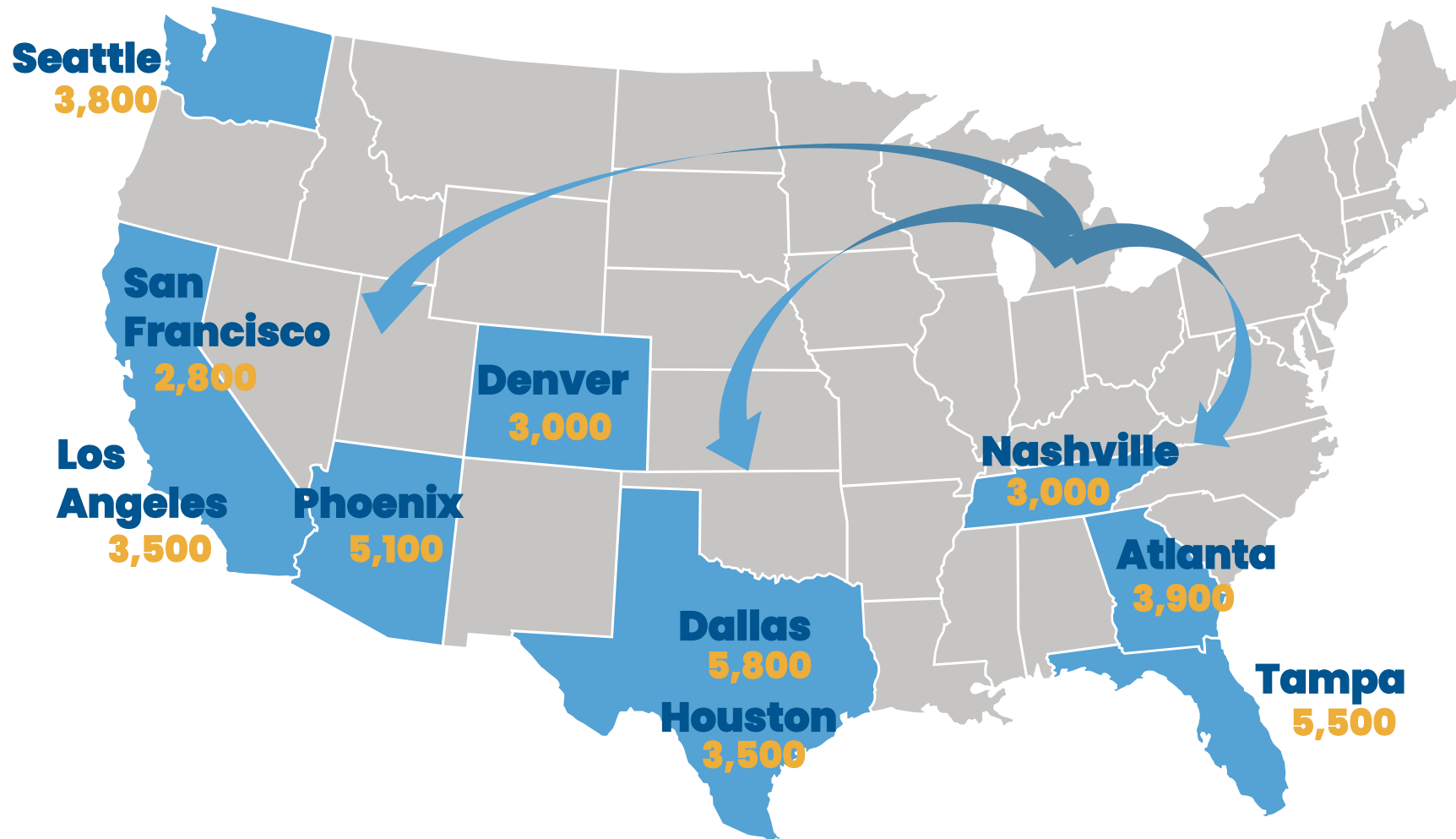
~90% of Michigan's domestic net migration losses are due to those under 34

Michigan's breakdown of net domestic migration by age



Michigan is losing talent to knowledge economy hubs

Top 10 net worker migration destinations (2010-2021)

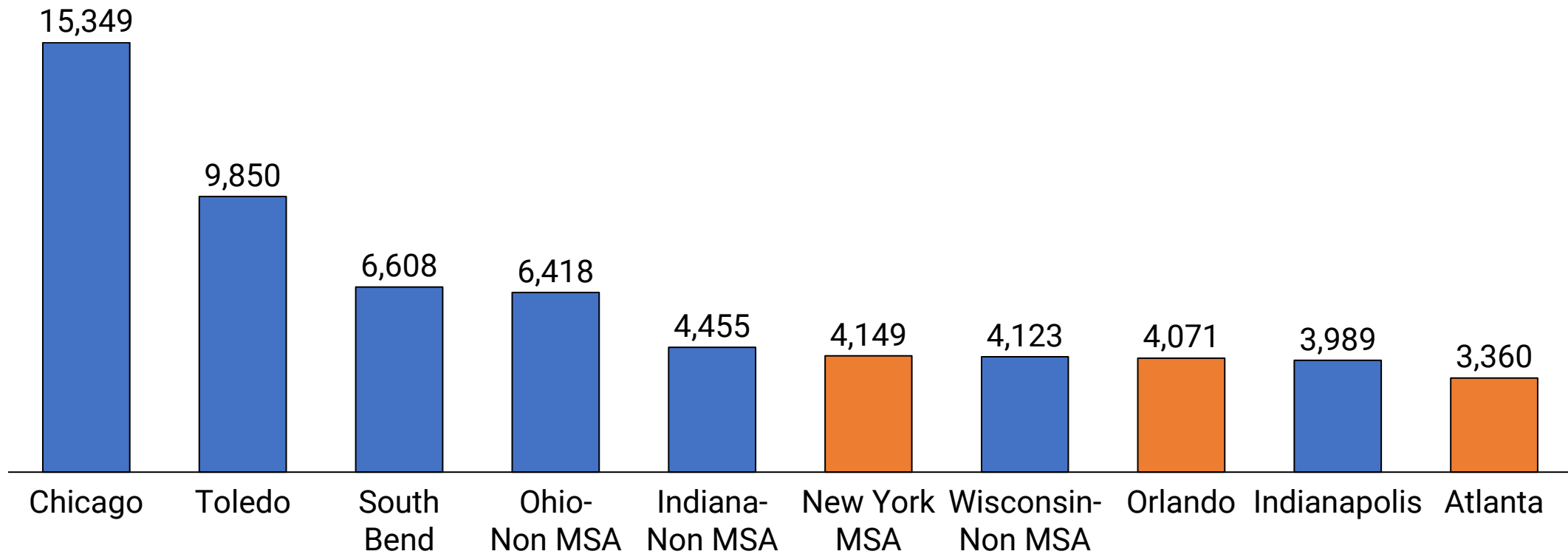


9 of top destinations are knowledge economy hubs



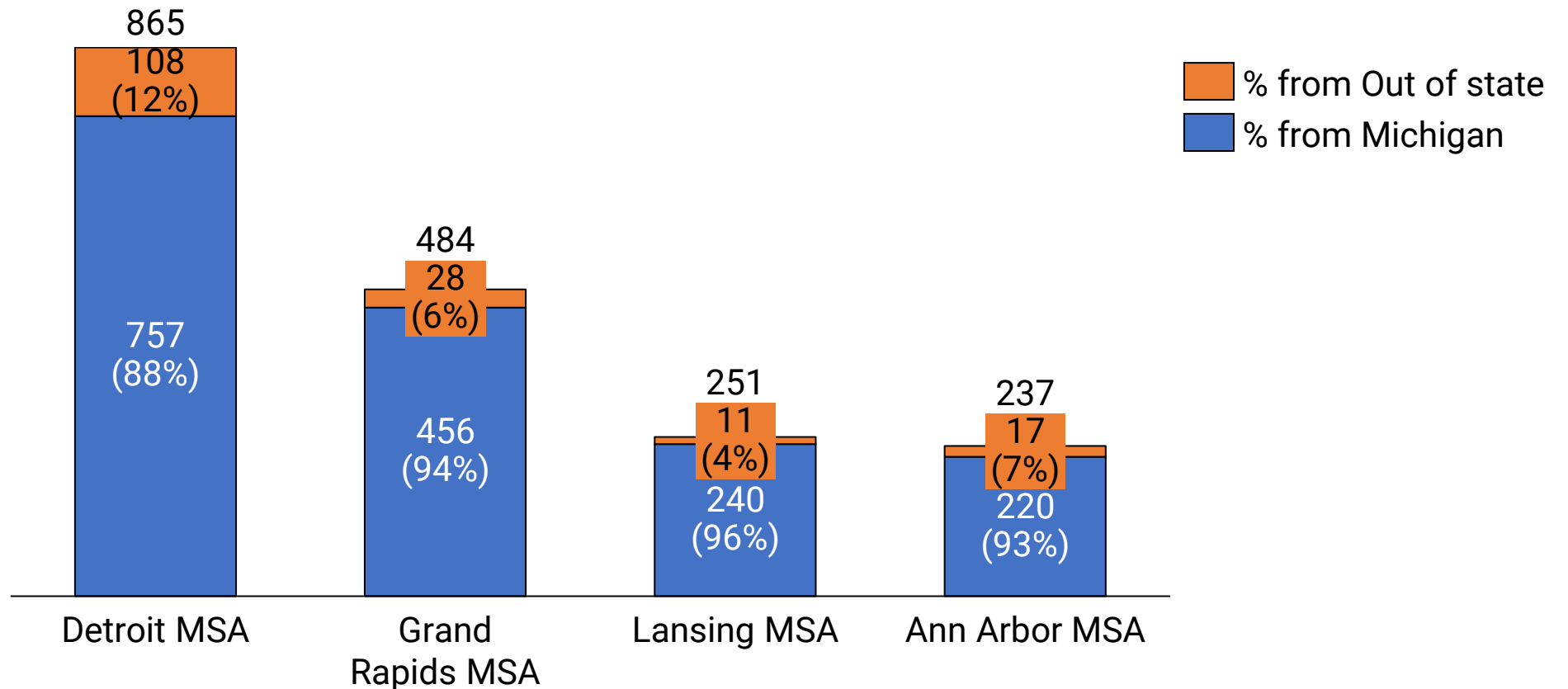
We are attracting ~80% our young talent (<25) from Great Lakes states

of workers <25 moved to Michigan (2010-2021)



Our largest MSA's pull ~90% of their new workers from INSIDE the state of Michigan

of 000's new workers from Michigan vs. Out of State by MSA (2010-2021)



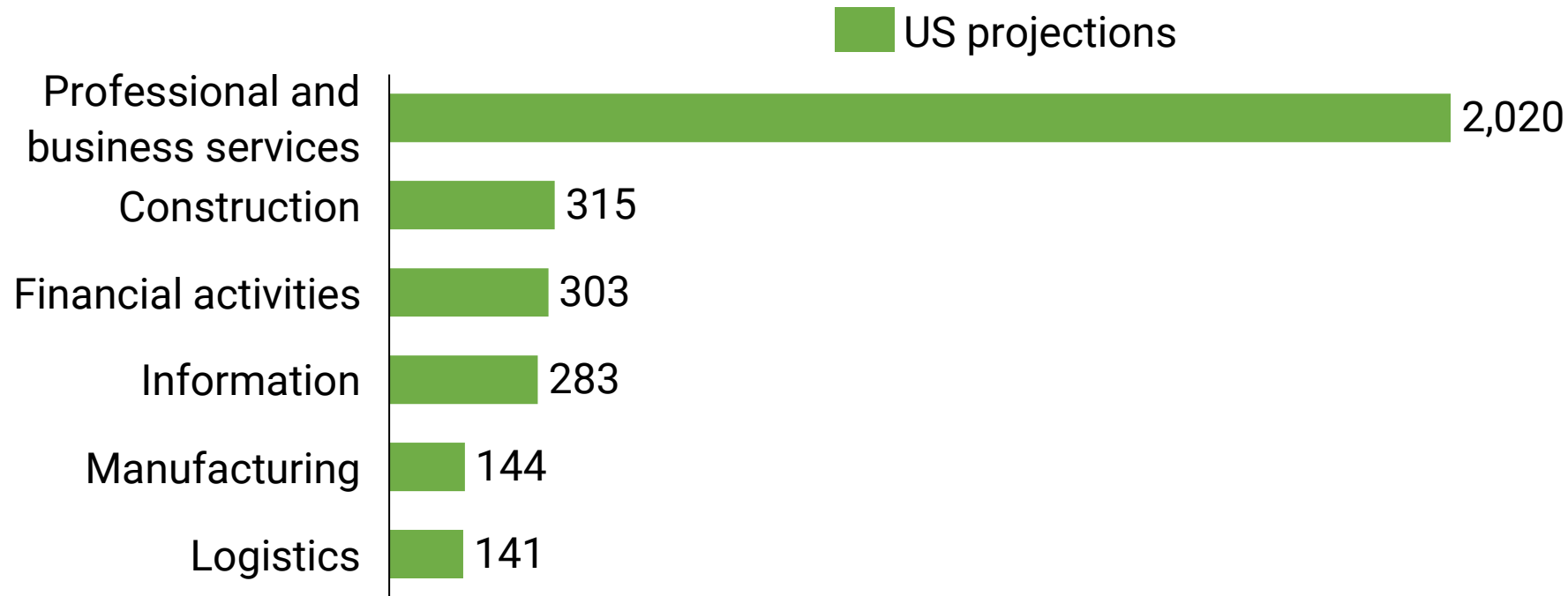
Job growth is population growth

- 45% of 18-34 year olds who have left the state have done so for job-related reasons (Source: MEDC)
- Over a 10-year period, a 1% increase in total jobs increases population by .7-.8% (Source: Tim Bartik)



Of the jobs being created nationally, multiple sectors have higher than average wages and 100K+ projected new jobs

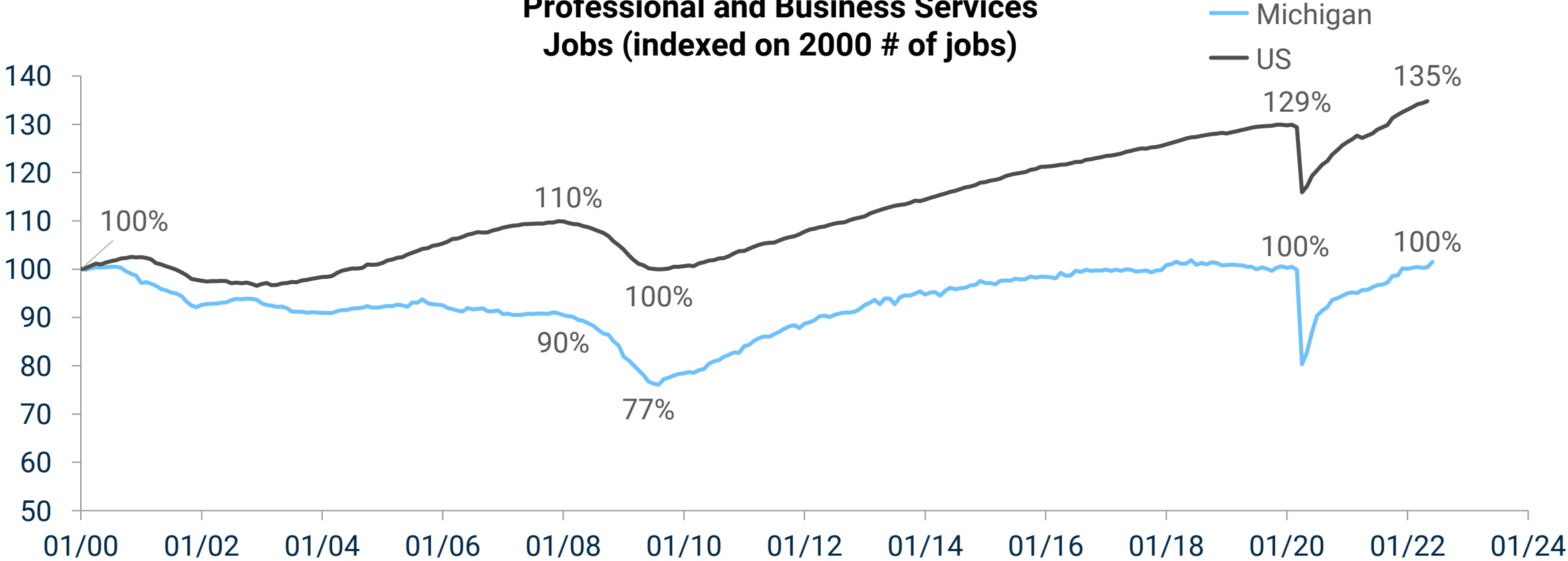
Projected US employment change 2020-2030 (K)



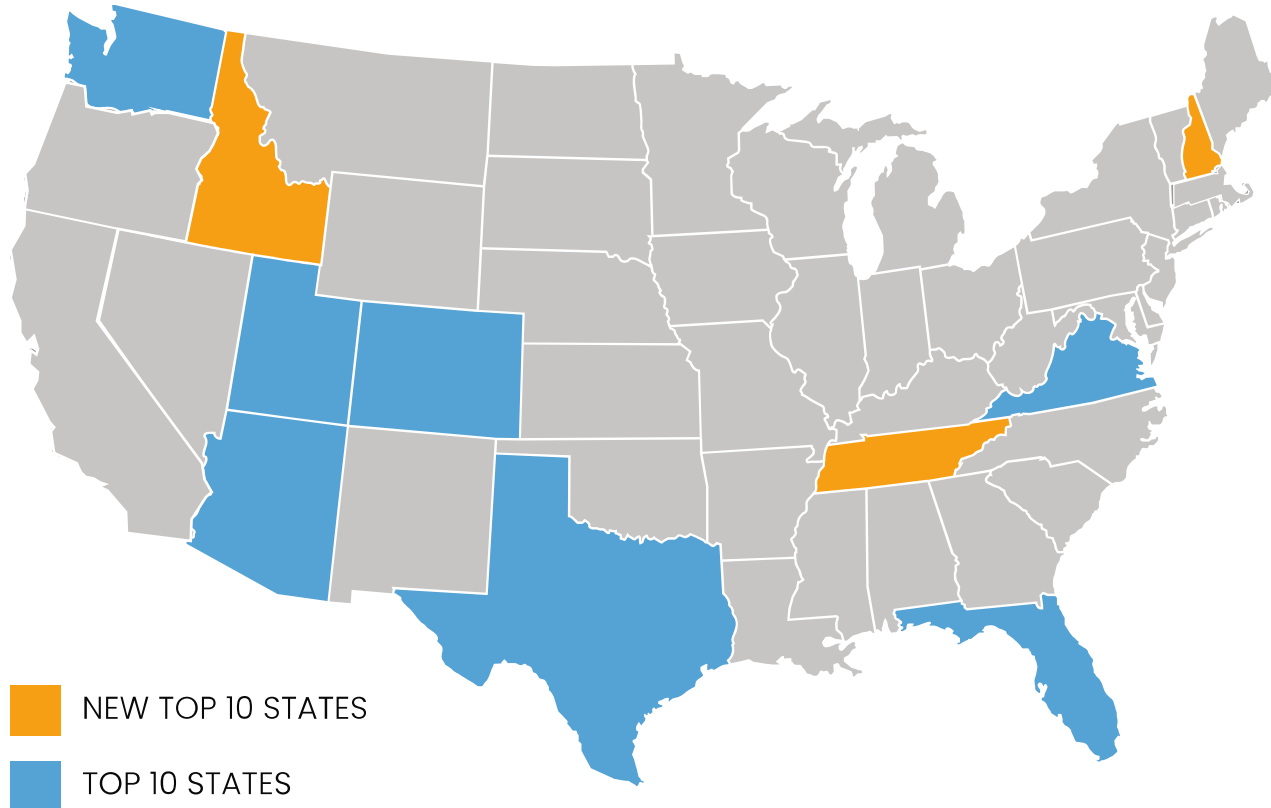
Michigan's largest portion of professional and business services is research, engineering and design, a sector ripe for growth

Diversification: Professional and Business Services have seen one of the largest growth rates in the US, but not in Michigan

Professional and Business Services Jobs (indexed on 2000 # of jobs)



Top 10 States Strengths: Growth and Education



2022 Ranking Top 10

1	Utah
2	Colorado
3	Texas
4	Arizona
5	Florida
6	Washington
7	Idaho
8	Virginia
9	Tennessee
10	New Hampshire



Tennessee Case study



6 years ago **#34**

Last year **#16**

Now **#9**

Actions

Economic Development

20 years ago began planning for the EV transition

Consistent focus on economic development

Talent

14 years ago took on K-12 reform

10 years ago leader in post-secondary education

Tennessee Case study



6 years ago **#34**

Last year **#16**

Now **#9**

Results

1st in GDP per capita growth

1st in Tech job growth

1st in poverty decline

3rd in K-12 academic achievement growth

7th in net talent migration

9th in net business creation

11th in educational attainment growth



Case study:

Minnesota, formerly ranked #6, fell to #28 due to lack of growth and decline in metrics

6 years ago



Last year



Now



Key metrics

Minnesota has fallen in many metrics

- **Net business creation:** Dropped from 23rd to 30th year over year
- **Net talent migration:** Dropped from 25th to 40th in the last 6 years
- **Median household income:** Dropped 8 ranks in the last 6 years
- **Business climate perception:** Dropped 7 ranks in the last 6 years

Key drivers

Economic Development:

- In 2010, there were 21 Minnesota-based companies on the F500, now there are 18
- Lack of growth: 25th in GDP per capita growth, 35th in Labor force participation growth, 24th in median household income growth

Talent

- Lost a net 11,000 individuals in 2021 due to lack of growth
- 28th in terms of educational attainment growth

What success looks like: Grand Rapids

Grand Rapids Medical Mile

- ✓ **59,900+** health sciences jobs
- ✓ **10,000+** STEM graduates annually
- ✓ **83** medical device manufacturers
- ✓ 10-year job growth rate of **27%**
- ✓ **\$80M** Michigan State University Research Center
- ✓ New **\$44.7M** Perrigo Headquarters



Aligned around vision to become a life science & tech hub



Optimism for future: Detroit

Michigan Central Station campus



- ✓ **\$1B Ford investment**
- ✓ **~5,000 new workers** (half from Ford, half from innovation ecosystem)
- ✓ **Investment into mobility corridor** linking Corktown to Ann Arbor
- ✓ **~25M of local community investment**, including affordable housing, workforce development, safety, culture



University of Michigan Center for Innovation/ District Detroit

- ✓ **+\$250M investment as an anchor to +\$1.5B District Detroit**
- ✓ **Technology incubator and talent magnet**, managed by University of Michigan
- ✓ **Housing & green space**



Compete to Win: Michigan has made improvements

Invest in people

Reconnect expansion
(free community college)

Going Pro
investments

Expanded 4-year
scholarships

Accelerate our economy

14,000 jobs through
transformational
investments

Over \$17B of private
investment

Get the fundamentals right

Competitive tax
climate
(ranked 12th)

Largest rainy-day
fund in history

Elliott-Larsen civil
rights expansion



There are many areas we can still improve

Invest in people

Continue community college improvements

Additional immigration support

Market Michigan to those under 35 and in the Midwest

Accelerate our economy

Payroll and R&D tax incentive to attract knowledge economy

Additional capital for entrepreneurship

Get the fundamentals right

Maintain strong business climate

Improve infrastructure and transit options

