Guidehouse

Final Report

Growing Michigan Together Council

Fiscal Analysis Report

Disclaimer

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This report is intended to provide insight into Michigan's fiscal and demographic trends for the Council's consideration

In June 2023, Governor Whitmer established the Growing Michigan Together Council (the Council) via Executive Order 2023-4. The Council is tasked with developing strategies to address the state's slow population growth and commissioned this report to inform their recommendations. The report provides an overview of Michigan's revenues and expenditures, identifies trends over time, and compares the state's revenues, expenditures, and outcomes to faster-growing peers. The report findings can be used to inform decision-making on the collection and use of funds to meet the state's goals.

Report Sections

The **Executive Summary** highlights key insights and takeaways from the analysis

The **Population Dynamics** section summarizes state population trends and highlights factors contributing to slow growth

The **Fiscal Analysis** provides insight into Michigan's state and local revenues and expenditures over time

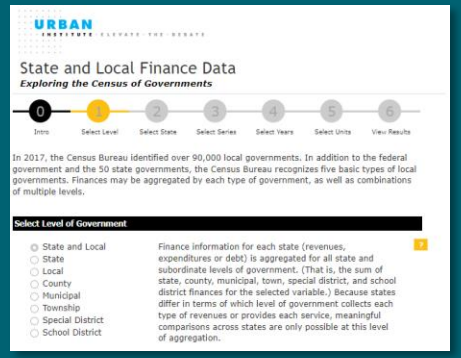
The **Peer State Trends and Outcomes** section highlights revenue and expenditure trends and key outcomes across higher-growth peer states

The **Recommended Next Steps** section identifies actions that may contribute to growth and recommends additional areas of analysis

The **Appendix** includes sources referenced in the report as well as a selection of more detailed data, where relevant

Sources

The sources of revenue and expenditure data referenced throughout the report are the **U.S. Census Bureau's Census of Governments** and **Annual Survey of State and Local Government Finances**, as compiled by the Urban-Brookings Tax Policy Center through the State and Local Finance Initiative. These data sources allow for comparability across all 50 states and the District of Columbia. A full list of sources cited is included in the appendix.



Urban-Brookings State and Local Finance Initiative Data Tool

The following limitations and parameters should be taken into consideration when reading the report

Limitations

1. **Complexity of Population Dynamics:** Many factors contribute to individuals' decisions to move into and out of Michigan and/or grow their family within the state. While this report attempts to identify patterns, it does not imply a causal relationship between state and local revenues and expenditures and population growth rates.
2. **Per Capita Normalization:** To enable comparisons across states, the report references per capita expenditure figures. This normalization approach does not take into account the difference in the number of individuals who are eligible for government services within a state due to demographics and/or state and local policy choices.
3. **Variation in Age Cohorts:** There are slight variations in the categorization of age groups within the population datasets referenced in the Population Dynamics section of the report. Specifically, state and national populations figures are categorized in consistent 4-year age blocks, whereas geographic mobility datasets collect age information for those under 20 years along three groups (1-4, 5-17, and 18-19). For the purpose of comparison, age groupings have been standardized across the report where possible.

Parameters

1. **Timeframe of Analysis:** The report references three distinct timeframes: long-term (1980 to 2021), medium-term (2007 to 2021), and short-term (2016 to 2021). The long-term timeframe is used to identify 'big picture' population and fiscal trends that provide context for report findings. The medium-term timeframe is referenced in the Fiscal Analysis section to demonstrate how revenue and expenditure trends have evolved in the past 15 years, and the short-term timeframe is used to assess more recent outcomes and growth strategies in the Peer State Trends and Outcomes section. 2021 was the most recent year for which all fiscal and demographic data were available. Please note that all time periods include the COVID-19 pandemic, which impacted state and local revenue and expenditure patterns, as well as outcomes in key areas of focus (e.g., education, public welfare, and infrastructure).
2. **Geography of Analysis:** The distribution of revenue and expenditure activity across state and local governments varies significantly from state to state. Therefore, the analysis primarily uses combined state and local revenue and expenditure figures to fully capture government activity in a state and enable inter-state comparisons.

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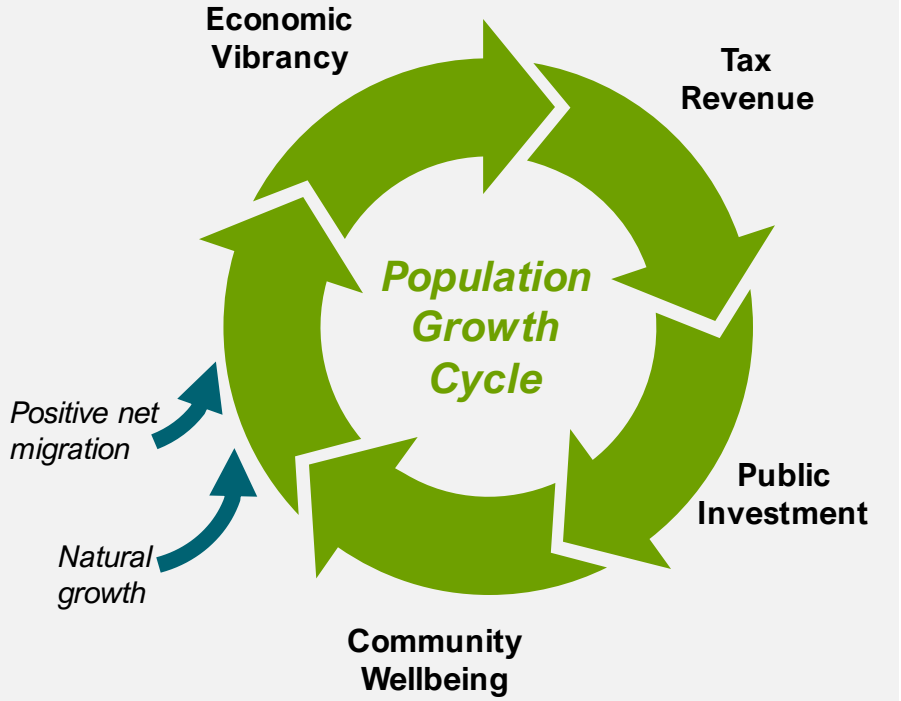
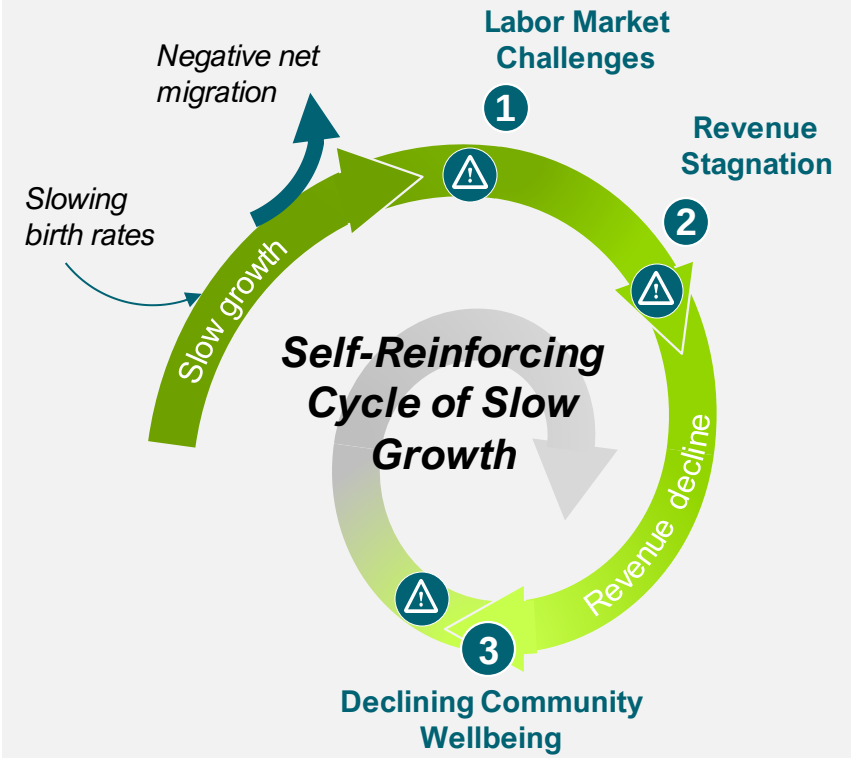
Population, fiscal sustainability, and economic vibrancy should exist in equilibrium; but in Michigan, this equilibrium is at risk of failing

Healthy Growth Cycle



Cycle of Depressed Growth



1 Labor Market Challenges

Slow population growth diminishes a state's competitiveness as a destination to start, move, or grow a business, as it impacts the size of the workforce and customer base

2 Revenue Stagnation

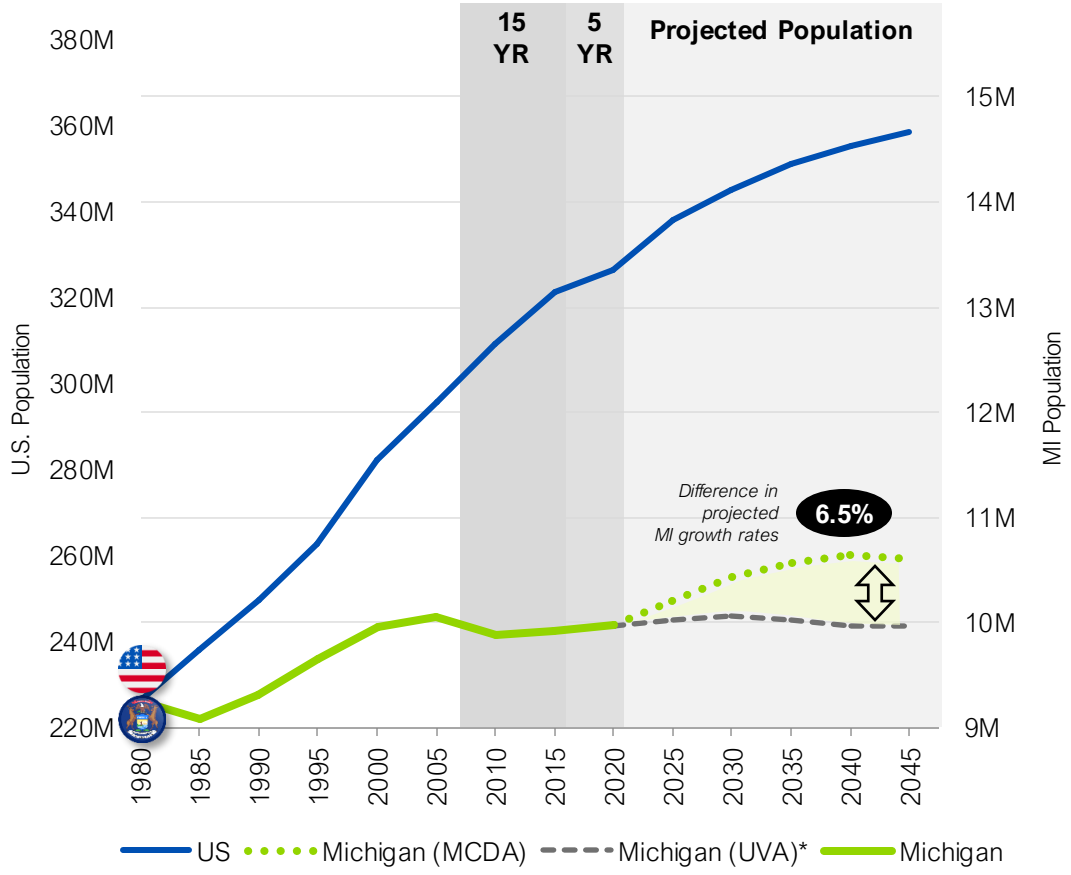
Fewer businesses and residents in a state also leads to a smaller tax base and stagnate tax and charge revenues

3 Community Wellbeing

Slow or falling revenue growth can lead to disinvestment, gaps in the social safety net, and declining overall community wellbeing

The last 20 years has seen Michigan decouple from national population growth, creating a gap that Michigan is unlikely to close in the next 20 years

U.S. and MI Historical and Projected Population Growth (with two MI projections), 1980–2045[1-7]

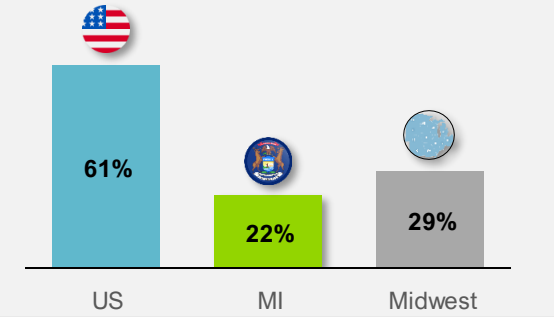


Challenges Related to Slow Population Growth

1 Labor Market Challenges

Michigan experienced job loss from 2000 to 2010. Though the labor market rebounded after the Great Recession and COVID, employment is still below the January 2000 level.[12] This is illustrated by Michigan's slow employment growth from 1980 to 2021, shown in the chart at right.

U.S., MI, and Midwest Employment Growth, 1980 – 2021[8-11]



2 Revenue Stagnation

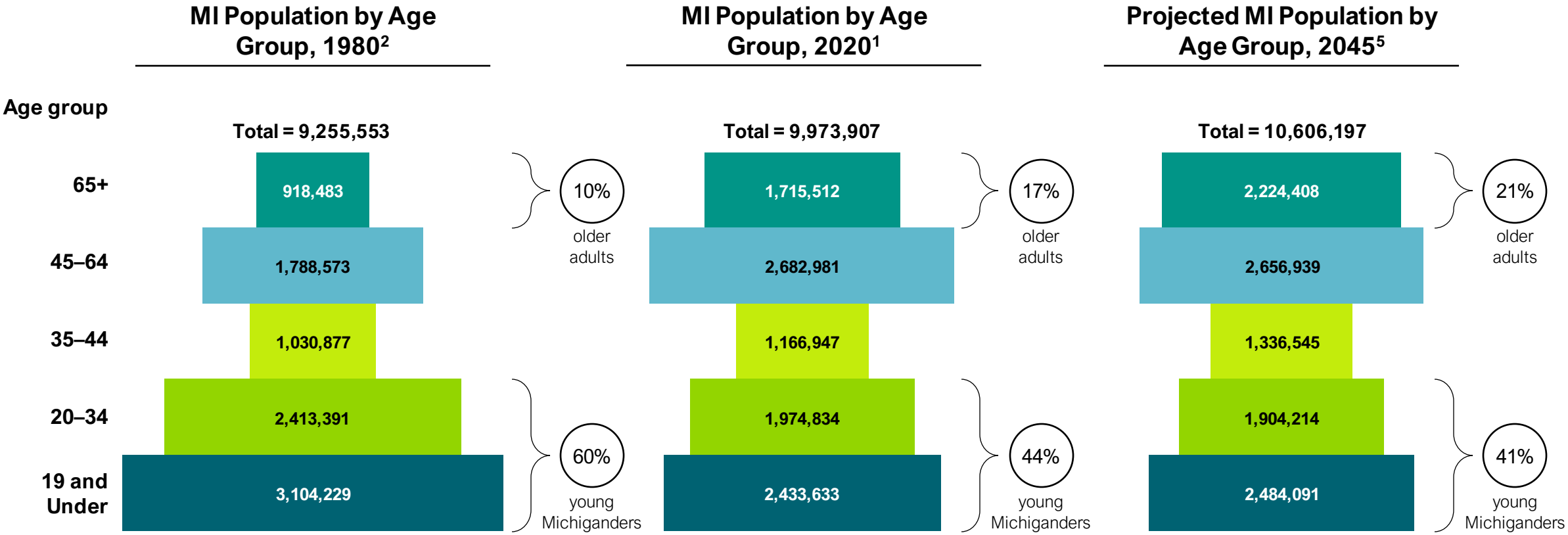
When adjusted for inflation, **Michigan's state and local "own-source" general revenues grew by only 1.3% from 2007-21, compared to 21.1% growth in combined state and local "own-source" general revenue for all U.S. states during the same period**.[13] These revenues refer to funds raised from taxes, charges, and fees and exclude intergovernmental transfers and "business-like" activities (e.g., liquor stores, utilities).

3 Community Wellbeing

Though Michigan's average life expectancy was on an upward trend prior to the pandemic, life expectancy in the state consistently **falls below the national average.**[14]

*Michigan (UVA) growth rates are based on projections available for years 2030 and 2040. 2025, 2035, and 2045 figures were extrapolated from these projections.

Slower population growth is compounded by both the working age population declining in relative terms, and those aged 20–34 declining in absolute terms



1 Loss of next generation of Michiganders

From 1980 to 2020, Michigan's 19 and Under and 20-34 populations decreased 22% and 18% respectively

2 Substantial growth of 65+

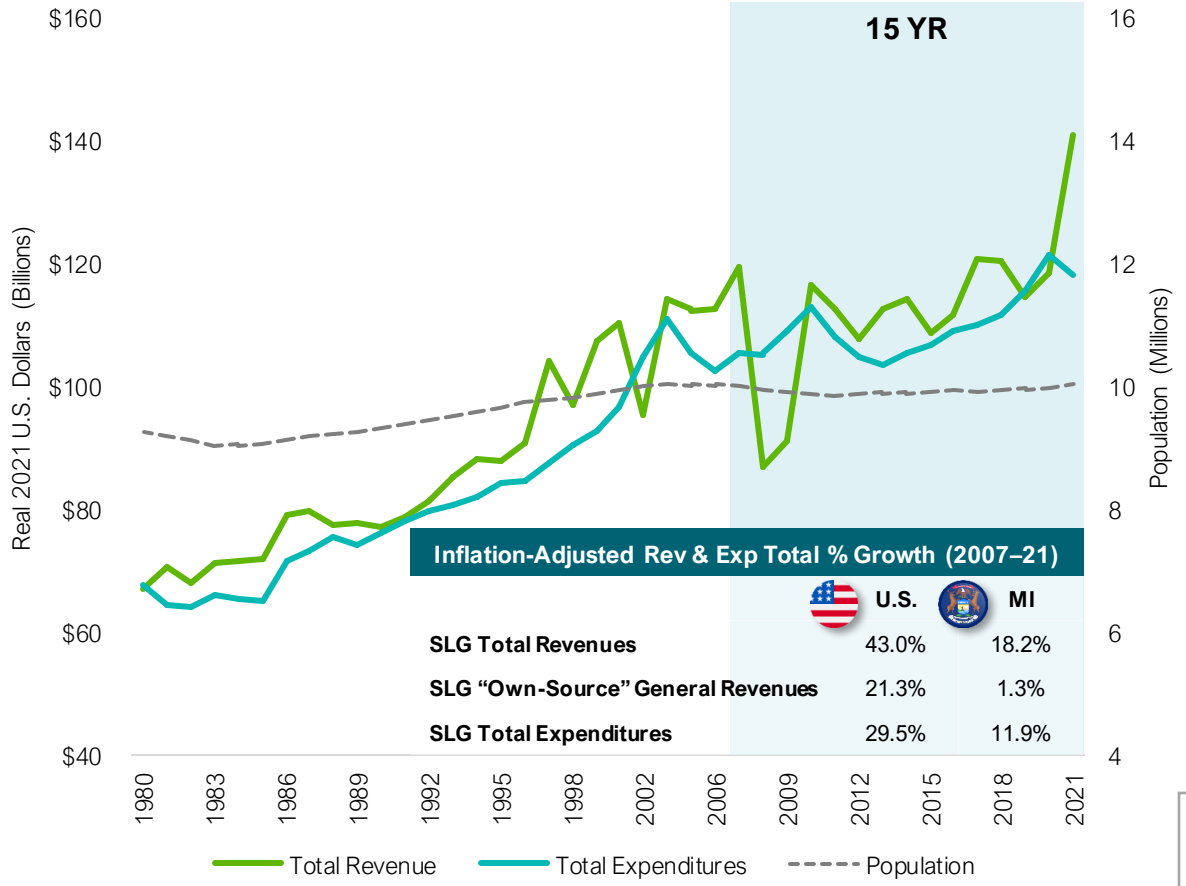
Between 1980 and 2020, the 65+ population grew by 87% in Michigan

3 45 – 64 projected to remain flat

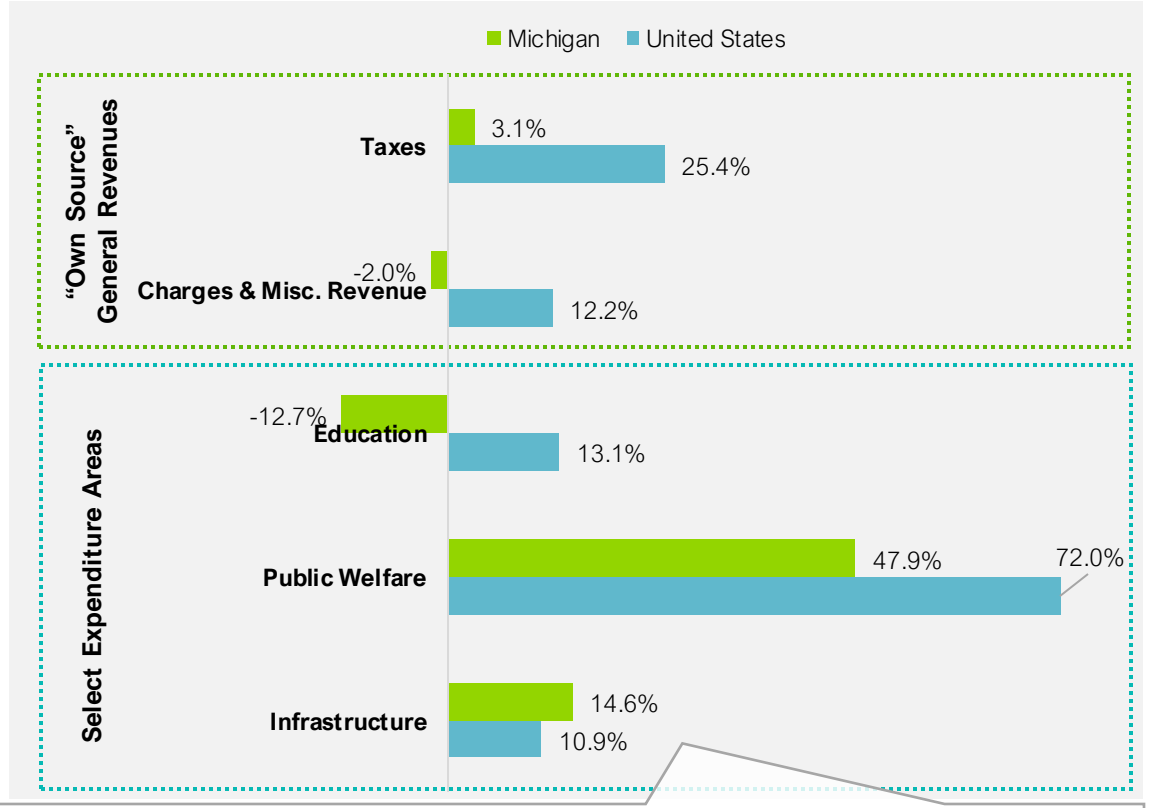
By 2045, Michigan is projected to lose 1% of its 45–64 population, a significant slowdown from the 50% growth from 1980–2020

Key revenues and expenditures have also grown slowly or declined in real terms, putting at risk the state's educational and infrastructure outcomes

Michigan Total State and Local Revenues and Expenditures (Real 2021 $ Billions), 1980–21[13]



Michigan vs Aggregate U.S. State and Local Revenue and Expenditure Growth (Adjusted for Inflation), 2007–21[13]



While total infrastructure spending is up, these **expenditures are bolstered by temporary funding sources** (e.g., Rebuilding Michigan bonds), and research indicates that the increasing need for new and updated infrastructure is outpacing expenditure growth.[15]

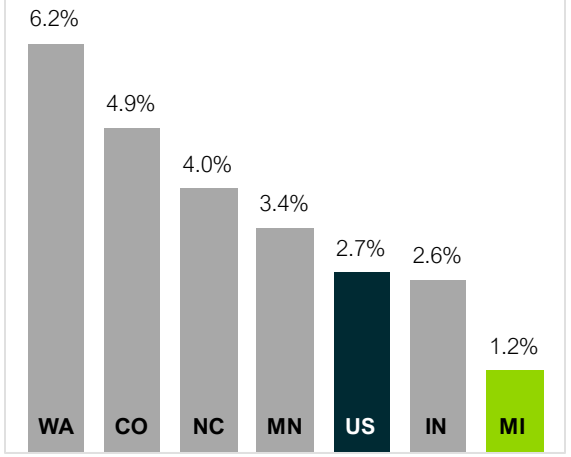
This report references five peer states, each selected based on a combination of regional relationship, population growth, and economic structure

	Michigan	Indiana	Minnesota	North Carolina	Colorado	Washington
						
Population[16]*	**2021** | 10,050,8111 **5-Year Growth** | 1.2%	**2021** | 6,805,985 **5-Year Growth** | 2.6%	**2021** | 5,707,390 **5-Year Growth** | 3.4%	**2021** | 10,551,162 **5-Year Growth** | 4.0%	**2021** | 5,812,069 **5-Year Growth** | 4.9%	**2021** | 7,738,692 **5-Year Growth** | 6.2%
Median Income[16]*	**2021** | $63,498 **5-Year Growth** | 21.0%	**2021** | $62,743 **5-Year Growth** | 19.9%	**2021** | $77,720 **5-Year Growth** | 18.5%	**2021** | $61,972 **5-Year Growth** | 22.5%	**2021** | $82,254 **5-Year Growth** | 25.2%	**2021** | $84,247 **5-Year Growth** | 25.5%
Real GDP ($ Millions)[17]*^	**2021** | $473,333 **5-Year Growth** | 4.6%	**2021** | $352,624 **5-Year Growth** | 10.3%	**2021** | $345,172 **5-Year Growth** | 6.5%	**2021** | $533,089 **5-Year Growth** | 10.4%	**2021** | $365,918 **5-Year Growth** | 14.7%	**2021** | $568,303 **5-Year Growth** | 24.0%
Bachelor's Degree or Higher (Adults Age 25+)[16]	32%	30%	39%	36%	46%	40%
Non-Farm Employment Growth[18]*	-2.9%	0.5%	-1.7%	5.6%	5.4%	3.5%
Selection Criteria	*Comparator state*	• Neighboring state • Strong GDP growth • Per capita, comparable income, revenue, and expenditures to Michigan	• Neighboring state • Comparable GDP growth with stronger population growth • Higher educational attainment	• Strong growth trends and comparable population size • Higher educational attainment and employment growth	• Strong growth trends • Leader in recreation opportunities and natural resources relevant for Michigan's consideration	• Leader across demographic and fiscal metrics • Offers useful contrast with respect to total state revenue and expenditures

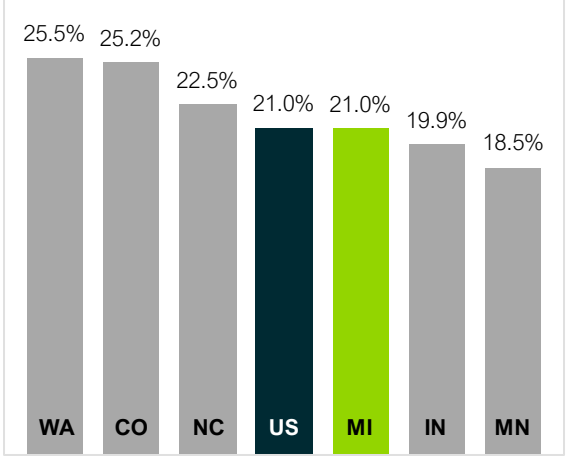
* Population, median income, GDP, and employment growth figures are calculated for the years 2016-2021. Median income growth is not adjusted for inflation
^ Overall U.S. GDP growth for the same period was 9.9%

Household median income in Michigan is lower and growing more slowly than in many selected peer states, and labor force participation is notably lower

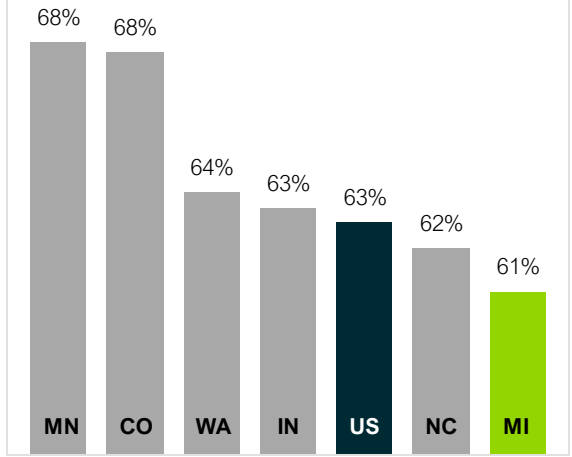
Population Growth (2016–21)[16]



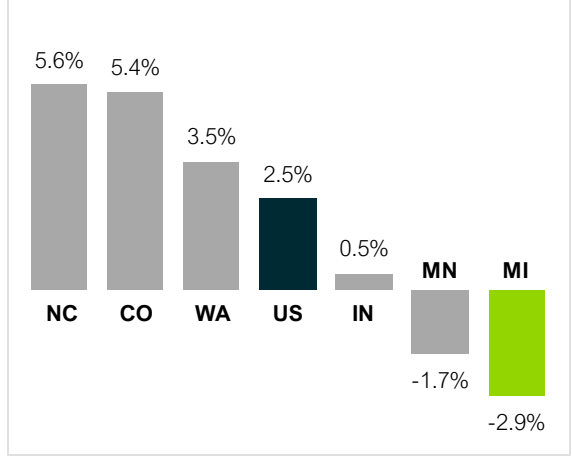
Median Income Growth (2016–21)[16]



Labor Force Participation (2021)[16]



Non-Farm Employment Growth (2016–21)[18]



- **Population and Domestic Migration**: Compared to peer states experiencing stronger overall population growth, Michigan's population growth is small (1.2%). The state is also losing more residents to other states than North Carolina, Indiana, and Colorado.
- **Median Income:** Annual median income in Michigan is over $6,000 less than the U.S. average and nearly $21,000 less than the leading peer state (Washington). Median income growth in Michigan is also lower than 3 of 5 growing peers despite being on par with the U.S. average median income growth.
- **Labor Market**: Michigan is experiencing the lowest labor force participation rate (61%) and non-farm employment growth (-2.9%) among the cohort of peer states. Fewer females and individuals with lower educational attainment in Michigan are in the labor force compared to these populations in growing states. However, employment in professional and business services jobs, including legal, engineering, consulting and technical services, and scientific research, is higher in Michigan than in 4 of 5 growing states.[18]

Analysis of fiscal trends and outcomes within Michigan and peer states highlights five overarching conclusions

1

In the last 20 years, Michigan's rate of population growth has decoupled from the national rate

- Though Michigan will see modest population growth in the next 20 years, it is unlikely to close the structural 20-year growth gap.
- It will not sufficiently rebalance the working age population (particularly Michiganders aged 20-34, whose numbers will fall in absolute terms).

2

Michigan's slow population growth will stress Michigan's state and local government revenues, particularly taxes

- Slow growth will directly impact individual income tax revenue (which represented 9% of total revenue and 17% of own-source general revenue in 2021).
- Michigan's diminished workforce and reduced consumer base will indirectly impact corporate income tax revenue (1% of total revenue and 2% of own-source general revenue) and general sales taxes (8% of total revenue and 15% of own-source general revenue in 2021).

3

Projected population trends will also stress Michigan's state and local government expenditures

- Slow growth and population aging may drive up state expenditures on Medicaid and other public welfare (18% of total expenditures and 22% of direct general expenditures in 2021) as well as health and hospital expenditures (9% of total expenditures and 11% of direct general expenditures in 2021).

4

Redressing population stagnation in Michigan will require the State to focus on talent attraction and strategic investment tonurture growth

- The state must attract and retain the working age population, specifically residents aged 20-34.
- Individual income taxes must funnel into areas of need to meet the demands of a working-age population, including those related to infrastructure, education, and recreational amenities to improve quality of place.

5

Support and empowerment of local governments will be required

- Population remediation efforts may place a burden on local government budgets, and additional State support for local governments may be needed to offset.
- Local governments may also require greater autonomy to deploy new and innovative funding tools to sustain and enhance services, for example, road user charging, municipal bonds, and public-private partnerships (P3s).

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Population Dynamics Key Takeaways

Michigan's population is growing slowly but lags behind the growth of both the U.S. and the Midwest region overall: Population loss during two time periods (1980 to 1985 and 2005 to 2015) resulted in less growth for the state in the past forty years compared to the population increases experienced by the Midwest region and the U.S. overall.

Projections for Michigan's population show slower growth and shifting age demographics: Michigan's 65 and over population is projected to be the fastest-growing age cohort in the state, growing by almost 30% by 2045. The 20 – 34 age cohort is projected to decrease by 70,000 – a 3.6% loss from 2020 levels.

Michigan's population trends are driven by net out-migration and low birth rates: While Michigan's domestic out-migration rate has slowed since 2006, Michigan continues to lose residents to migration. Additionally, spiking death rates during the COVID-19 pandemic created a negative natural population change in 2020 and 2021.

Michigan's large metropolitan areas attract few out-of-state young adults: Michigan's large metropolitan areas have experienced limited success in attracting young residents from outside the state, with the average distance moved by young adults relocating to Detroit being 62 miles away and 66 miles for Grand Rapids. Each of these moving distances is significantly below the national average of 181 miles, indicating that young adults outside of Michigan do not view these areas as compelling destinations.[19]

Since 1980, Michigan's population has grown by 8.6%, lagging U.S. and Midwestern population growth rates

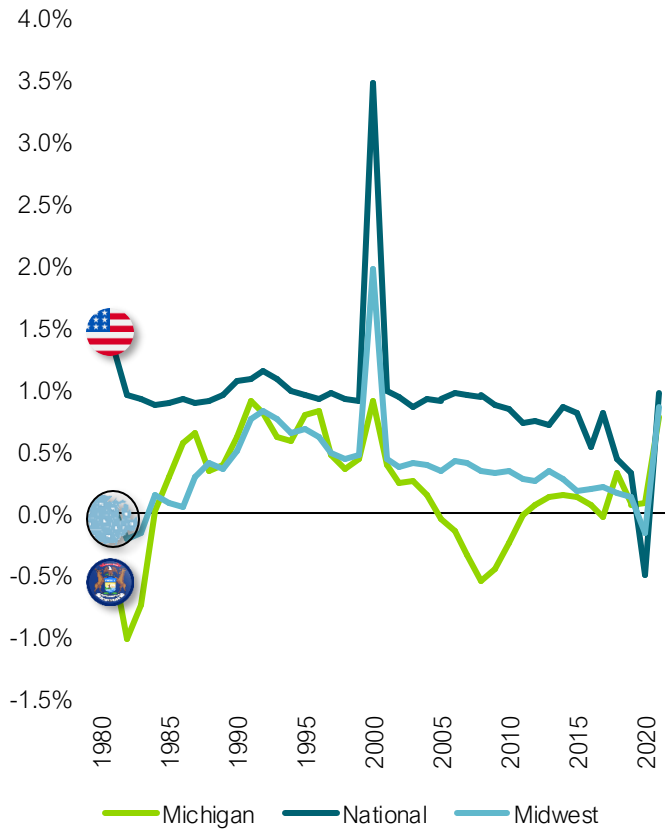
- **Michigan experienced slow overall population growth in the period from 1980 to 2021.** Growth rates for Michigan, Midwestern states, and the U.S. are included in the table below and illustrated in the first chart, at right.

Population Growth: 1980 - 2021	
U.S.	45.5%
Midwestern States	16.8%
Michigan	8.6%

- **Michigan's population began declining in 2005, breaking from U.S. and Midwestern growth patterns.** As the Midwest and U.S. saw slower growth between 2005 and 2010, Michigan experienced a population loss of approximately 160K residents.

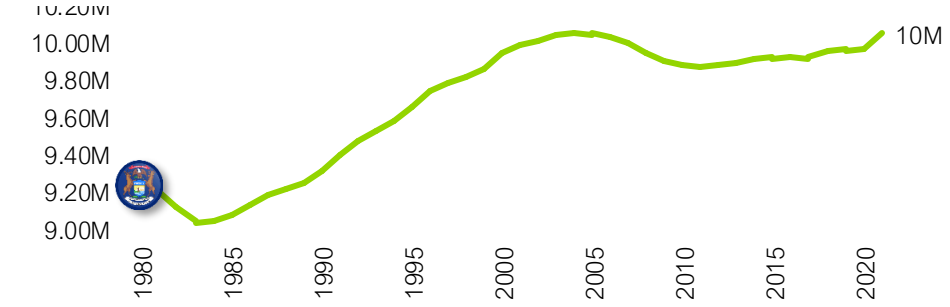
Michigan's growth rate departed from U.S. and regional trends from 2005 – 2010

Population Growth Rate, 1980 – 2021 [1-4]

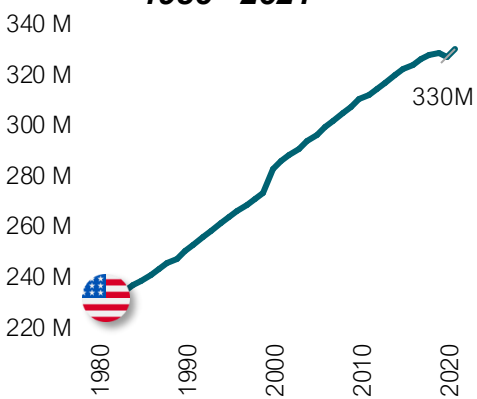


Michigan experienced slower overall population growth than the U.S. and Midwestern states from 1980 – 2021

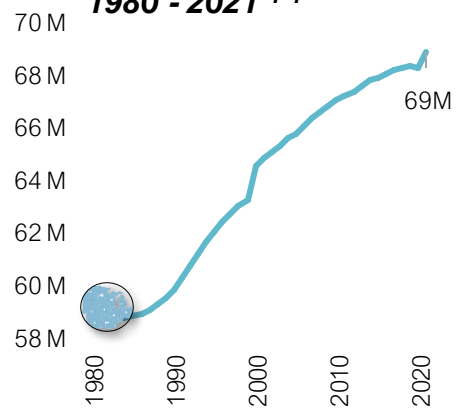
Michigan Total Population, 1980 – 2021 [1-4]



U.S. Total Population, 1980 - 2021 [1-4]



Midwest Total Population, 1980 - 2021 [1-4]

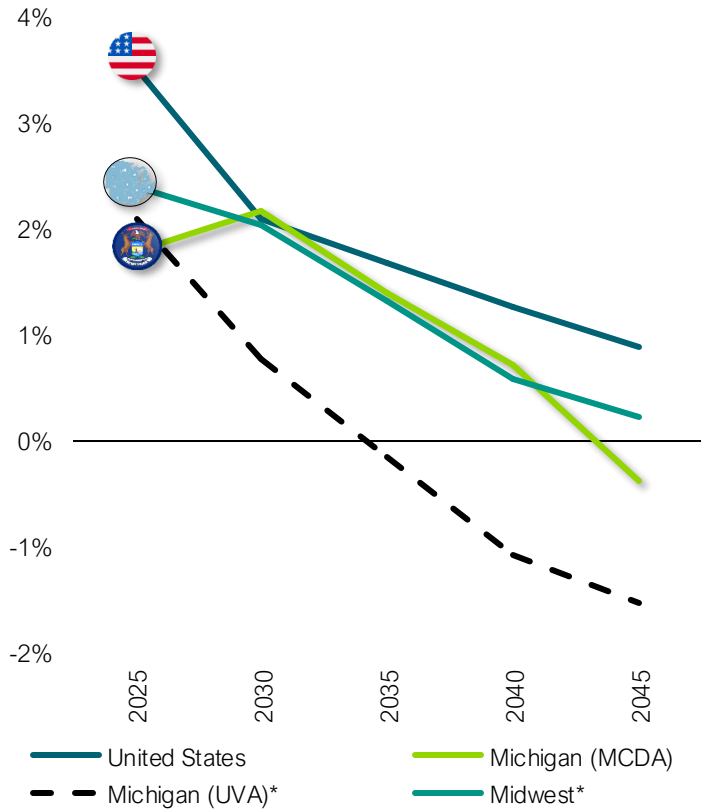


In the next 20 years, Michigan's population is projected to continue to experience slower growth than the U.S. and Midwest overall

- **Michigan's population is projected to grow slowly in the coming decade and then begin declining sometime between 2035 and 2045**. This aligns with the trend of negative net domestic migration and negative natural population (Births – Deaths) rates that Michigan has seen in the last 15 years.
- **Michigan's 65 and over population is projected to be the fastest-growing age cohort, growing by almost 30% by 2045**. The 35 – 44 cohort is also projected to grow by 14.5%.
- **The 20 – 34 age cohort is projected to decrease by 70,000 (3.6% loss)**. While Michigan is projected to grow most other age cohorts, the 20 – 34 group is expected to shrink, as young adults chose to start and grow their careers out of state.

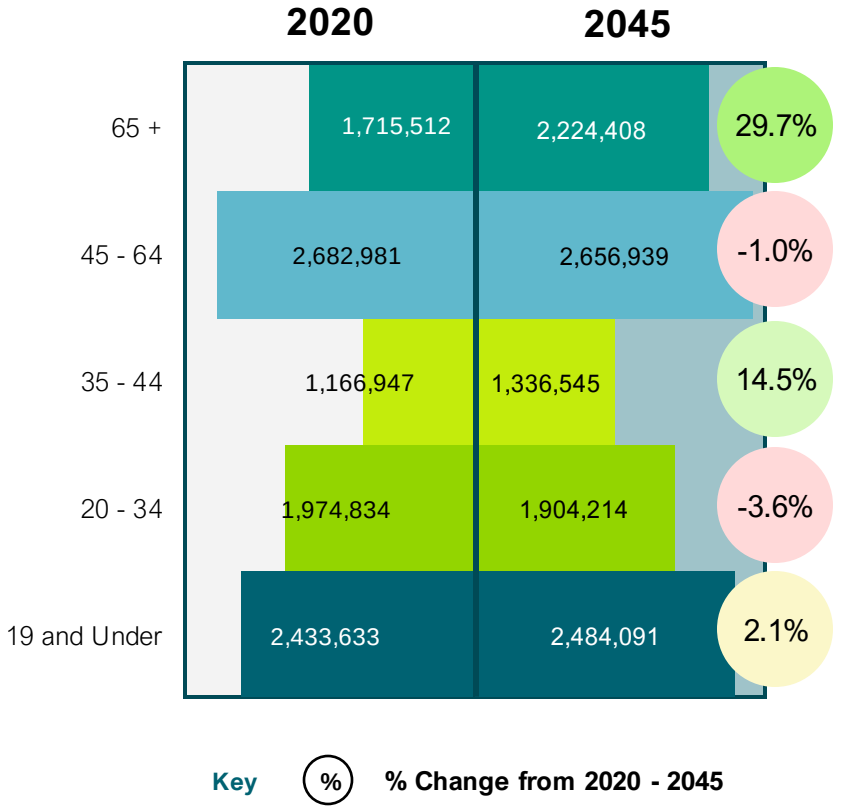
Some projections show population loss in Michigan starting as early as 2035

U.S., Midwest, and Michigan Population Projected Growth Rate, 2025 – 2045[5-7]



Projections show an almost 4% loss of Michiganders aged 20 – 34 by 2045

Michigan Population and Projection by Age, 2020 and 2045[1,5]



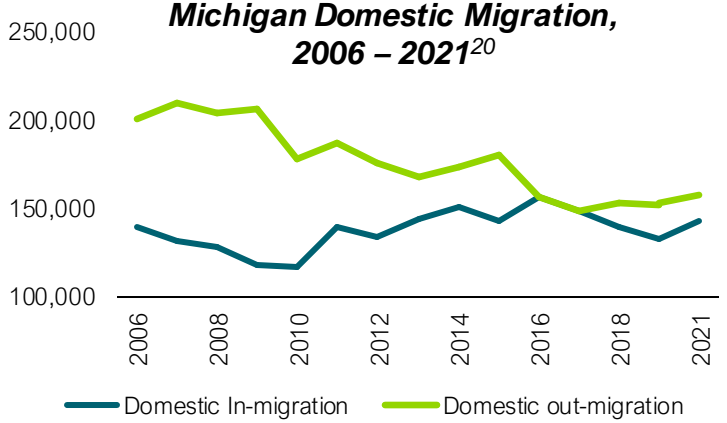
*Michigan (UVA) and Midwest growth rates are based on projections available for years 2030 and 2040. For the Midwest, the figures for 2025, 2035, and 2045 were extrapolated from these projections.

Slow population growth in Michigan is driven by net domestic out-migration and declining birth rates

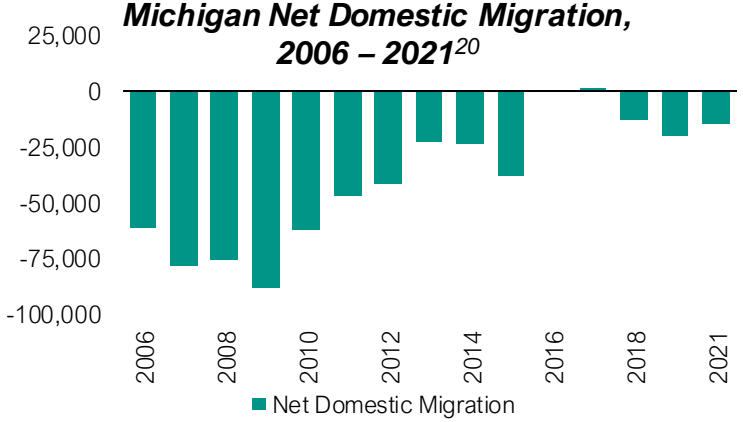
- **Domestic out-migration has slowed in recent years:** Net domestic migration remains negative, though it has increased in recent years. Domestic out-migration decreased from 2006 to 2016 and has remained low, resulting in 42,000 fewer Michiganders leaving annually compared to in 2006.
- **Domestic in-migration has remained largely constant.** Domestic in-migration increased prior to 2016, then decreased again. Annual in-migration in 2021 was only about 4,000 higher in 2021 than in 2006.
- **Death rates in Michigan were rising before the pandemic,** then increased sharply during COVID in parallel with a slowing birth rate, resulting in a negative natural population change. In-migration has not replaced this loss.

Despite reductions in out-migration, net domestic migration in Michigan remains negative

Michigan Domestic Migration, 2006 – 2021[20]

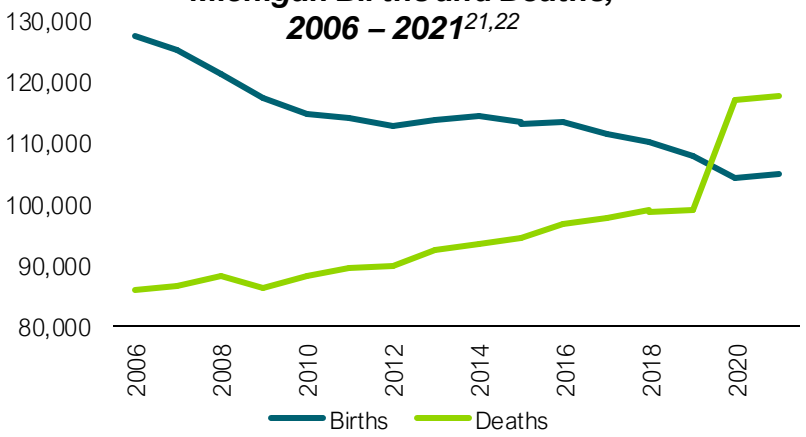


Michigan Net Domestic Migration, 2006 – 2021[20]

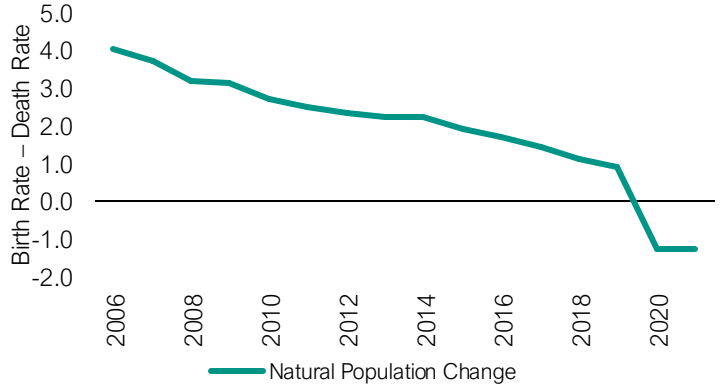


The COVID-19 pandemic resulted in negative net population change in Michigan

Michigan Births and Deaths, 2006 – 2021[21,22]



Natural Population Change 2006 – 2021[21,22]



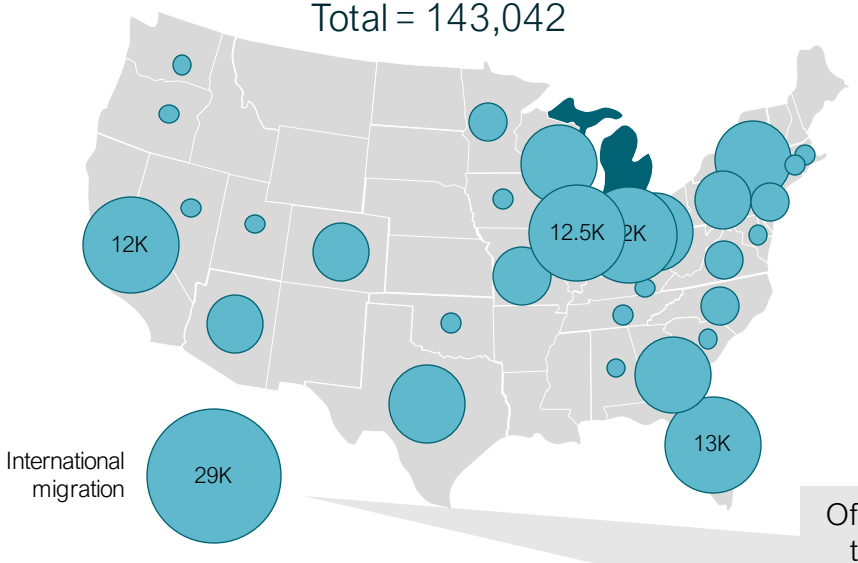
Out-migration from Michigan is primarily domestic, while in-migration is currently driven by international and regional exchanges

- **Michigan is capturing international in-migration.** Over 140,000 current MI residents resided in a different state of residence last year, and almost 29,000 resided in a foreign country.
- **Michigan and neighboring states are exchanging residents.** Illinois and Indiana are both top sources of new Michigan residents and destinations for former Michiganders.
- **Florida is capturing former Michigan residents, but also provides a sizeable share of new Michigan residents.** Similar to regional exchanges, a large number of individuals are moving between Florida and Michigan.
- **Young Michiganders are moving to both neighboring and large states.** Historically, top destinations for young adults (16 – 24) who grew up in Michigan but chose to move out of state include Illinois, Florida, California, Texas, Ohio, and Indiana.[19]

In 2021, Michigan saw more out-migration than in-migration

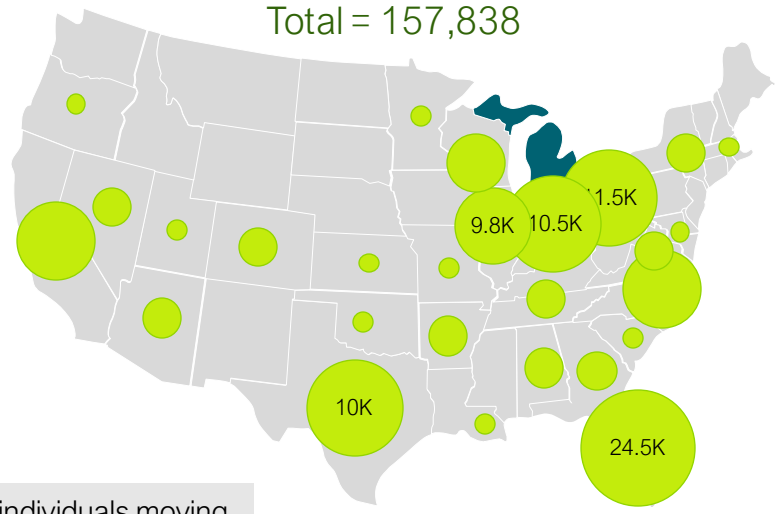
Sources of Population Moving to Michigan, 2021[20]

Total = 143,042

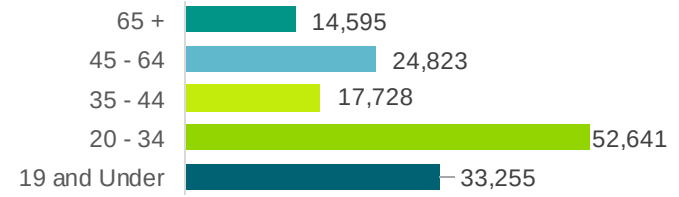


Destinations of Population Moving from Michigan, 2021[20]

Total = 157,838



Age Groups of Population Moving to Michigan, 2021[23]



Of individuals moving to the U.S. from a foreign country, the percent moving to Michigan (2%) is lower than MI's share of the total U.S. population (3%)[20]

Key

>10K >5K >3K >2K >1K

Population totals have been provided for the top 5 locations

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Fiscal Analysis Key Takeaways

Revenue and expenditure growth in Michigan is lagging behind national rates: Even with the temporary infusion of Federal COVID recovery funds in the wake of the pandemic, Michigan has experienced slow total revenue and expenditure growth, with total state and local revenues (taxes, charges, fees, intergovernmental transfers, and other misc. revenues) growing by 18% from 2007 to 2021 and total state and local expenditures increasing by 12%. In the same period, U.S. total state and local revenues grew by 43% and expenditures increased by 30%. As a result, Michigan is losing revenue and expenditure share, which could translate to future disinvestment and declining community wellbeing.

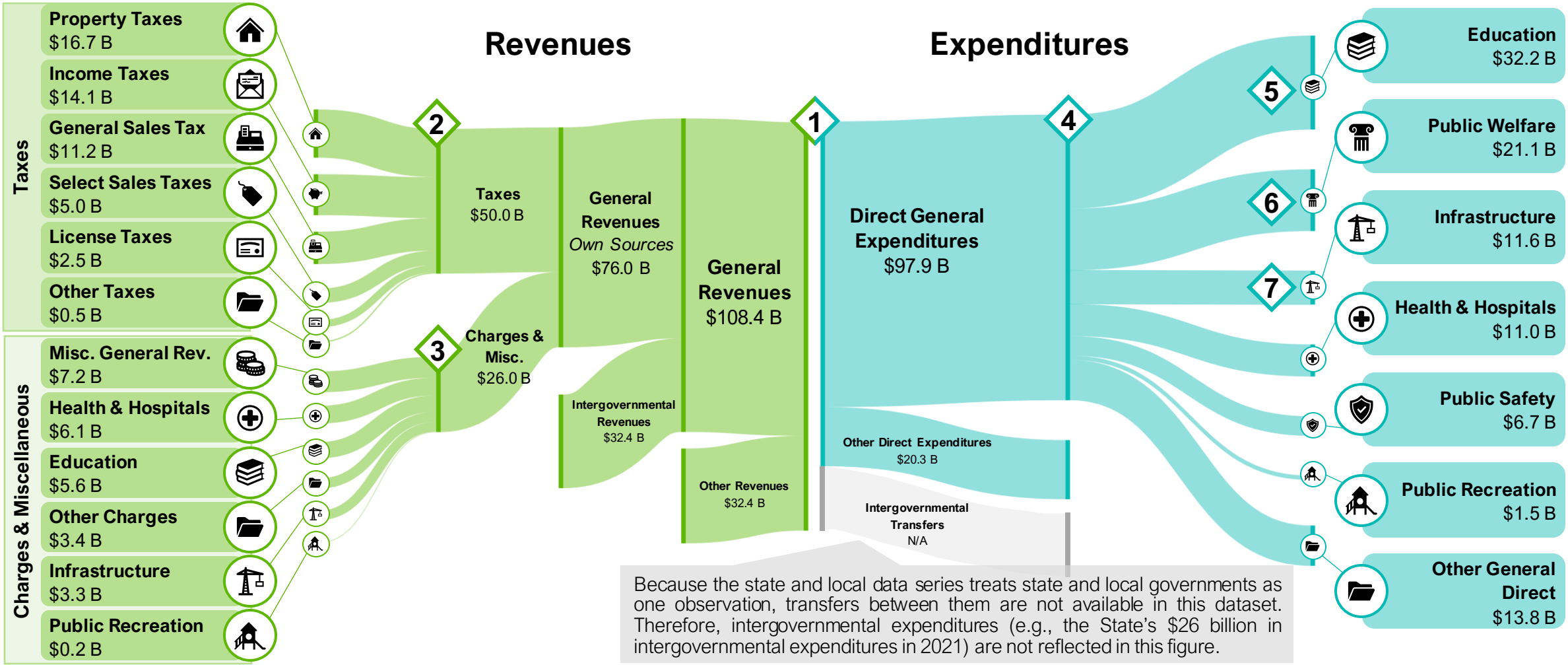
Tax revenue growth is also slower than the U.S. and peer states: Michigan's largest source of state and local revenue – taxes – is growing slowly. Total state and local tax revenues in Michigan grew by 3% from 2007 to 2021, compared to 25% growth in the U.S. and an average of 36% growth amongst peer states. Continued slow growth may threaten Michigan's ability to offer competitive government services and investments to its residents.

Education spending in Michigan is in decline: Total state and local education expenditures in Michigan dropped by 13% from 2007 to 2021, when adjusted for inflation. Comparatively, U.S. total inflation-adjusted state and local education expenditures increased by 13% during this period, and peer states' spending in the category increased by an average of 20%. Lagging education spending may contribute to Michigan's poorer educational outcomes, when compared to peers and U.S. averages.

Infrastructure spending in Michigan is trending upwards but may not yet meet state needs: Total inflation-adjusted state and local infrastructure expenditures in Michigan increased by 15% from 2007 to 2021, exceeding the U.S. growth rate by 4%. However, increased spending may not yet meet Michigan's infrastructure needs, as the state received a C- in the ASCE's 2023 Infrastructure Report Card (up from a D+ in 2018). Additionally, a portion of this spending is dependent on short-term funding sources (e.g., Rebuilding Michigan bonds). If temporary funding is not replaced with a sustainable funding source, the conditions of Michigan's infrastructure is at risk of further deterioration.

The Fiscal Analysis explores trends in key revenue sources and expenditure areas and compares Michigan's revenue and spending to the U.S. and peers

Michigan Total State and Local Revenues and Expenditures, 2021 [13]



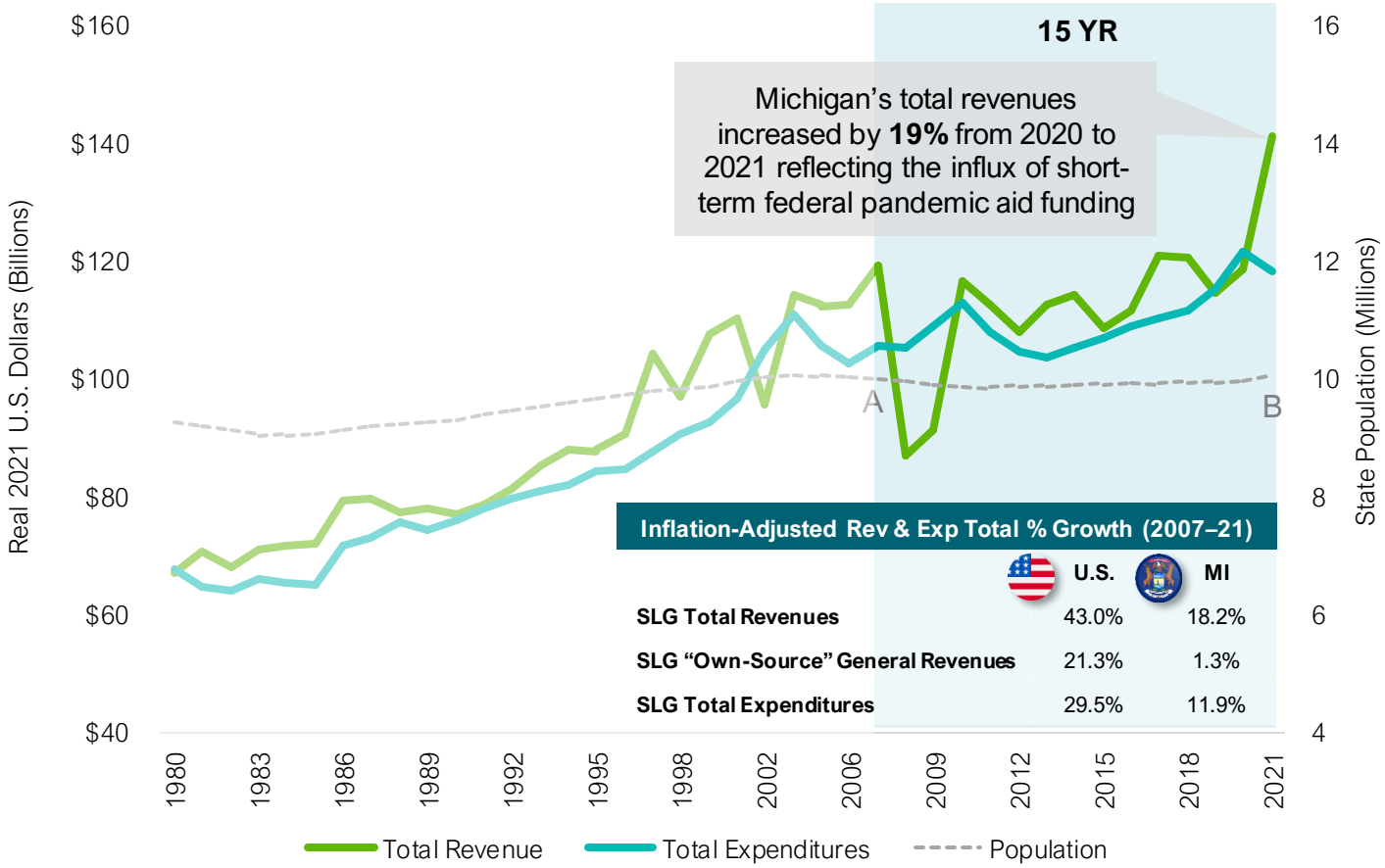
Because the state and local data series treats state and local governments as one observation, transfers between them are not available in this dataset. Therefore, intergovernmental expenditures (e.g., the State's $26 billion in intergovernmental expenditures in 2021) are not reflected in this figure.

Since 1980, revenues and expenditures in Michigan have grown more slowly than the U.S. overall while revenue volatility has increased

- **Revenue and expenditure growth in Michigan lags national rates**: From 1980 to 2021, Michigan's total revenues increased 111% while total expenditures grew 75%, when adjusted for inflation.
  - From 2007 to 2021 (examined more in the following pages), total growth rates for Michigan's state and local revenues and expenditures are 25% and 18% lower, respectively, compared to the combined U.S. state and local revenues and expenditures.
- **Recent revenue trends reflect pandemic relief funding**: Total revenues include transfers from the federal government, including pandemic relief funding Michigan received through the Coronavirus Aid, Relief, and Economic Security Act, American Rescue Plan Act, Inflation Reduction Act, and the Bipartisan Infrastructure Law. These are one-time funding infusions and do not represent a sustainable source of revenue for the state.
- **Revenue volatility has increased**: Volatility in Michigan's total revenues has increased since 1995 and may be partly driven by state revenues from corporate and personal income taxes tied to stock market performance.[24]

In recent years, Michigan's expenditures and revenues have grown less overall than total U.S. state and local revenues and expenditures

Michigan Total State and Local Revenues and Expenditures (Billions), 1980 – 2021[13]



Inflation-Adjusted Rev & Exp Total % Growth (2007–21)

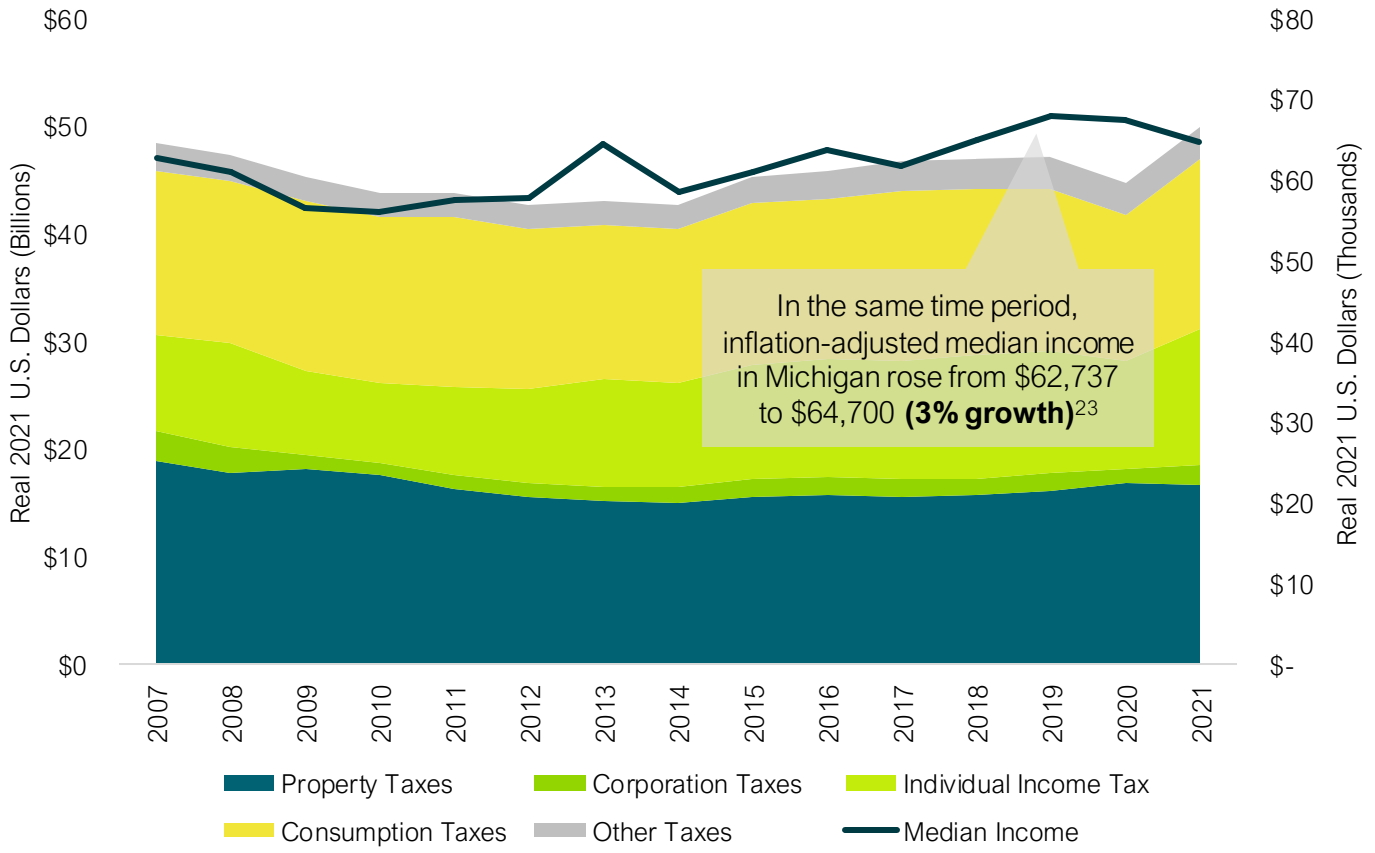
	U.S.	MI
SLG Total Revenues	43.0%	18.2%
SLG "Own-Source" General Revenues	21.3%	1.3%
SLG Total Expenditures	29.5%	11.9%

Michigan's state and local tax revenue growth has been slow, significantly lagging behind that of the U.S.

- **State and local tax revenues in Michigan are growing more slowly than total U.S. state and local tax revenues**: Total state and local tax revenues in Michigan grew by 3% from 2007 to 2021, whereas total state and local taxes in the United States grew by 25% in the same period. This slow growth in Michigan's largest revenue source may threaten its ability to offer competitive government services and investments.
- **Property tax revenues dropped in the past 15 years**: Property tax revenues in Michigan declined by $2.3B (12%) from 2007-21, when adjusted for inflation. Revenues dropped in the wake of the Great Recession and have not fully recovered, as of 2021. For comparison, inflation-adjusted state and local property taxes in the U.S. grew by 24% in the same period.
- **Tax revenue growth has not kept pace with state economic growth:** While state and local tax revenues in Michigan grew by 3% from 2007 to 2021, inflation-adjusted real GDP grew by 7.8% in the state in the same period.[25]

Total state and local tax revenues in Michigan have been largely stagnant in the last 15 years, experiencing only 3% overall growth

Michigan Total State and Local Tax Revenues by Source, 2007-21[13]

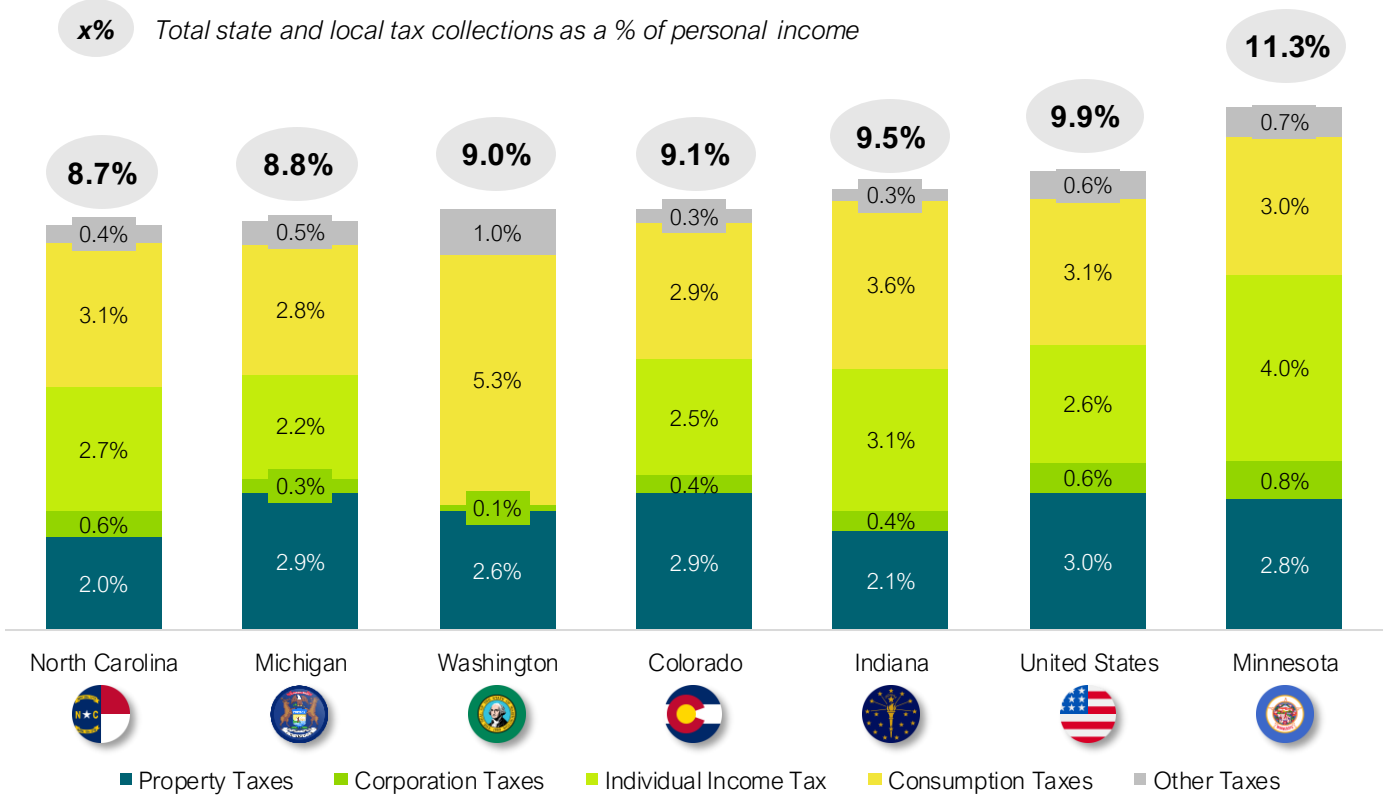


Michigan is a relatively low-tax state and has fallen in the rankings of tax collections and burden in recent years

- **When considering both tax collections and burden, Michigan is a relatively low-tax state:** State and local tax *collections* are the taxes collected by governments within a state's borders. By contrast, tax *burden* includes all state and local taxes paid by a state's residents to governments in their state of residence and to governments in states in which they do not live. By both metrics, Michigan's tax rates are low. In 2021, Michigan fell near the bottom third of all states by per capita tax *collections*.[13] A recent report published by the Tax Foundation found that Michigan's tax *burden* ranked 46th out of the 50 states in 2022.[27]
- **Michigan's tax rate rankings are on a downward trend:** Michigan's rankings by tax collections and burden have fallen in recent years. From 2007 to 2021, Michigan fell two places in the rankings of tax collections per capita. Additionally, Michigan fell 15 places in the rankings of tax burden from 2019 to 2022.[27]
- **A higher tax collection rate could translate to billions in additional revenues.** If Michigan's state and local tax collection rate equaled those of Washington and Minnesota in 2021, governments in Michigan could have expected to collect an estimated $1.3B to $14.0B in additional tax revenues (respectively).

When normalized for differences in income levels across states, Michigan has a lower rate of tax collections than the U.S. and most peer states

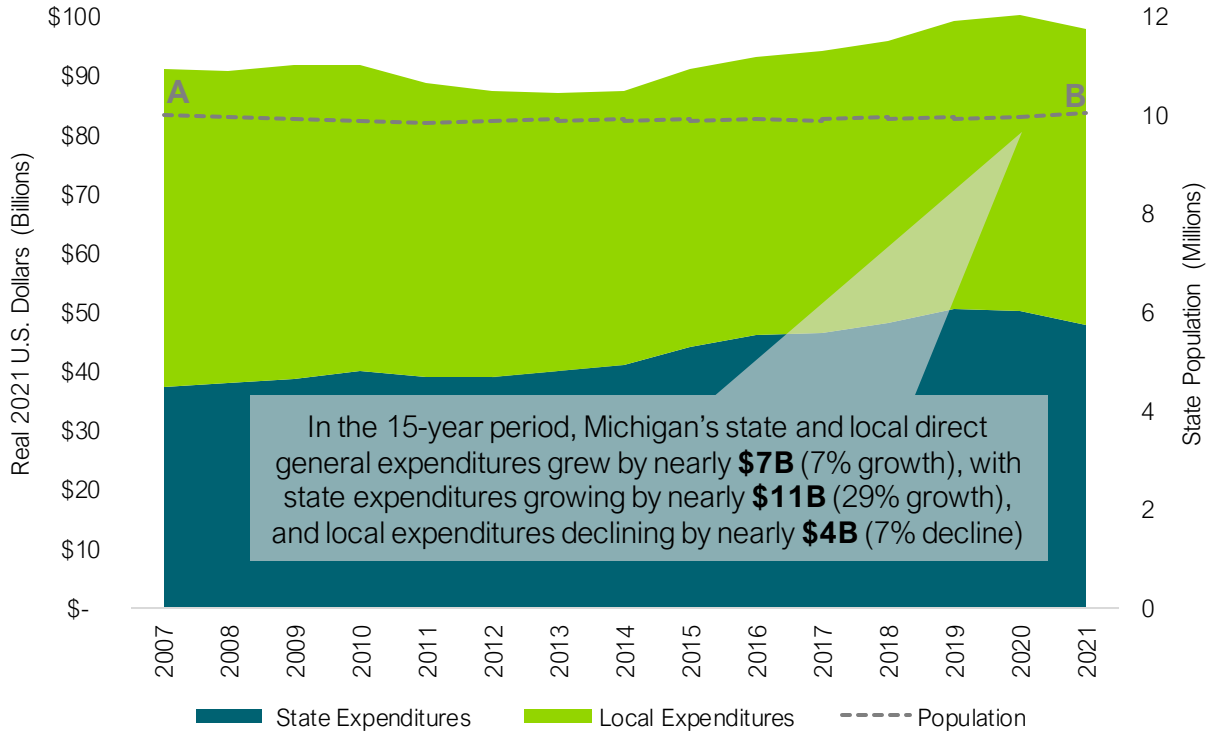
State and Local Tax Collections by State as a Percentage of Personal Income, 2021 [13]



Michigan's direct general expenditures saw slow overall growth – 7% in 15 years – compared to the 25% U.S. growth rate for the same metric

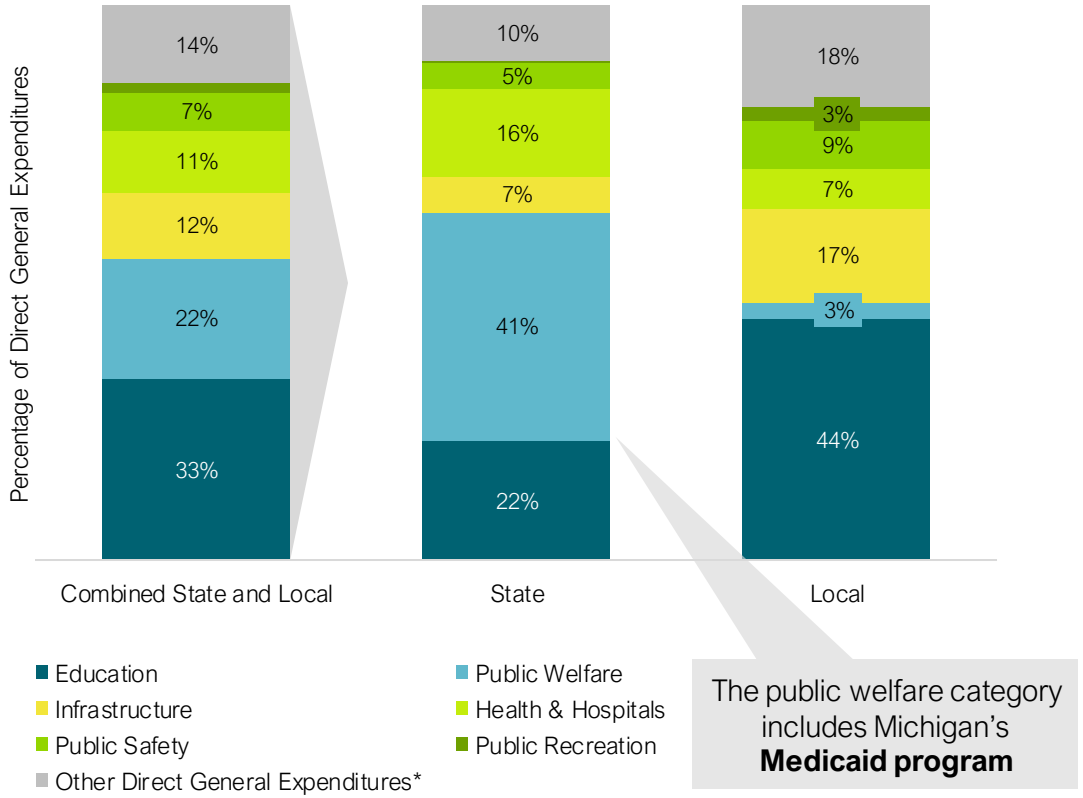
In Michigan, the state government accounts for ~40% of direct general expenditures and local governments account for ~60%

Michigan State and Local Direct General Expenditures, 2007-21[13]



State and local governments in Michigan have distinct spending profiles

Direct General Expenditures by Category and Geography, 2021[13]

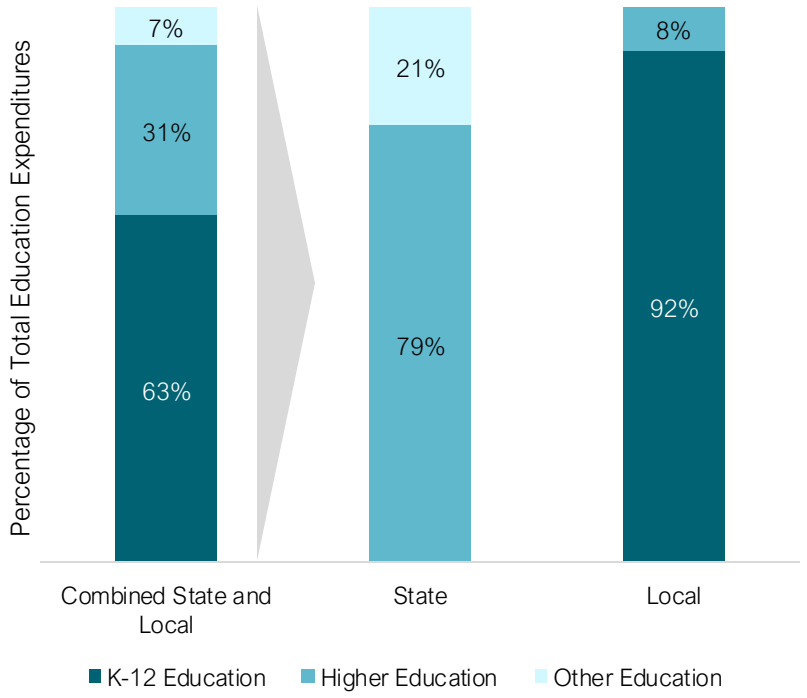


*Other General Direct Expenditures includes expenditures related to employment security, public buildings, natural resources, parking, and interest on general debt

Michigan's state and local inflation-adjusted education spending decreased by nearly $5 billion in the past 15 years

The spending of state grants for K-12 education occurs at the local level

Michigan Education Expenditures by Category and Geography, 2021[13]



Education spending in Michigan is down in nearly all categories, when comparing inflation-adjusted dollars

Changes in Education Expenditures by Category and Geography, 2007-21[13]

	Expenditure Category	Expenditures (2021 dollars) (2007)	(2021)	Spending Change (2007-21)
State	K-12 Education	$0.9 B	$0.0 B	$0.9 B (100.0%) ▼
	Higher Education	$9.0 B	$8.2 B	$0.8 B (9.4%) ▼
	Other Education*	$1.1 B	$2.2 B	$1.1 B (101.7%) ▲
	Total State	**$11.0 B**	**$10.4 B**	**$0.6 B (5.6%)** ▼
Local	K-12 Education	$23.9 B	$20.1 B	$3.7 B (15.6%) ▼
	Higher Education	$2.0 B	$1.7 B	$0.3 B (16.2%) ▼
	Other Education*	-	-	-
	Total Local	**$25.9 B**	**$21.8 B**	**$4.1 B (15.7%)** ▼
	Total State and Local	**$36.9 B**	**$32.2 B**	**$4.7 B (12.7%)** ▼

- **Michigan's investment in K-12 education is passed through to local governments, as reflected in Census data:** The State invests in K-12 via intergovernmental grants. The spending of these dollars is reflected in local government K-12 spending.
- **Education spending in Michigan set to increase:** In July 2023, Gov. Whitmer signed the bipartisan education budget for FY24, which makes the highest per-student investment in Michigan history.[28]

* "Other Education" includes educational assistance (i.e., state government payments to individuals for tuition, scholarships, and other financial aid) and other educational charges not otherwise classified (e.g., adult education and vocational rehabilitation not provided by school systems and state schools for individuals who are blind, deaf, or differently abled)

As a result of decreased overall spending, Michigan has become less competitive in education spending when compared to peers and the U.S.

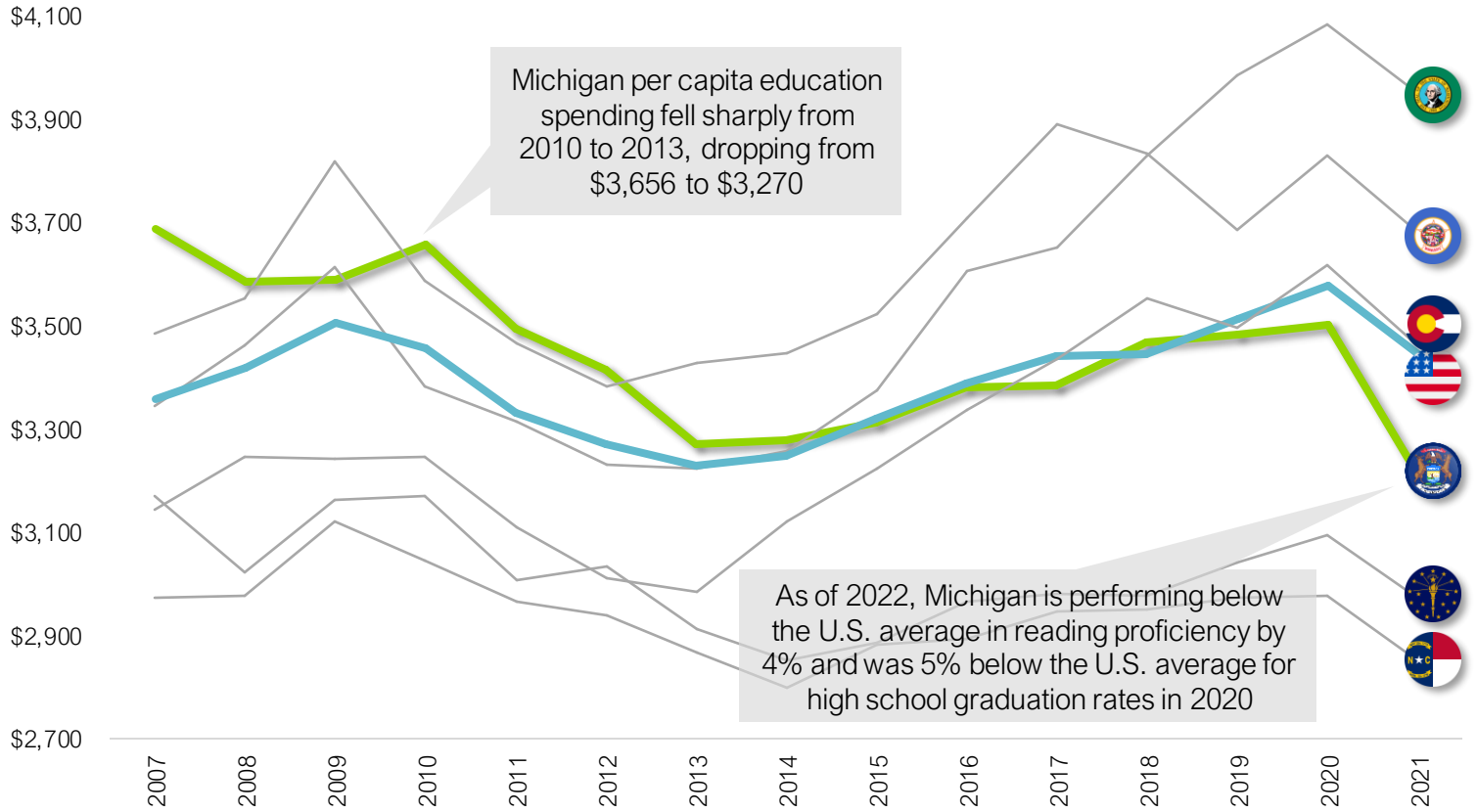
Michigan fell over 20 rankings in per capita education spending from 2007 to 2021

Ranking of States by Per Capita State and Local Education Expenditures, 2021[13]

Rank 2007	Rank 2021	State	2021 Value (2021 dollars)
-	-	**United States**	**$3,443**
2	1	Wyoming	$5,582
14	2	DC	$5,203
3	3	Vermont	$4,681
5	4	New York	$4,633
6	5	Delaware	$4,554
1	6	Alaska	$4,428
15	7	North Dakota	$4,402
4	8	New Jersey	$4,314
18	9	Nebraska	$4,161
11	10	California	$4,084
24	13	Washington	$3,952
16	19	Minnesota	$3,682
36	22	Colorado	$3,463
23	30	South Carolina	$3,254
8	**31**	**Michigan**	**$3,207**
21	32	Ohio	$3,207
33	41	Indiana	$2,971
43	43	North Carolina	$2,850
…	…	…	…
50	51	Idaho	$2,232

Michigan per capita education spending has fallen below the U.S. average and into the bottom half of peer states

Michigan, Peer, and U.S. Per Capita State and Local Education Expenditures, 2007-21[13]



Michigan's per capita state and local spending on public welfare rose slightly in the past 15 years, resulting in a modest increase in rank

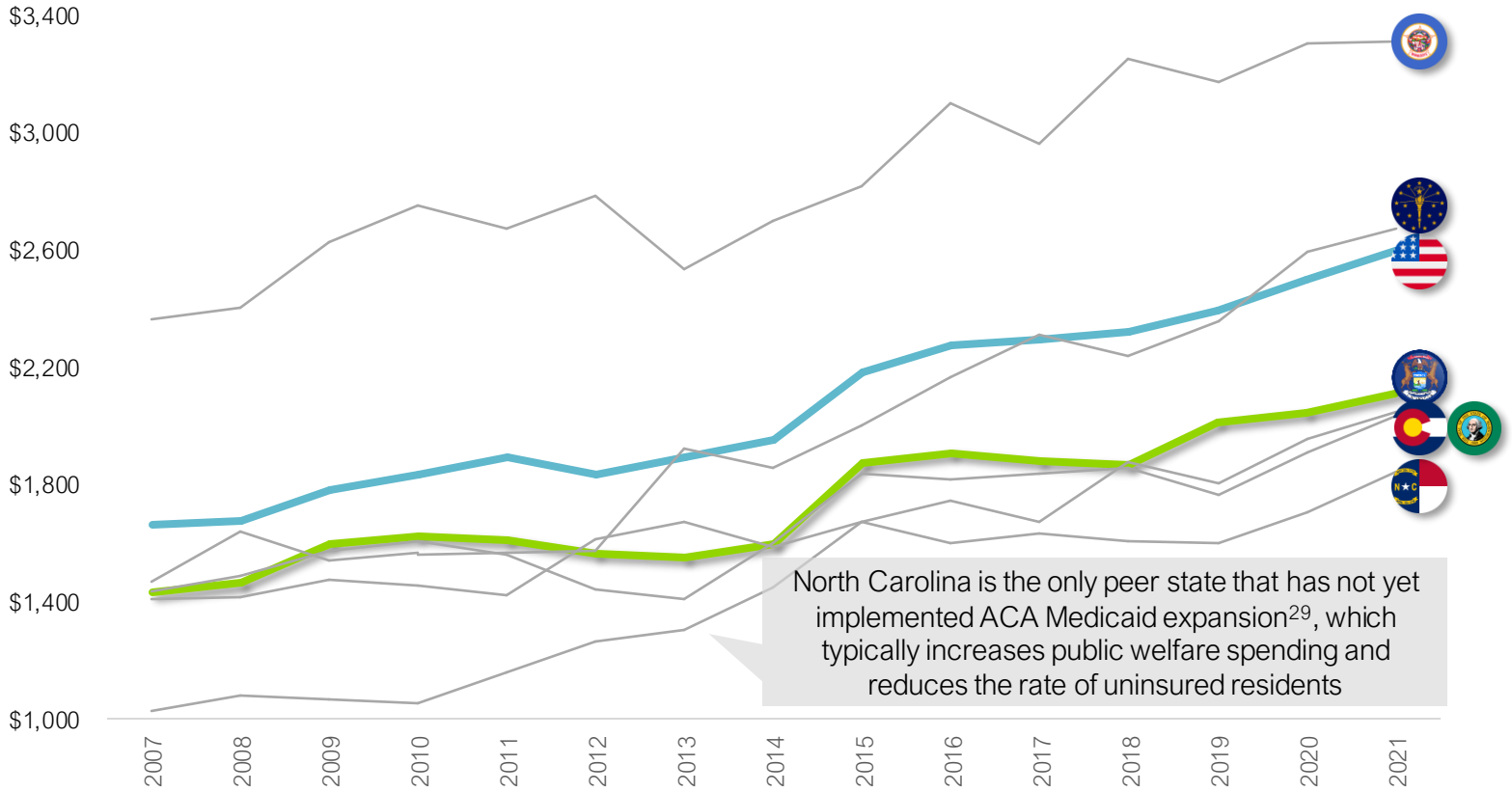
Michigan climbed 3 places in national per capita public welfare spending rankings from 2007-21

Ranking of States by Per Capita State and Local Public Welfare Expenditures, 2021[13]*

Rank 2007	Rank 2021	State	2021 Value (2021 dollars)
-	-	**United States**	$2,597
1	1	DC	$7,045
2	2	New York	$4,249
10	3	New Mexico	$3,953
5	4	Massachusetts	$3,885
20	5	California	$3,870
3	6	Alaska	$3,615
15	7	Kentucky	$3,536
40	8	Oregon	$3,373
8	9	Minnesota	$3,313
4	10	Vermont	$3,195
32	20	Indiana	$2,674
26	31	New Hampshire	$2,201
35	**32**	**Michigan**	**$2,106**
50	33	Colorado	$2,047
34	34	Washington	$2,035
37	40	North Carolina	$1,844
…	…	…	…
16	51	Connecticut	$1,062

Michigan's aging population will likely further increase public welfare spending, putting pressure on other expenditure categories

Michigan, Peer, and U.S. Per Capita State and Local Public Welfare Expenditures, 2007-21[13]

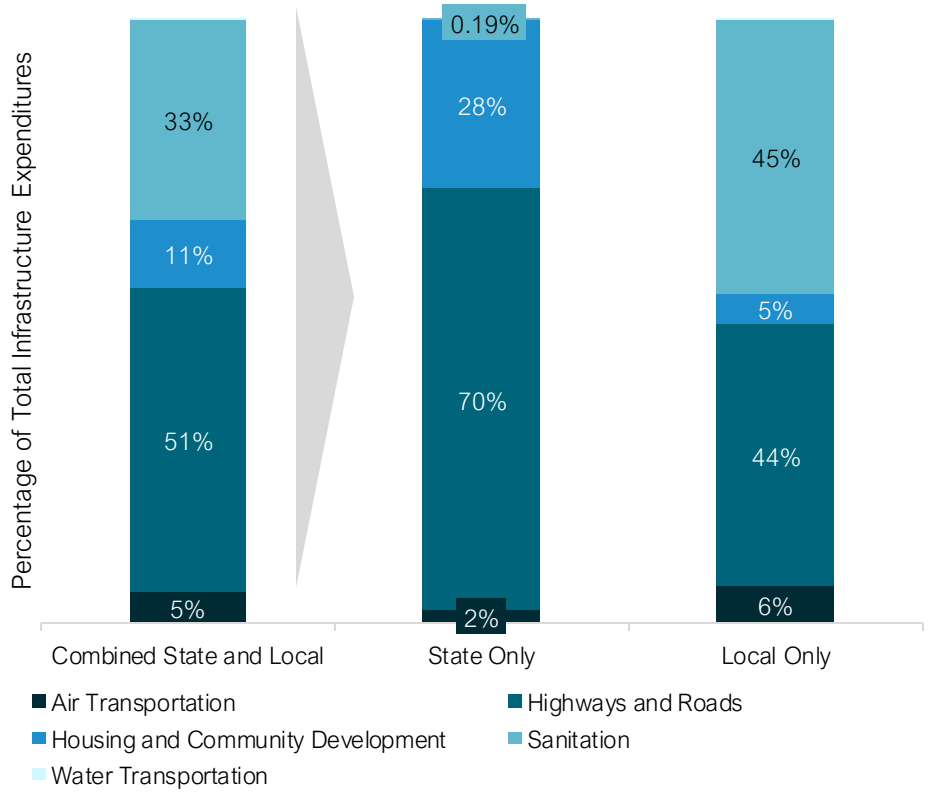


* The 'Public Welfare' category does not include any sub-categories. Therefore, the report does not include a profile of public welfare expenditures.

When adjusted for inflation, Michigan's state and local infrastructure spending increased by $1.5B from 2007 to 2015

Infrastructure spending in Michigan is shared by state and local governments

Michigan Infrastructure Expenditures by Category and Geography, 2021[13]



Growth in infrastructure expenditures was largely driven by increased local road and sanitation spending

Changes in Infrastructure Expenditures by Category and Geography, 2007-21[13]

	Expenditure Category	Expenditures (2021 Dollars) (2007)	(2021)	Spending Change (2007-21)
State	**Air Transport**	$0.1 B	$0.1 B	$0.0 B (7.5%) ▲
	Highways and Roads	$2.1 B	$2.2 B	$0.1 B (5.7%) ▲
	Housing & Community Development	$0.7 B	$0.9 B	$0.2 B (33.1%) ▲
	Sanitation	$0.0 B	$0.0 B	$0.0 B (48.5%) ▼
	Water Transport	-	-	-
	Total State	**$2.8 B**	**$3.1 B**	**$0.3 B (12.0%)** ▲
Local	**Air Transport**	$0.6 B	$0.5 B	$0.1 B (20.9%) ▼
	Highways and Roads	$2.9 B	$3.7 B	$0.8 B (26.9%) ▲
	Housing & Community Development	$0.6 B	$0.4 B	$0.2 B (31.9%) ▼
	Sanitation	$3.1 B	$3.8 B	$0.7 B (22.0%) ▲
	Water Transport	$0.0 B	$0.0 B	$0.0 B (90.8%) ▼
	Total Local	**$7.3 B**	**$8.4 B**	**$1.1 B (15.6%)** ▲
	Total State and Local	**$10.1 B**	**$11.6 B**	**$1.5 B (14.6%)** ▲

Spending increases are supported by temporary funding sources – without sustainable revenue, Michigan is poised to drop in the rankings

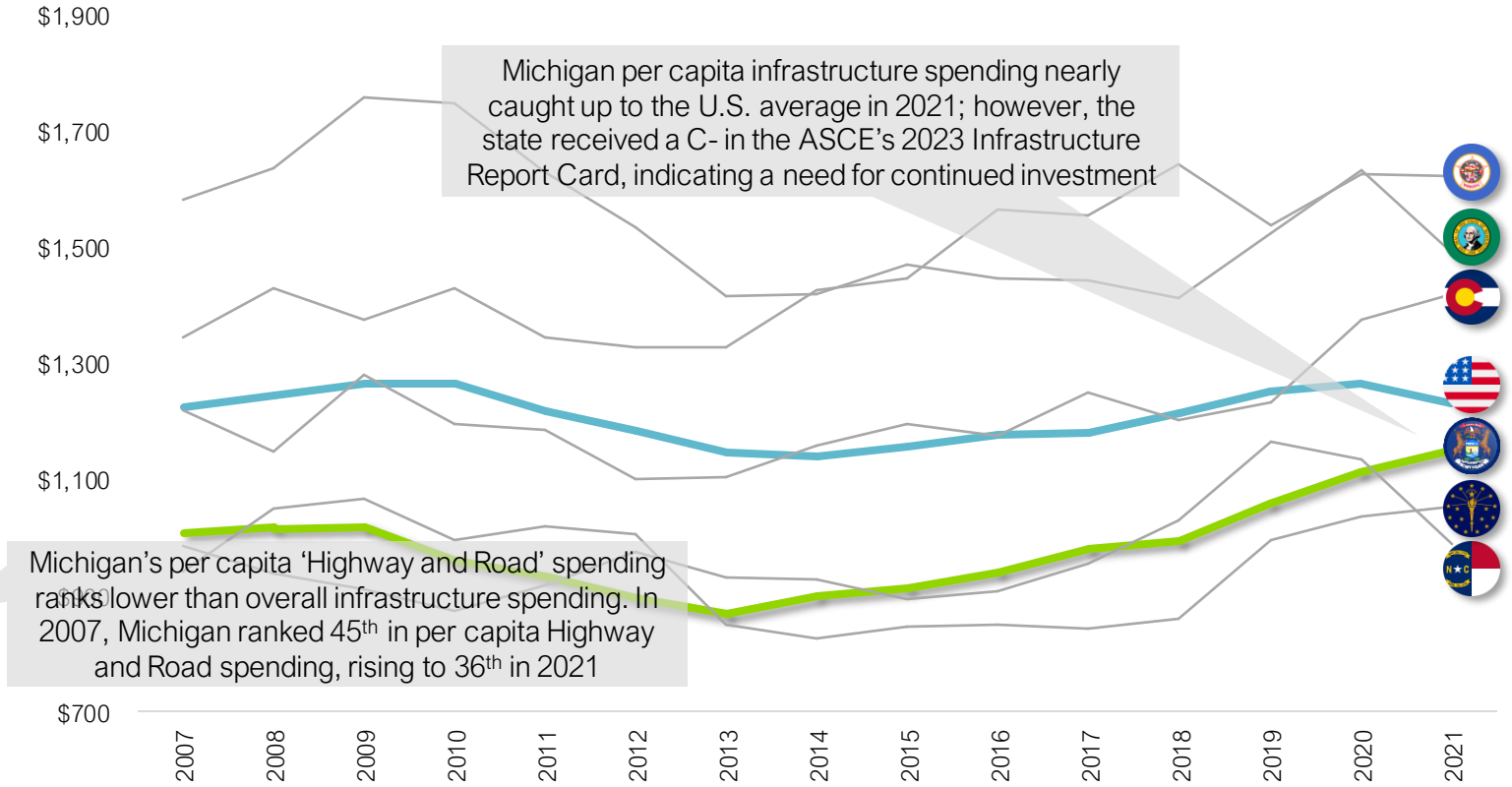
Michigan climbed nearly 15 rankings in per capita infrastructure spending from 2007-21

Ranking of States by Per Capita State and Local Infrastructure Expenditures, 2021[13]

Rank 2007	Rank 2021	State	2021 Value (2021 dollars)
-	-	**United States**	**$1,232**
1	1	Alaska	$3,216
2	2	DC	$2,816
6	3	North Dakota	$2,335
9	4	Hawaii	$2,071
4	5	Wyoming	$1,886
5	6	South Dakota	$1,800
11	7	Vermont	$1,783
14	8	Minnesota	$1,622
8	9	New York	$1,602
30	10	Iowa	$1,536
7	11	Washington	$1,490
25	13	Colorado	$1,421
32	28	Rhode Island	$1,161
43	**29**	**Michigan**	**$1,152**
30	30	Wisconsin	$1,125
47	37	Indiana	$1,053
46	42	North Carolina	$989
…	…		
33	51	Arizona	$775

Temporary funding has bolstered infrastructure spending in Michigan; upon the expiration of these sources, MI will need to identify sustainable funding to meet future infrastructure needs*

Michigan, Peer, and U.S. Per Capita State and Local Infrastructure Expenditures, 2007-21[13]



*Since 2021, Michigan has committed $437.6M of COVID-19 federal pandemic relief aid provided through the American Rescue Plan Act to water, sewer, and broadband infrastructure projects throughout the state. Additional temporary funding includes $3.5B in Rebuilding Michigan bonds, whichwill be spent over the next several years.

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Peer State Benchmarking Key Takeaways

Socioeconomic

- Socioeconomic data for Michigan indicate employment and housing challenges are greater in Michigan than in growing peer states, and overall prosperity as measured by median income is over $6,000 lower than the U.S. average.
- Labor force participation in Michigan is notably lower than the national average and peers and especially low among individuals without a college education. Further, employment growth is higher in all growing peer states compared to Michigan.

Infrastructure

- Relative to growing peer states, infrastructure outcomes indicate areas of opportunity for Michigan. Though Michigan's overal score on ASCE's Infrastructure Report Card Road has improved in recent years, bridge conditions, electricity rates, and electric reliability outcomes still rank lower than peer states, despite Michigan's recent temporary investments in infrastructure.
- While Michigan has abundant natural resources that present significant competitive advantages for placemaking and quality of life, Michigan's per capita spending on natural resources is the lowest among growing peers, and per capita parks and recreation spending is lower than 4 of 5 peers.

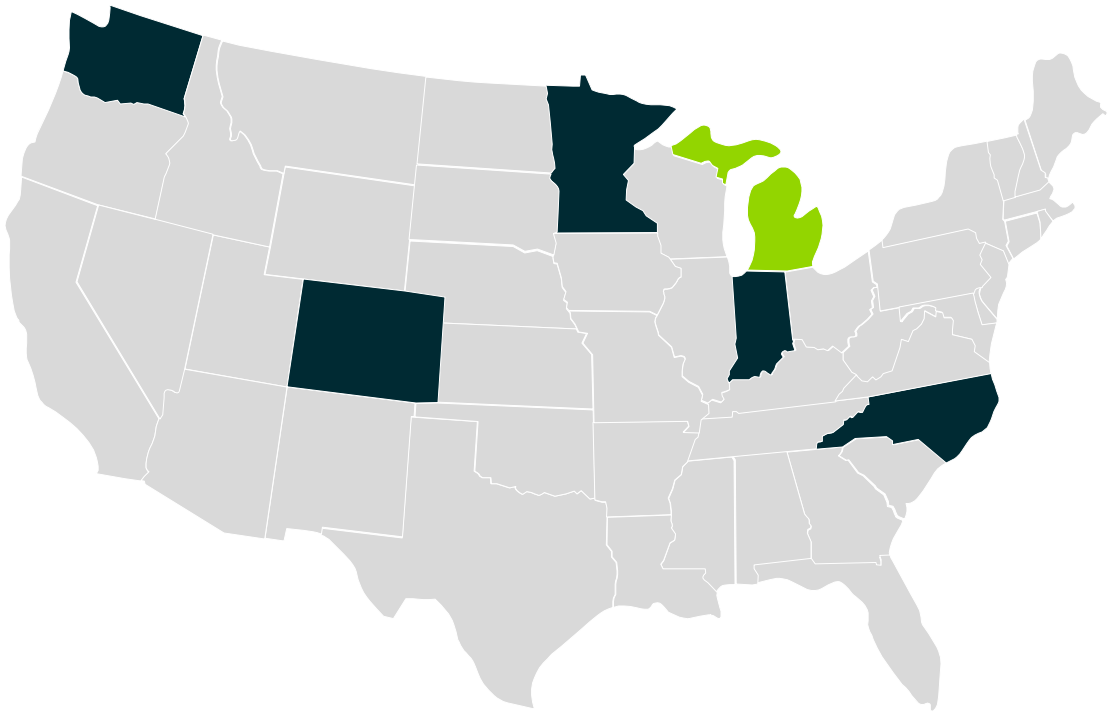
Education

- Michigan is performing more poorly than growing benchmarked states and the national average, particularly on measures of educational attainment, reading proficiency, and STEM training. Two high-performing peers spend less on education per capita than Michigan.
- Racial minorities in Michigan fare more poorly than their counterparts in growing peer states, specifically with respect to Grade 4 reading proficiency and educational attainment.

Health Care

- Michigan's health outcomes, including obesity prevalence, infant mortality, and intentional injuries, are generally worse compared to peer states experiencing population and economic growth. Similar to education findings, some growing peers spend less on health care per capita than Michigan.
- As with educational performance, Black and Hispanic individuals in Michigan show higher intentional injury and infant mortality rates compared to these minorities in growing benchmarked states.

Analysis of fiscal trends and outcomes across 5 high-growth peer states offers valuable insight for Michigan's population growth strategy



Peer State Selection

- Key variables used to select peer states included those indicative of growth and broad economic performance, including 5-year trends in population, employment, household earnings, and state GDP.
- Variables also included socioeconomic factors that drive behaviors, including educational attainment, and indicate similarity to Michigan.

Socioeconomic

- Rent burden, median income, and labor force participation are notably lower in Michigan compared to most growing peer states.
- Excluding the slowest-growing peer (Indiana), all peer states have a higher median income or faster median income growth compared to Michigan.

Infrastructure

- Several infrastructure outcomes in Michigan, including road and bridge condition, electric rates, and public transit use, are poorer than for growing peers and may impact economic growth.
- Like with education and health care, per capita infrastructure spending across growing peer states varies in relation to outcomes.

Education

- Educational attainment correlates with population growth for selected peer states. Specifically, Bachelor's and STEM degree attainment are higher in 4 of 5 growing peer states compared to Michigan.
- Outcomes across growing peer states suggest Michigan's racial and ethnic minorities fare more poorly.

Health Care

- Key health metrics, including obesity prevalence, infant mortality, and intentional injuries are worse for Michigan overall and especially minorities as compared to growing benchmarked states.
- As with education, health and hospital spending across growing peer states does not appear to exclusively drive improved outcomes.

Four of the five peer states have higher levels of bachelor's or advanced degree attainment than Michigan

Education	US	MI	MI Rank (1-6)	CO	IN	MN	NC	WA
4-Year High School Graduation Rate (2020)	87%	82%	5/6	82%	**91%**	84%	88%	83%
Adults 25+ with Associate's Degree	9%	10%	4/6	8%	9%	**12%**	10%	10%
Adults 25+ with Bachelor's Degree or Higher	36%	32%	5/6	**46%**	30%	39%	36%	40%
K-12 Students per Certified Teacher	15.4	16.7	5/6	16.3	15.6	15.6	**14.9**	18.0
Grade 4 Reading Proficiency (2022)	32%	28%	6/6	**38%**	33%	32%	32%	34%
STEM Employment Rate*	6.6%	7.2%	3/6	9.2%	4.9%	7.2%	6.8%	**10.2%**
STEM Degrees per 1k Students (aged 18-24)	25.5	24.5	4/6	**29.9**	25.9	27.6	23.7	25.9

Health and Human Services	US	MI	MI Rank (1-6)	CO	IN	MN	NC	WA
Adult Uninsured Rate (19-64)	12%	7%	2/6	11%	10%	**6%**	15%	9%
Adult Obesity Prevalence	34%	34%	4/6	**25%**	36%	32%	36%	29%
Intentional Injuries Death Rate (per 100k population)	24.5	27.6	4/6	32.1	29.1	**19.8**	24.6	21.9
Infant Mortality Rate (deaths per 1k live births)	5.4	6.2	4/6	5.0	6.8	4.8	6.7	**4.4**
Child Foster Care Reentry Rate^	7.5%	**5.1%**	1/6	13.6%	6.1%	13.5%	8.3%	7.6%

*Percent of total STEM industry employment in the typical entry-level educational category
^Percent of children who reenter foster care within 12 moths of a prior episode
Outcomes are captured for 2021 unless otherwise noted by the variable name. MI Rank refers to MI's ranking 1-6 amongst the 5 selected peer states with "1" denoting the best performance

Most peer states have a higher median income or faster median income growth compared to Michigan

Infrastructure	US	MI	MI Rank (1-6)	CO	IN	MN	NC	WA
Roads in 'Acceptable' Condition (2020)	81%	79%	4/6	78%	82%	**91%**	90%	72%
Bridges in Poor Condition (% of Total Area)	5.1%	7.7%	6/6	4.9%	**3.3%**	4.1%	5.8%	6.4%
Households with Broadband Subscription	90%	90%	4/6	93%	89%	91%	89%	**94%**
Number of lead service lines (LSL)	9.2%	11.3%	4/6	6.7%	14.2%	9.8%	11.7%	**0.9%**
Electric Rate (all sectors, average cents/kWh)	11.1	12.9	6/6	10.9	10.4	11.1	9.3	**8.8**
Electric Reliability (SAIFI) All Events*	1.4	1.7	5/6	1.1	1.4	**1.0**	1.2	1.7
Outdoor Recreation Share of State GDP	1.9%	1.9%	4/6	2.7%	**3.1%**	2.4%	1.8%	1.8%
Use of Public Transit for Work Commute	**2.5%**	0.8%	4/6	1.3%	0.6%	1.4%	0.5%	2.1%

Socioeconomic	US	MI	MI Rank (1-6)	CO	IN	MN	NC	WA
Median Household Income	$69,717	$63,498	4/6	$82,254	$62,743	$77,720	$61,972	**$84,247**
Median Income Growth (2016-21)	21.0%	21.0%	4/6	25.2%	19.9%	18.5%	22.5%	**25.5%**
Labor Force Participation Rate	63%	61%	6/6	68%	63%	**68%**	62%	64%
Cost-Burdened Renters^	51%	50%	5/6	53%	**47%**	48%	49%	49%

*System Average Interruption Frequency Index refers to the number of non-momentary electric interruptions, per year, the average customer experienced
^Defined by HUD as spending more than 30% of household income on rent
Outcomes are captured for 2021 unless otherwise noted by the variable name. MI Rank refers to MI's ranking amongst the 5 selected peer states with "1" denoting the best performance

Indiana demonstrates stronger education and labor market performance compared to Michigan despite similar expenditures per capita

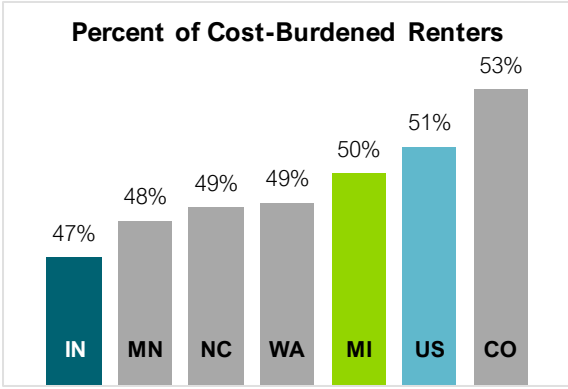
Growth Metrics (2021)	Indiana	Michigan
State Population	6,805,985	10,050,811
Population Growth (2016-2021)	2.6%	1.2%
Median Income Growth (2016-2021)	19.9%	21.0%
Non-Farm Employment Growth (2016-2021)	0.5%	-2.9%
Tax Collections as Percent of Personal Income	9.5%	8.8%
Education Expenditures per Capita	$2,971	$3,207
Health and Hospitals Expenditures per Capita	$1,108	$1,096
Infrastructure Expenditures per Capita	$1,053	$1,152

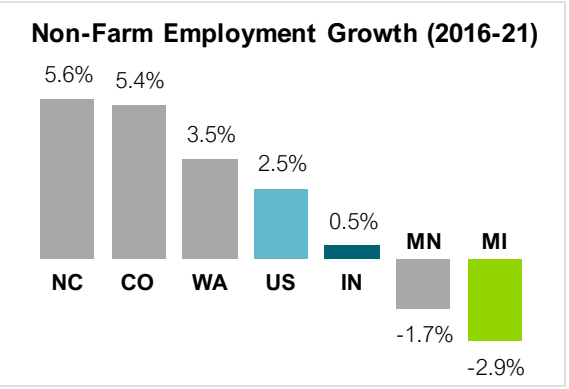
Key Findings

- **Socioeconomic**: Compared to Michigan and the national average, rent burden and labor force participation are better in Indiana. Non-farm employment growth is also stronger in Indiana (0.5%) compared to Michigan's decline (-2.9%).
- **Infrastructure**: Indiana's roads and bridges are in better condition compared to Michigan, and the electric rate across sectors is 2.5 c/kWh less than in Michigan.
  - Outdoor recreation is a larger share of GDP in Indiana than in any other peer state, potentially reflecting investment in natural resources and placemaking.
- **Education**: Indiana spends less per capita on education compared to Michigan, though its 4-year high school graduation rate is the highest among peers, and Grade 4 reading proficiency is 5% higher than Michigan.
- **Health Care**: With near equal health and hospital expenditures per capita compared to Michigan, Indiana ranks lower across several key health outcomes, including the adult uninsured rate, obesity prevalence, and intentional injuries death rate.

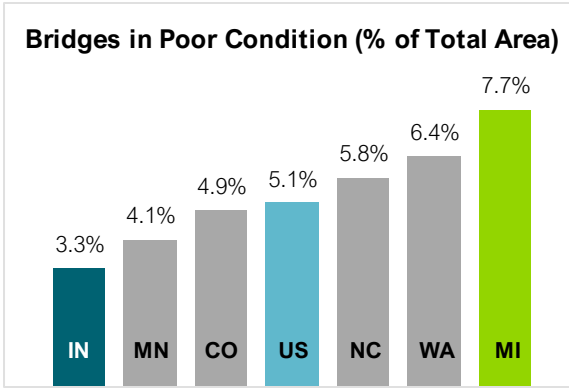
Supporting Data

Socioeconomic





Infrastructure



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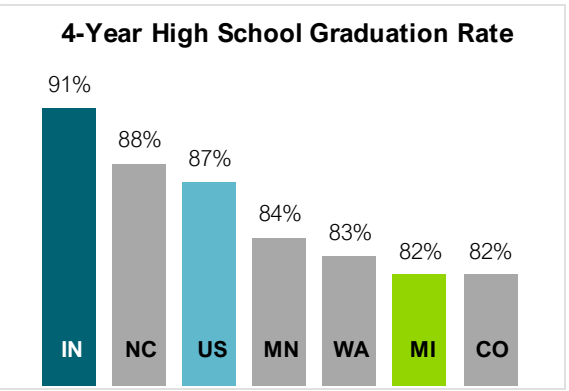


States are profiled in order of increasing population growth; median income growth is not adjusted for inflation
See Appendix for complete data tables and sources

Minnesota leads peer states in several socioeconomic, education, and infrastructure outcomes and spends more per capita than Michigan

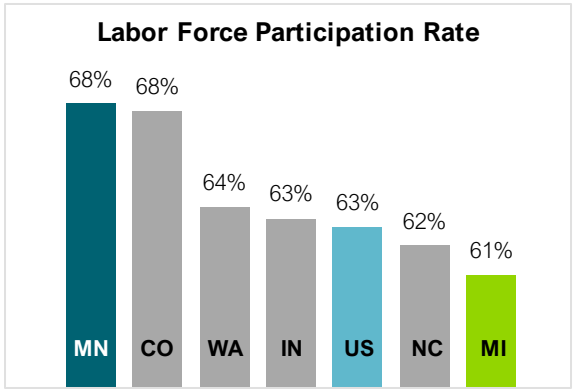
Growth Metrics (2021)	Minnesota	Michigan
State Population	5,707,390	10,050,811
Population Growth (2016-2021)	3.4%	1.2%
Median Income Growth (2016-2021)	18.5%	21.0%
Non-Farm Employment Growth (2016-2021)	-1.7%	-2.9%
Tax Collections as Percent of Personal Income	11.3%	8.8%
Education Expenditures per Capita	$3,682	$3,207
Health and Hospitals Expenditures per Capita	$718	$1,096
Infrastructure Expenditures per Capita	$1,622	$1,152

Key Findings

- **Socioeconomic**: Labor force participation in Minnesota is the highest among peers and 5.4% higher than the national average. Annual median income is also $8,000 greater than the national average and $14,000 greater than Michigan's.
- **Infrastructure**: Minnesota spends more per capita on infrastructure, and its roads are in better condition (90.7% acceptable) compared to Michigan's and the U.S. average (81% acceptable). Minnesota's electric reliability as measured by SAIFI is also the best relative to peers.
- **Education**: More adults aged 25+ in Minnesota have an Associate's or Bachelor's degree compared to Michigan. Minnesota's K-12 student-teacher ratio and rate of STEM degrees conferred are better than Michigan and the national average.
- **Health Care**: Minnesota spends nearly $400 less per capita on health than Michigan, and it has the lowest adult uninsured rate and the lowest intentional injuries death rate among peers. Minnesota's infant mortality rate and obesity prevalence are also lower than Michigan's and the national average.

Supporting Data

Socioeconomic



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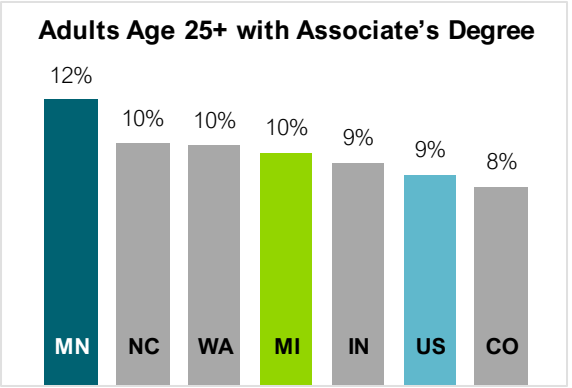
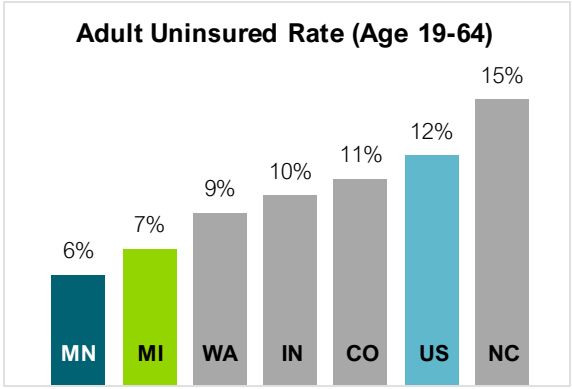
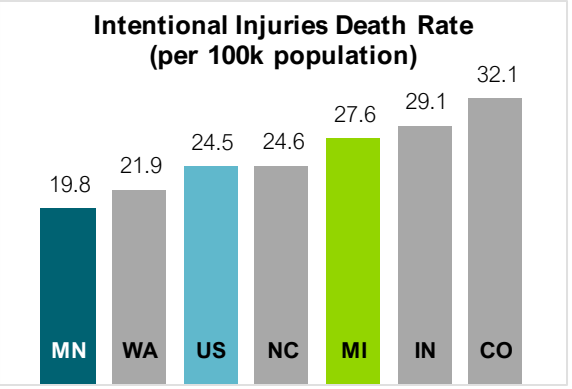


Health Care





States are profiled in order of increasing population growth; median income growth is not adjusted for inflation

See Appendix for complete data tables and sources

North Carolina has high educational attainment and strong employment and median income growth

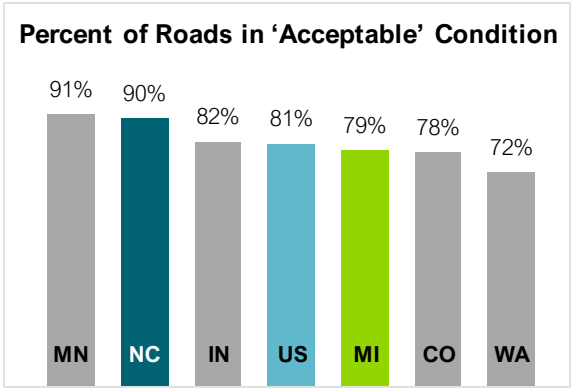
Growth Metrics (2021)	North Carolina	Michigan
State Population	10,551,162	10,050,811
Population Growth (2016-2021)	4.0%	1.2%
Median Income Growth (2016-2021)	22.5%	21.0%
Non-Farm Employment Growth (2016-2021)	5.6%	-2.9%
Tax Collections as Percent of Personal Income	8.7%	8.8%
Education Expenditures per Capita	$2,850	$3,207
Health and Hospitals Expenditures per Capita	$1,748	$1,096
Infrastructure Expenditures per Capita	$989	$1,152

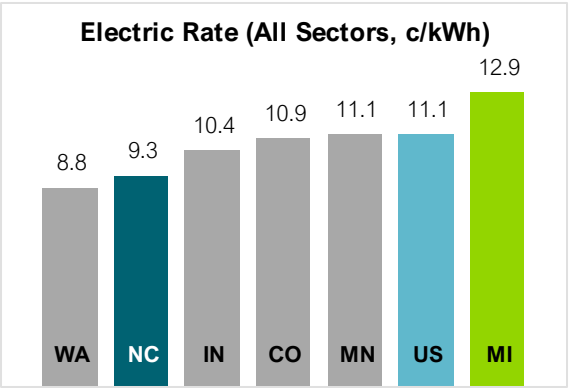
Key Findings

- **Socioeconomic**: Median income in North Carolina is lower than in Michigan and the U.S. overall, though median income growth in the state is 1.5% higher. The percentage of cost-burdened renters in the state is 2% lower than in Michigan.
- **Infrastructure**: North Carolina's roads and bridges are in better condition than Michigan's, and the state's electric rate (10.9 c/kWh) and electric reliability (1.1 outages per customer/year) are better than Michigan's and the U.S. average.
- **Education**: North Carolina spends less per capita on education compared to Michigan, though its K-12 student-teacher ratio is the lowest among peers. Bachelor's degree attainment is also higher in North Carolina compared to Michigan and the U.S. average.
- **Health Care**: North Carolina's health expenditures per capita are $650 higher than in Michigan, though its performance, including the uninsured rate, obesity rate, and infant mortality rate, lags behind Michigan and the U.S. average.

Supporting Data

Infrastructure





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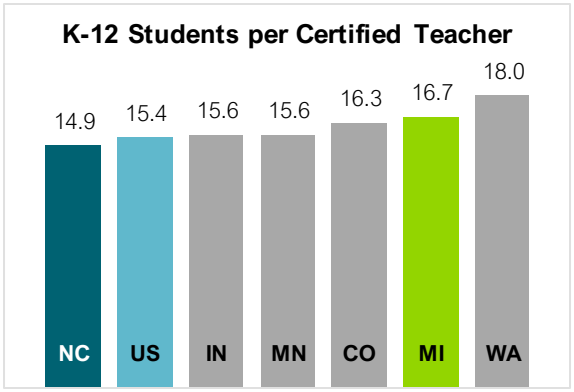
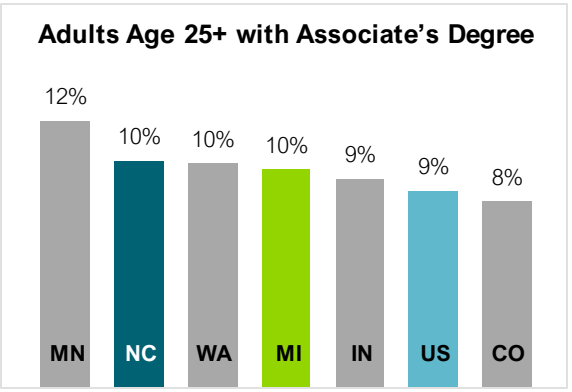




States are profiled in order of increasing population growth; median income growth is not adjusted for inflation
See Appendix for complete data tables and sources

With higher per capita education and infrastructure expenditures, Colorado demonstrates stronger education outcomes relative to peers

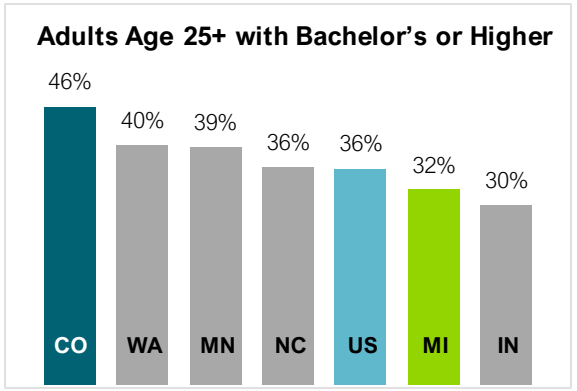
Growth Metrics (2021)	Colorado	Michigan
State Population	5,812,069	10,050,811
Population Growth (2016-2021)	4.9%	1.2%
Median Income Growth (2016-2021)	25.2%	21.0%
Non-Farm Employment Growth (2016-2021)	5.4%	-2.9%
Tax Collections as Percent of Personal Income	9.1%	8.8%
Education Expenditures per Capita	$3,463	$3,207
Health and Hospitals Expenditures per Capita	$880	$1,096
Infrastructure Expenditures per Capita	$1,421	$1,152

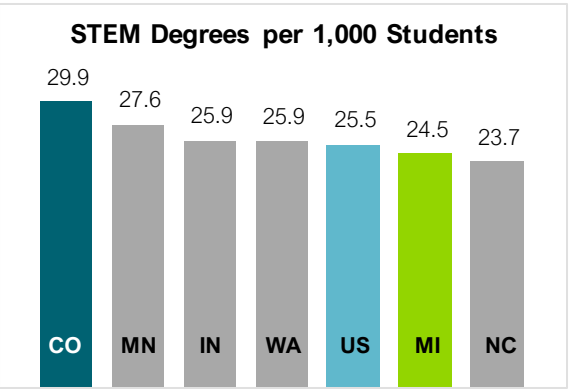
Key Findings

- **Socioeconomic**: Colorado has the second-highest annual median income across peers (~$18,700 greater than Michigan's) and the second-highest labor force participation rate overall (68.1% compared to 60.9% in Michigan).
- **Infrastructure**: Colorado's electric reliability (SAIFI) and electric rate across sectors are better than Michigan's. Colorado also spends about $240 more per capita on parks and recreation, and outdoor recreation accounts for nearly 1% more of the state's GDP than in Michigan.
- **Education**: Colorado leads performance for 3 of 7 educational outcomes assessed across peer states, including Bachelor's degree attainment, grade 4 reading proficiency, and STEM degrees conferred per 100,000 students.
- **Health Care**: Colorado's adult obesity prevalence is the lowest among peers and nearly 9% lower than Michigan's rate. Colorado's uninsured rate, intentional injuries death rate, and child foster care reentry rate are poorer than Michigan's.

Supporting Data

Education





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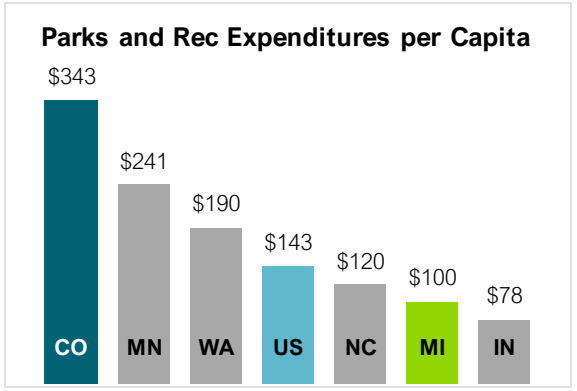
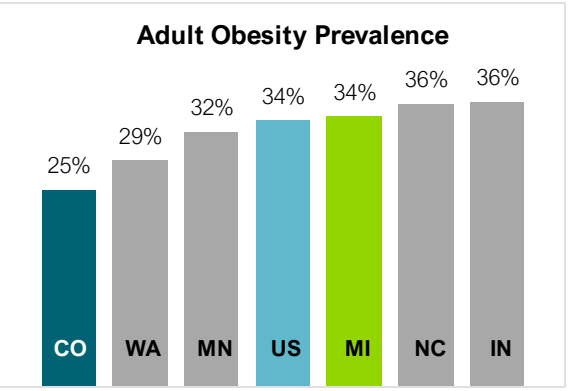


Health Care



States are profiled in order of increasing population growth; median income growth is not adjusted for inflation
See Appendix for complete data tables and sources

Washington spends more per capita across sectors and has high labor force participation, STEM employment, and prosperity

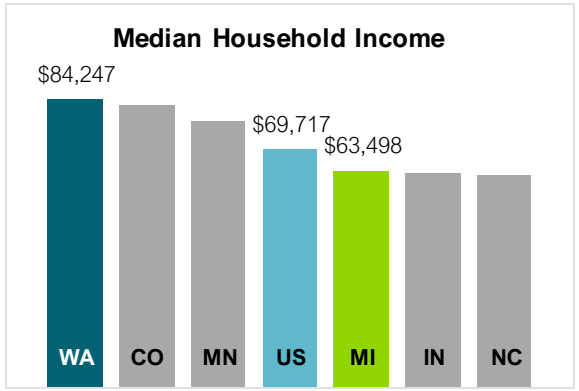
Growth Metrics (2021)	Washington	Michigan
State Population	7,738,692	10,050,811
Population Growth (2016-2021)	6.2%	1.2%
Median Income Growth (2016-2021)	25.5%	21.0%
Non-Farm Employment Growth (2016-2021)	3.5%	-2.9%
Tax Collections as Percent of Personal Income	9.0%	8.8%
Education Expenditures per Capita	$3,952	$3,207
Health and Hospitals Expenditures per Capita	$1,703	$1,096
Infrastructure Expenditures per Capita	$1,490	$1,152

Key Findings

- **Socioeconomic**: Washington has the highest annual median income among peers and 3% higher median income growth than Michigan. Labor force participation is 4.5% higher than Michigan and 1% higher than the U.S. average.
- **Infrastructure**: Washington leads peers across infrastructure outcomes (prevalence of lead service lines, broadband subscription rates, and electric rates) and spends 4 times more per capita on natural resources than Michigan.
- **Education**: Washington spends $745 more per capita on education than Michigan, though its 4-year high school graduate rate and K-12 student-teacher ratio are lower than the national average. Educational attainment (Associate's and Bachelor's degrees) and STEM employment are higher in Washington than in Michigan and the U.S. overall.
- **Health Care**: Washington spends more per capita on health than Michigan, and its adult obesity prevalence, intentional injury death rate, and infant mortality rate are lower than Michigan's and the U.S. average.

Supporting Data

Socioeconomic



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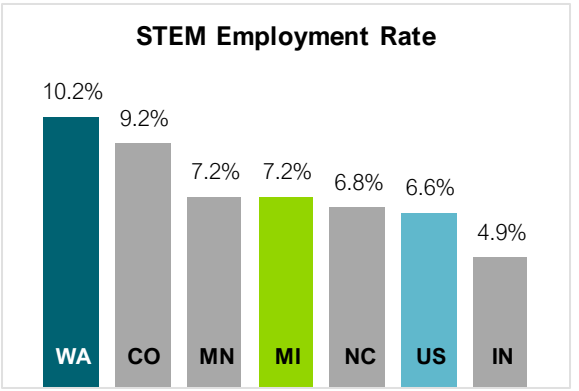
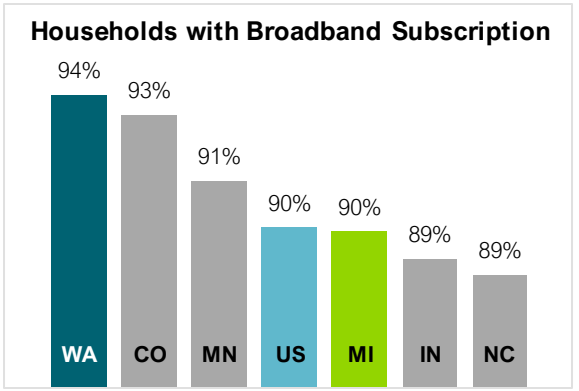
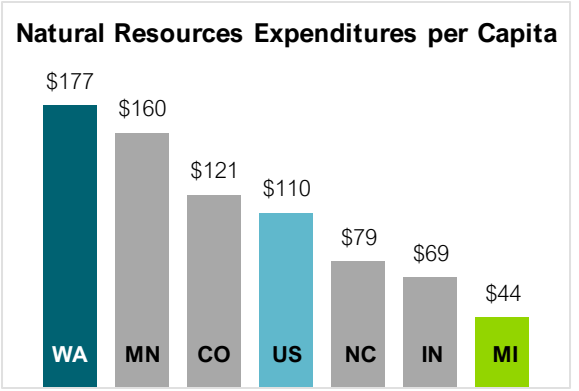


Infrastructure





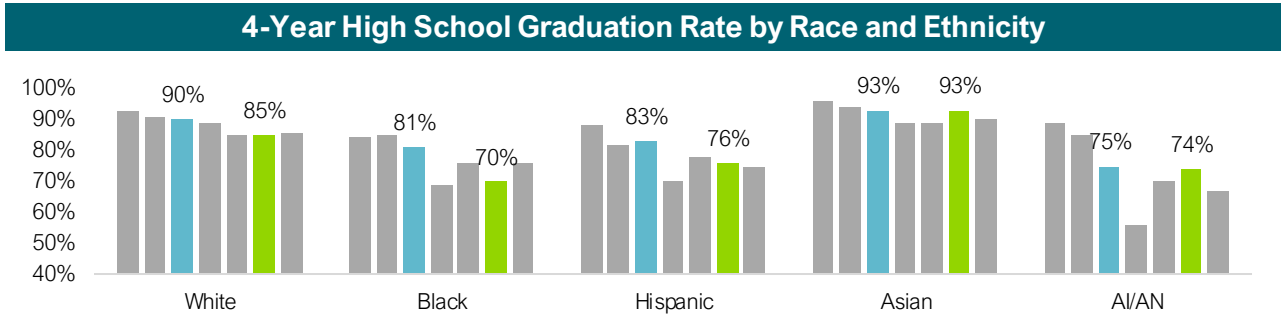
Confidential information for the sole benefit and use of the Growing Michigan Together Council
States are profiled in order of increasing population growth; median income growth is not adjusted for inflation
See Appendix for complete data tables and sources

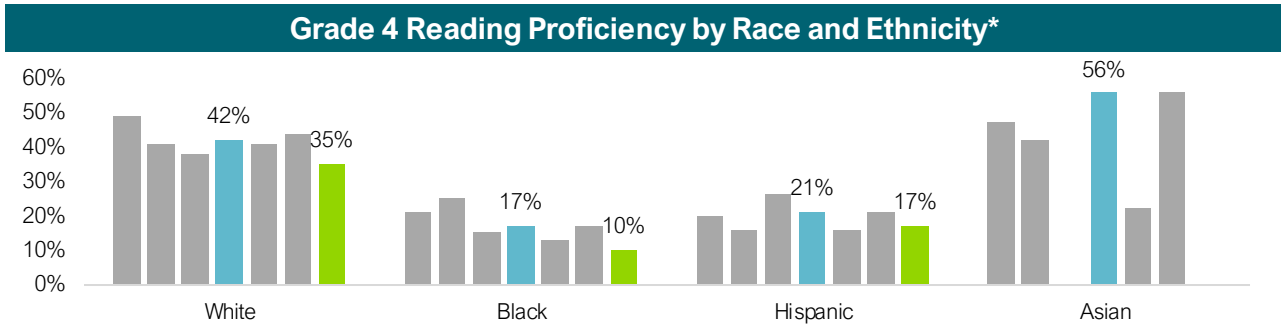
Demographic Analysis: Educational outcomes show consistent racial and ethnic disparities with Michigan's Black students faring more poorly

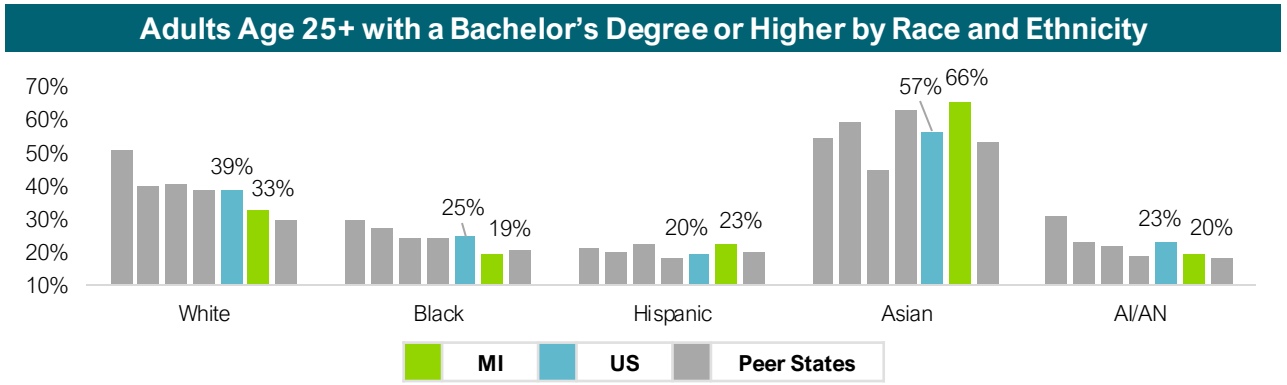
Education Outcomes Findings

- **High School Graduation Rate:** For 4 of 5 peer states and the U.S. overall, 4-year high school graduation rates are highest for the Asian population (89% to 93%), followed by White residents (85% to 91%).
  - For all groups except Asian people, Michigan's 4-year high school graduation rate is lower than the U.S. average.
  - Black students in Michigan have the lowest 4-year high school graduation rate while American Indian/Alaska Natives (AI/AN) have the lowest rate for the U.S. overall.
- **Grade 4 Reading:** For the U.S. overall, Grade 4 reading proficiency is highest for Asian (56%) and White students (42%) and lowest for Black students (17%).
  - Grade 4 reading proficiency for Black students in Michigan (10%) is lower than in any growing peer state and 25% lower than for White students in the state.
- **Bachelor's Degree Attainment:** The population with the largest proportion of adults aged 25+ across the U.S. with a Bachelor's degree or higher are Asian individuals (57%), while the population with the smallest proportion are Hispanic individuals (20%).
  - This trend holds true in Michigan. Further, fewer Black adults aged 25+ in Michigan hold a Bachelor's degree (19%) than Black adults in any growing peer state and the U.S. overall (25%).

*Data for the Asian population in some states was unavailable and excluded







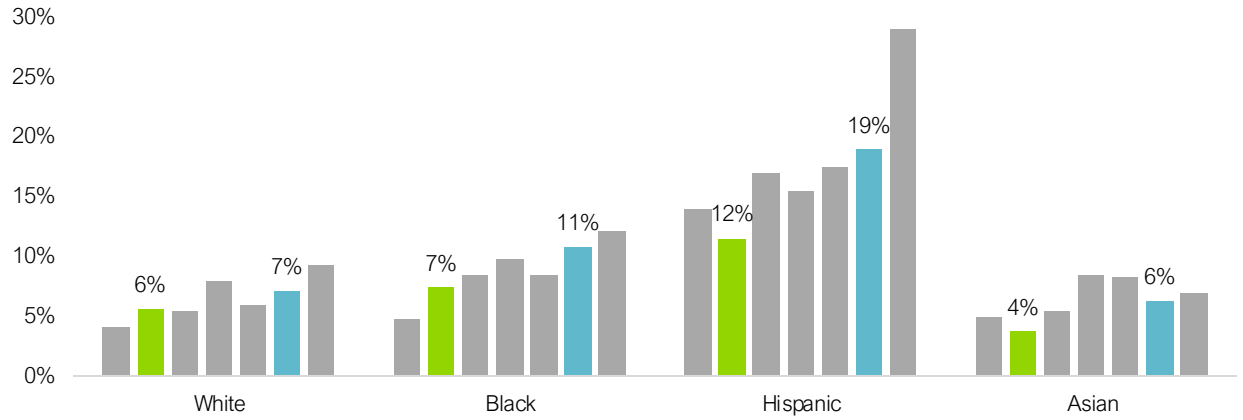
See Appendix for complete data tables and sources

Demographic Analysis: Health outcomes assessed in Michigan and growing peer states are generally poorer for racial and ethnic minorities

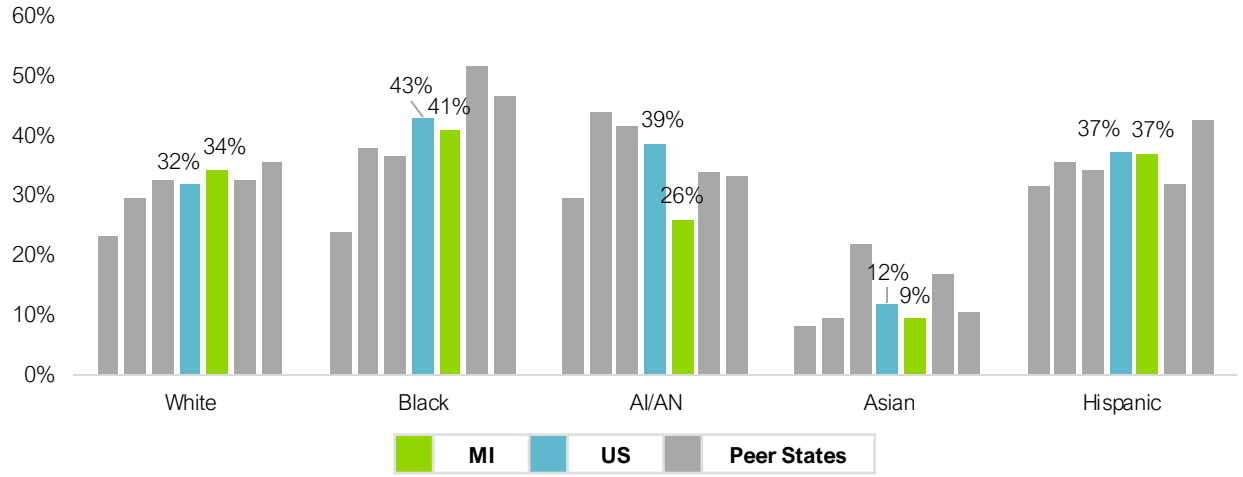
Health Outcomes Findings

- Across benchmarked peer states, 6% to 15% of adults lack health insurance, and 25% to 36% of adults are obese. These rates are higher for certain racial and ethnic minorities both nationally and within Michigan.
- **Uninsured Rate**: In all benchmarked states and for the U.S. overall, more Hispanic people under age 65 lack health insurance (19%) than non-Hispanic White, Black, or Asian individuals.
  - 12% of Hispanic people under aged 65 in Michigan remain uninsured compared to 4% of Asians and 6% of Whites.
  - In general, more racial and ethnic minority individuals in Michigan have insurance compared to these groups in growing peer states
- **Obesity Prevalence**: For most growing peer states and the U.S. overall, obesity prevalence is highest for Black individuals (24% to 52%) and lowest for Asian people (8% to 22%).
  - In Michigan, over one third of Black (41%), Hispanic (37%), and White (34%) individuals are obese, consistent with the national averages for these groups.
  - Obesity prevalence for American Indian/Alaska Native (AI/AN) people in Michigan is 26%, notably lower than growing peer states and the national average (39%).

Uninsured Rate (Age 0-64) by Race and Ethnicity



Adult Obesity Prevalence by Race and Ethnicity



See Appendix for complete data tables and sources

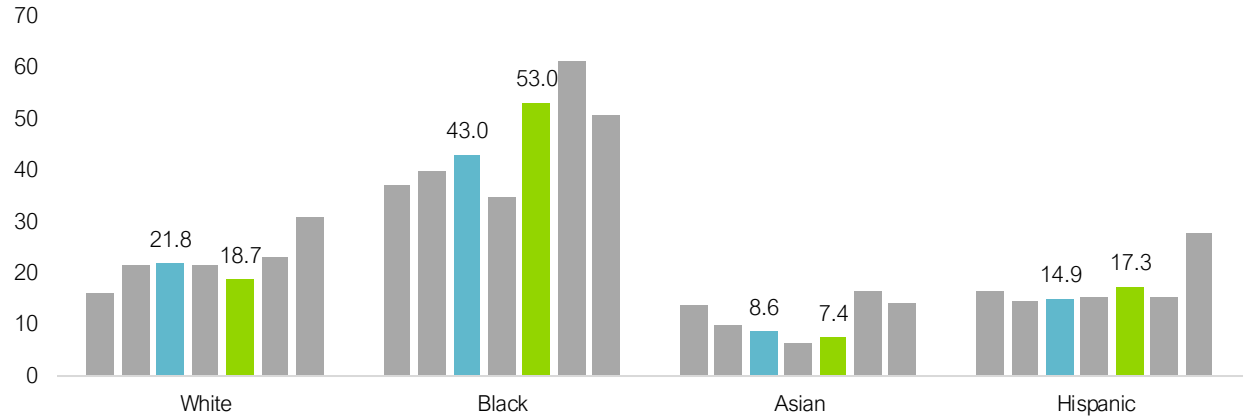
Demographic Analysis: Intentional injuries and infant mortality rates are higher for Black and Hispanic individuals in Michigan relative to peer states

Death Rate Findings

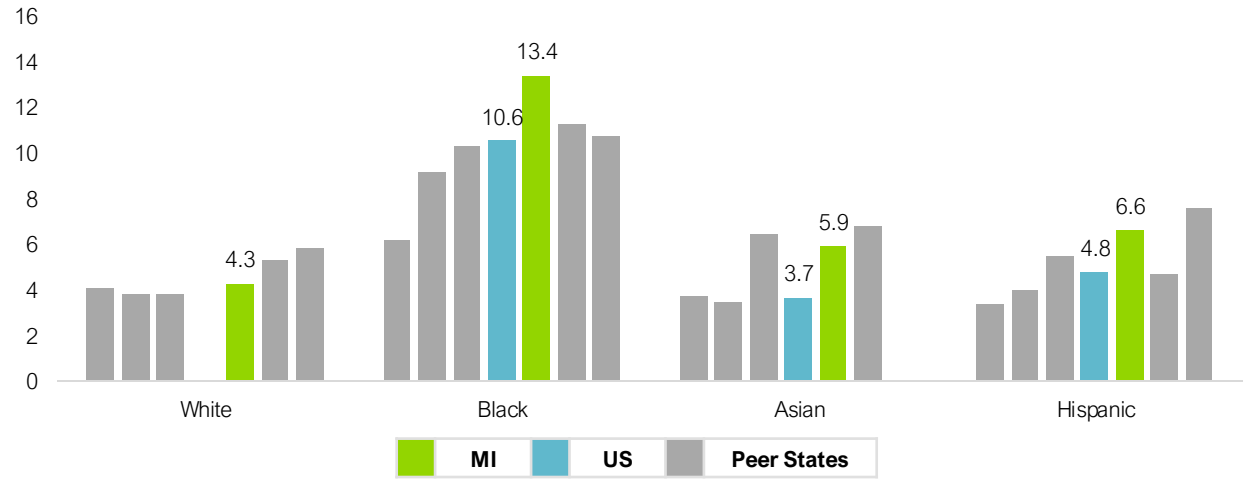
- **Intentional Injuries**: Across growing states and for the U.S. overall, the death rate from intentional injuries (homicides and suicides) is substantially higher for Black individuals than for White, Asian, and Hispanic people.
  - The intentional injuries death rate for Black people in Michigan (53 deaths per 100,000 population) is the second-highest among growing peer states and 10 deaths per 100,000 population higher than the U.S. average.
  - Michigan also has the second-highest intentional injuries death rate among Hispanic people (17.3 deaths per 1 compared to growing peer states).
- **Infant Mortality**: The infant mortality rate across peer states and the U.S. is highest for Black mothers compared to White, Asian, and Hispanic mothers.
  - Michigan's infant mortality rate for Black mothers is 13.4 deaths per 100,000 live births, the highest compared to Black mothers in other peer states and the U.S. average (10.6).
  - Similarly, Hispanic mothers in Michigan have a higher infant mortality rate (6.6) compared to 4 of 5 peer states and the U.S. average for Hispanic mothers (4.8).

*Infant mortality data for White mothers in some states and the US overall were unavailable and excluded

Intentional Injuries Death Rate (per 100,000 Population) by Race and Ethnicity



Infant Mortality Rate (per 100k Population) by Mother's Race and Ethnicity*

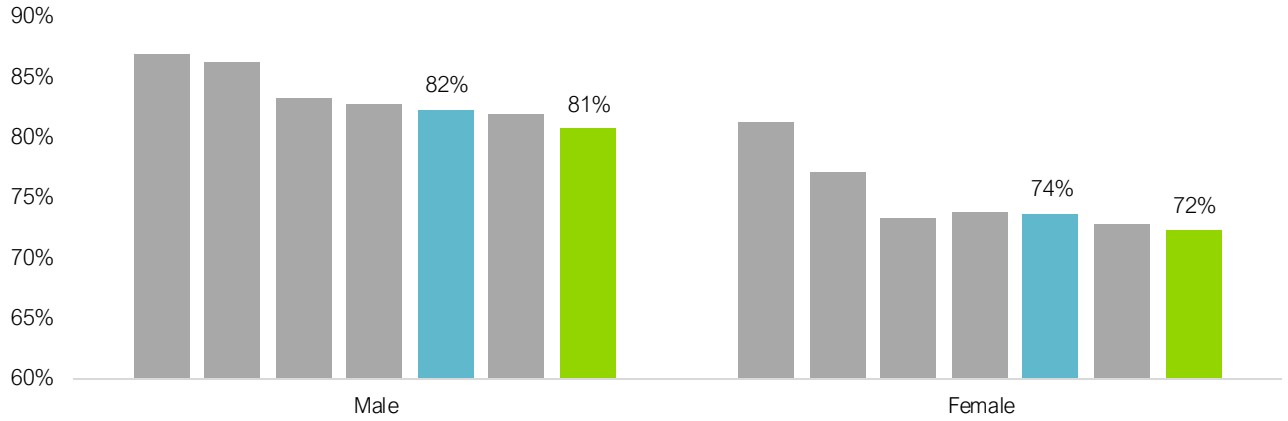


Demographic Analysis: Michigan's labor force participation rates for females and those with less education lag behind peer states

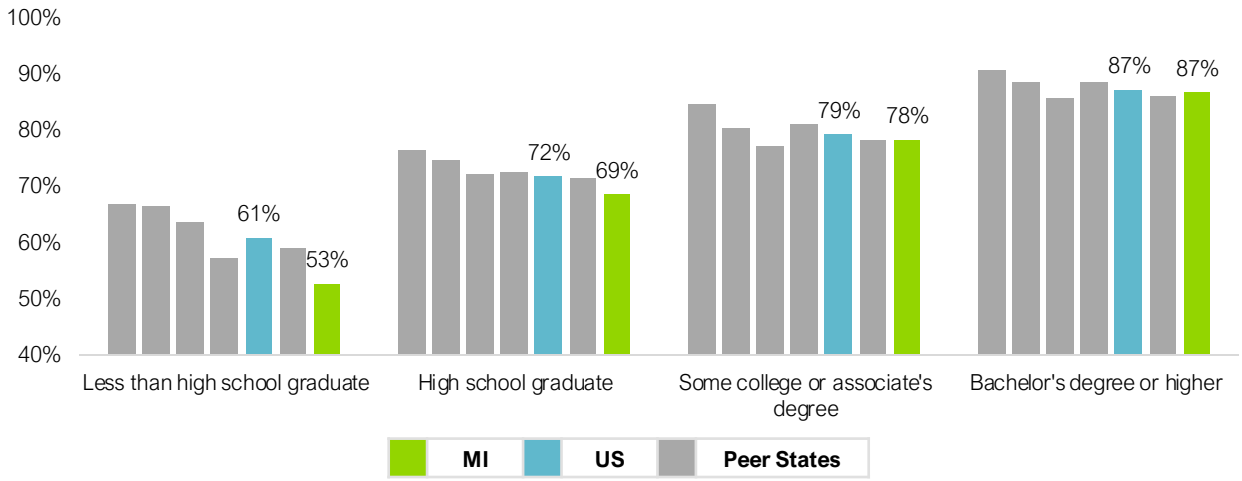
Labor Force Participation Findings

- Across benchmarked peer states, total state labor force participation ranges from 61% to 68%. Michigan's rate (61%) is the lowest among benchmarked high-growth peers.
- **Gender**: Across all peers, labor force participation is lower for females than for males. For the U.S. overall, average participation for females is 74%, which is 8% lower than for men.
  - Labor force participation for both females (72%) and males (81%) in Michigan is lower than the U.S. average rate and benchmarked peers' rates for these groups.
- **Educational Attainment**: Labor force participation increases with higher educational attainment across all peers and for the U.S. overall. Average U.S. labor force participation for those who did not graduate high school is 61% while the rate for those with a Bachelor's degree or higher is 87%.
  - For individuals without a college education, labor force participation is lower in Michigan than in any peer state and the U.S. overall.
  - Labor force participation rates those with some college or an Associate's degree (78%) are lower in Michigan than 3 of 5 growing peer states and the U.S. average for those populations.

Labor Force Participation by Gender



Labor Force Participation by Educational Attainment



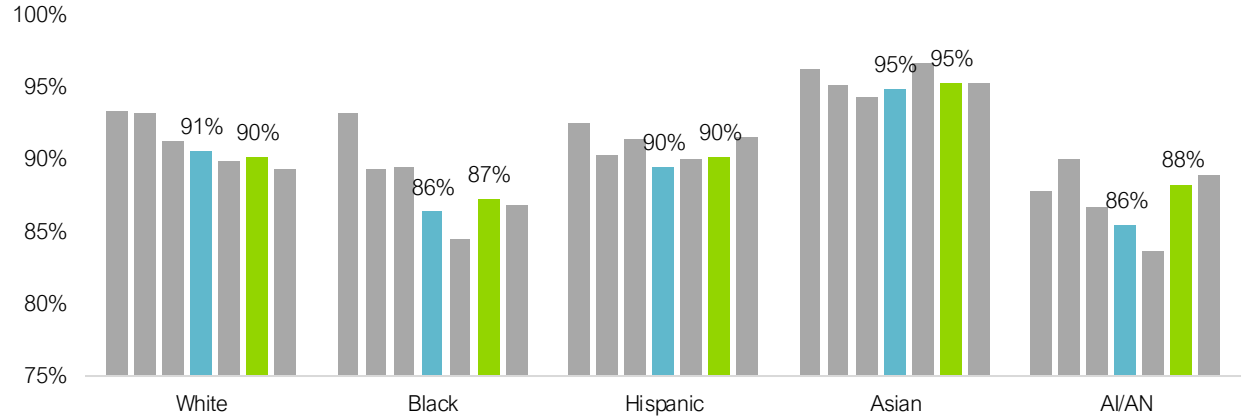
See Appendix for complete data tables and sources

Demographic Analysis: Broadband subscription rates vary by household race and ethnicity and correlate positively with median income

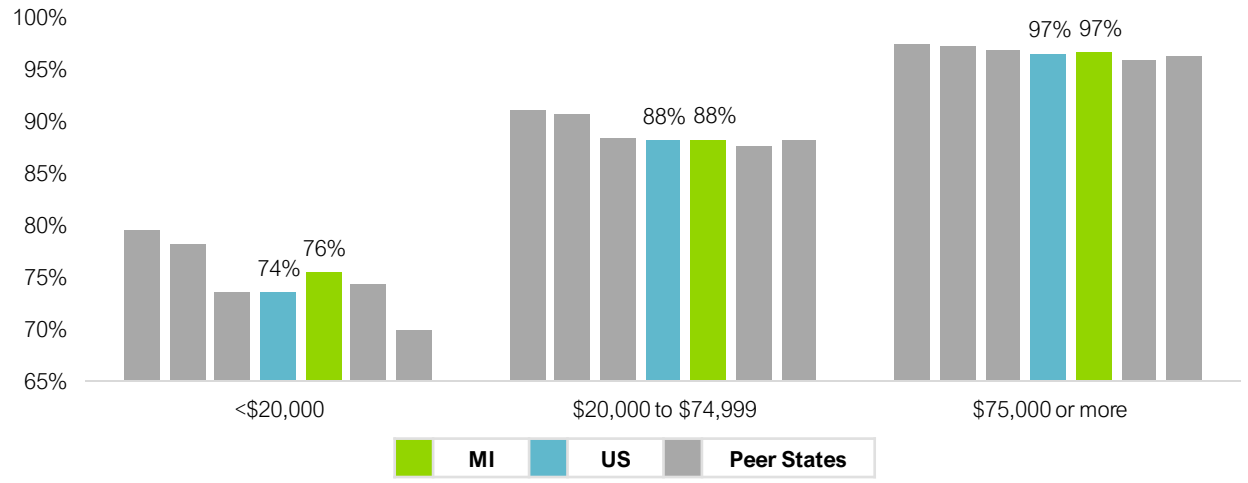
Broadband Subscription Rate Findings

- Average household broadband subscription rates for the U.S. overall and high-growth peer states range from 89% to 94%; however, the rate is notably lower for certain demographic groups.
- **Race and Ethnicity:** For all peer states and the U.S. overall, broadband subscription rates are highest (94% to 97%) for Asian households, followed by White households (89% to 93%).
  - American Indiana/Alaska Native (AI/AN) households have the lowest broadband subscription rates (84% to 90%) in all peer states.
  - For all groups except White households, Michigan's broadband subscription rates exceed the U.S. average.
- **Median Income:** Annual median income correlates positively with household broadband subscription rates in all peer states and the U.S. overall.
  - Michigan's broadband subscription rate for households with a median income of less than $20,000 is 2% higher than the U.S. average for the same income group.
  - Michigan's broadband subscription rates for households with income levels at or above $20,000 equal the U.S. average rates for those groups and are in line with growing peers.

Households with a Broadband Subscription by Race and Ethnicity



Households with a Broadband Subscription by Annual Median Income



See Appendix for complete data tables and sources

Table of Contents

Analysis of fiscal trends and outcomes within Michigan and peer states highlights five overarching conclusions

1

In the last 20 years, Michigan's rate of population growth has decoupled from the national rate

- Though Michigan will see modest population growth in the next 20 years, it is unlikely to close the structural 20-year growth gap.
- It will not sufficiently rebalance the working age population (particularly Michiganders aged 20-34, whose numbers will fall in absolute terms).

2

Michigan's slow population growth will stress Michigan's state and local government revenues, particularly taxes

- Slow growth will directly impact individual income tax revenue (which represented 9% of total revenue and 17% of own-source general revenue in 2021).
- Michigan's diminished workforce and reduced consumer base will indirectly impact corporate income tax revenue (1% of total revenue and 2% of own-source general revenue) and general sales taxes (8% of total revenue and 15% of own-source general revenue in 2021).

3

Projected population trends will also stress Michigan's state and local government expenditures

- Slow growth and population aging may drive up state expenditures on Medicaid and other public welfare (18% of total expenditures and 22% of direct general expenditures in 2021) as well as health and hospital expenditures (9% of total expenditures and 11% of direct general expenditures in 2021).

4

Redressing population stagnation in Michigan will require the State to focus on talent attraction and strategic investment tonurture growth

- The state must attract and retain the working age population, specifically residents aged 20-34.
- Individual income taxes must funnel into areas of need to meet the demands of a working-age population, including those related to infrastructure, education, and recreational amenities to improve quality of place.

5

Support and empowerment of local governments will be required

- Population remediation efforts may place a burden on local government budgets, and additional State support for local governments may be needed to offset.
- Local governments may also require greater autonomy to deploy new and innovative funding tools to sustain and enhance services, for example, road user charging, municipal bonds, and public-private partnerships (P3s).

Building on these conclusions, Michigan can take the following next steps to further analyze and address population growth challenges

	Fiscal Analysis and Demographic Findings	Recommended Next Steps
Talent	• Michigan's education spending has fallen with educational outcomes since 2007; continued low educational attainment will further hinder growth of the knowledge economy and high-wage jobs in the state. • Michigan's low labor force participation, median income, and educational attainment suggest the workforce does not sufficiently possess the skills needed by industries driving growth. • Fewer females and minorities in Michigan are in the labor force relative to their counterparts in growing states, suggesting stronger barriers to participation in Michigan for some populations.	1) **Close Education Funding Gaps**: Monitor the impact of increased education spending (included in Michigan's FY24 bipartisan education budget) on outcomes, and conduct additional analysis to identify outstanding funding gaps. 2) **Address Barriers to Labor Force Participation**: Considering Michigan's disproportionately low labor force participation rate, identify strategies growing states have used to address key barriers to participation, including childcare, elder care, and transportation. 3) **Identify Industries Driving Growth**: Identify the industries driving economic growth in peer states and those expected to drive growth in Michigan. Align workforce development supports, including education and skills programs, with the needs of these industries.
Prosperity	• Minorities in Michigan show disproportionately poor health and education outcomes relative to their counterparts in growing states. • Michigan can leverage abundant natural resources to support population, health, and education goals; however, natural resource and parks investment per capita is low relative to growing peers.	4) **Understand Drivers of Inequity**: Further analyze drivers of Michigan's disproportionately high inequity across some education and health outcomes and identify strategies in peer states that Michigan can implement to reduce inequities. 5) **Create a Statewide Placemaking Strategy**: Develop and implement a strategy to attract young workers and drive in-migration, including key elements of placemaking (affordable housing, accessibility, and quality schools). 6) **Support Natural Resources**: Review investment strategies for natural resources, parks, and recreation in the state, and ensure investment strategies maximize Michigan's competitive advantages to drive population and prosperity goals.
Economic Development	• While infrastructure spending has increased in Michigan in recent years due to temporary funding sources, the state continues to receive low ratings, and infrastructure gaps remain. • Michigan has a diverse economy sustained by greater foreign investment than the national average[30] and several tradable sectors. • New business formation in Michigan increased only 13% from 2020 to 2021 compared to 21.5% for the U.S. overall and over 20% growth for all five selected peer states.[31]	7) **Bolster Infrastructure Investments:** Explore alternative funding sources (e.g., public private partnerships) to help complete critical infrastructure projects that will extend beyond the lifespan of temporary infrastructure investments and help meet the needs of residents and businesses. 8) **Orient Workers towards Jobs of the Future:** Align incentives for continued foreign investment, entrepreneurship, and employment pathways for residents with the needs of high-skill, high-wage industries expected to drive economic and population growth.

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Revenue Groupings | Taxes

Combined Revenue Categories	Data Point	Description
Property Taxes	**(R06) Property Tax (T01)**	Taxes imposed on ownership of property and measured by its value
Income Taxes	**(R26) Total Income Taxes**	Includes individual income tax and taxes on corporate net income
General Sales Tax	**(R09) Total Gen Sales Tax (T09)**	Taxes applicable to sales of all types of goods and services (w/ exceptions)
Select Sales Taxes	**(R11) Alcoholic Beverage Tax (T10)**	Taxes on sale of alcoholic beverages
	(R12) Amusement Tax (T11)	Taxes on admission tickets, admission charges, or amusement gross receipts
	(R13) Insurance Premium Tax (T12)	Taxes imposed distinctively on insurance companies
	(R14) Motor Fuels Tax (T13)	Taxes on any fuels used in motor vehicles or aircraft
	(R15) Parimutuels Tax (T14)	Taxes measured by amounts wagered or bet, including “breakage”
	(R16) Public Utility Tax (T15)	Taxes imposed distinctively on public utilities as a direct tax or % of gross receipts
	(R17) Tobacco Tax (T16)	Taxes on tobacco products and synthetic cigars and cigarettes
	(R18) Other Select Sales Tax (T19)	Taxes on commodities, businesses, or services not covered separately above

Combined Revenue Categories	Data Point	Description
License Taxes	**(R20) Alcoholic Beverage Lic (T20)**	Licenses for manufacturing, importing, wholesaling, and retailing of alcoholic beverages
	(R21) Corporation License (T22)	Franchise license taxes; organization, filing and entrance fees; taxes on property measured by amount of corporate stock, debt, or other basis besides assessed value of property; and other licenses applicable to all corporations (excluding exceptions)
	(R22) Motor Vehicle & Operators Licenses	Combined category for use of public highways and motor vehicle operation
	(R25) Other License Taxes	Licenses not listed separately above
Other Taxes	**(R29) Death and Gift Tax (T50)**	Taxes imposed on the transfer of property at death, in contemplation of death, or as a gift
	(R30) Taxes NEC	Taxes not listed separately or provided for in categories above

Revenue Groupings | Charges

Combined Revenue Categories	Data Point	Description
Miscellaneous General Revenue	**(R57) Misc General Revenue**	All other general revenue sources not listed
Health & Hospitals Charges	**(R45) Chg-Hospitals (A36)**	Charges from patients, private insurance companies, and public insurance programs (e.g., Medicare) of public hospitals and of institutions for care and treatment of handicapped; and receipts of hospital canteens, cafeterias, gift shops, etc.
Education Charges	**(R39) Chg-Total Education**	All charges related to education, (e.g., gross receipts from sale of milk & school lunches)
Other Charges	**(R50) Chg-Total Nat Res**	All charges related to use of Natural Resources (e.g., soil removal)
	(R51) Chg-Parking (A60)	Revenue from on-street and off-street parking meters and charges and rentals from government-owned parking lots or public garages
	(R56) Chg-All Other NEC	All other charges not otherwise listed (e.g., miscellaneous commercial activities)

Combined Revenue Categories	Data Point	Description
Infrastructure Charges	**(R38) Chg-Air Transportation (A01)**	Charges for use of airport facilities or for services associated with their use
	(R46) Chg-Highways	All charges for both regular and toll highways (i.e., fees for street cuts, snow plowing, tunnel tolls)
	(R49) Chg-Housing & Comm Dev (A50)	Gross rentals, tenant charges, and other revenue from operation of public housing projects; and fees for housing mortgage insurance
	(R53) Chg-Sewerage (A80)	Charges for sewage collection and disposal, including sewer connection fees
	(R54) Chg-Solid Waste Mgmt (A81)	Fees for garbage collection and disposal; operation of landfills; sale of recyclable materials; cleanup of hazardous wastes; and sale of by-products of waste resource recovery or cogeneration facilities
	(R55) Chg-Water Transport (A87)	Canal tolls, leases, concession rents, and other charges for use of water transport and port facilities / services
Public Recreation Charges	**(R52) Chg-Parks & Recreation (A61)**	Gross revenue of facilities operated by a government, auxiliary facilities in public recreation areas lease or use fees, and rentals from concessions

Expenditure Groupings

Combined Expenditure Categories	Data Point	Description
Education	(E027) Elem Educ-Direct Exp	Expenditures on current operations, capital outlay for K-12 education
	(E030) Total High Ed-Dir Exp	Expenditures on current operations, capital outlay for higher ed
	(E035) Total Other Education	Expenditures on all other education not classified under K-12 / Higher Ed
Public Welfare	(E090) Public Welf-Direct Exp	Cash Assistance, vendor Payments, joint-federal programs (e.g., Medicaid)
Infrastructure	(E020) Air Trans-Direct Expend	Provision, operation, construction, and support of airport facilities; includes regulation of airline industry
	(E065) Total Highways-Dir Exp	Maintenance, operation, repair, and construction of highways, streets, roads, alleys, sidewalks, bridges, tunnels, toll / non-toll structures, etc.
	(E074) Hous & Com-Direct Exp	Construction, operation, and support of housing and redevelopment projects and other activities
	(E096) Sanitation-Dir Exp	Collection, removal, and disposal of solid wastes and the cleaning of streets, alleys, and sidewalks
	(E103) Water Trans-Direct Exp	Provision, construction, operation, maintenance, regulation, and support of public waterways, harbors, docks, wharves, and related marine facilities

Combined Expenditure Categories	Data Point	Description
Health & Hospitals	(E055) Health-Direct Expend	Provision of services for the conservation and improvement of public health, other than hospital care, and financial support of other governments' health programs.
	(E058) Total Hospital-Dir Exp	Expenditures related to a government's own hospitals as well as expenditures for the provision of care in other hospitals (public or private).
Public Safety	(E019) Police & Fire Protection-Dir Exp	Expenditures for functions of police and fire departments
	(E021) Total Correct-Dir Exp	Expenditures for functions of correctional facilities
Public Recreation	(E077) Libraries-Direct Exp	Establishment / provision of public libraries and technical / financial support of privately-operated libraries.
	(E084) Parks & Rec-Direct Exp	Provision and support of recreational and cultural-scientific facilities maintained for the benefit of residents and visitors.

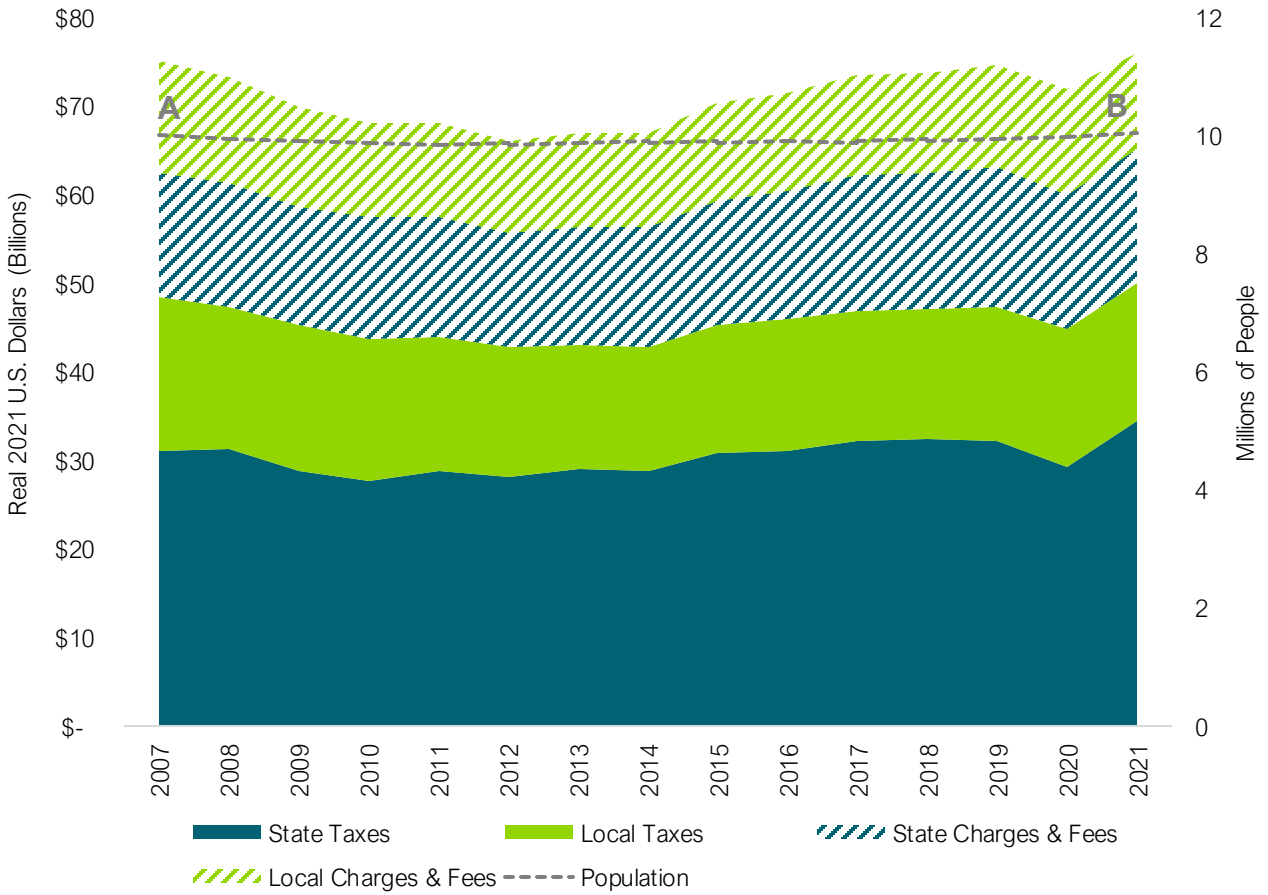
Expenditure Groupings | Continued

Combined Expenditure Categories	Data Point	Description
Other	**(E040) Emp Sec Adm-Direct Exp**	Administration of unemployment compensation system, public employment offices / related services
	(E041) Fin Admin & Gen Control-Direct Exp	Officials and central staff agencies concerned with tax assessment and collection, accounting, auditing, budgeting, purchasing, custody of funds, and other finance activities
	(E049) Gen Pub Bldg-Total Exp	Construction, equipping, maintenance, and operation of public buildings not related to specific functions or agencies
	(E080) Total Nat Res-Dir Exp	Expenditures related to water resources, mineral resources, agriculture, and the regulation of industries which develop, utilize, or affect natural resources, as well as the regulation of agricultural products and establishments
	(E083) Parking-Direct Expend	Provision, construction, maintenance, and operation of commercially-operated public parking facilities
	(E104) Interest on Gen Debt (I89)	Amounts paid for use of borrowed monies, except those on utility debt, paid by all funds of the government
	(E105) General NEC-Direct Exp	All other direct expenditures not otherwise listed

In the past 15 years, state taxes and charges have accommodated for slight declines in local taxes as a portion of Michigan's general revenue

Michigan's population fluctuations over the past 15 years generally align with upward and downward revenue trends

Michigan Total State and Local General Revenues (Own Sources), 2007 – 2021[13]

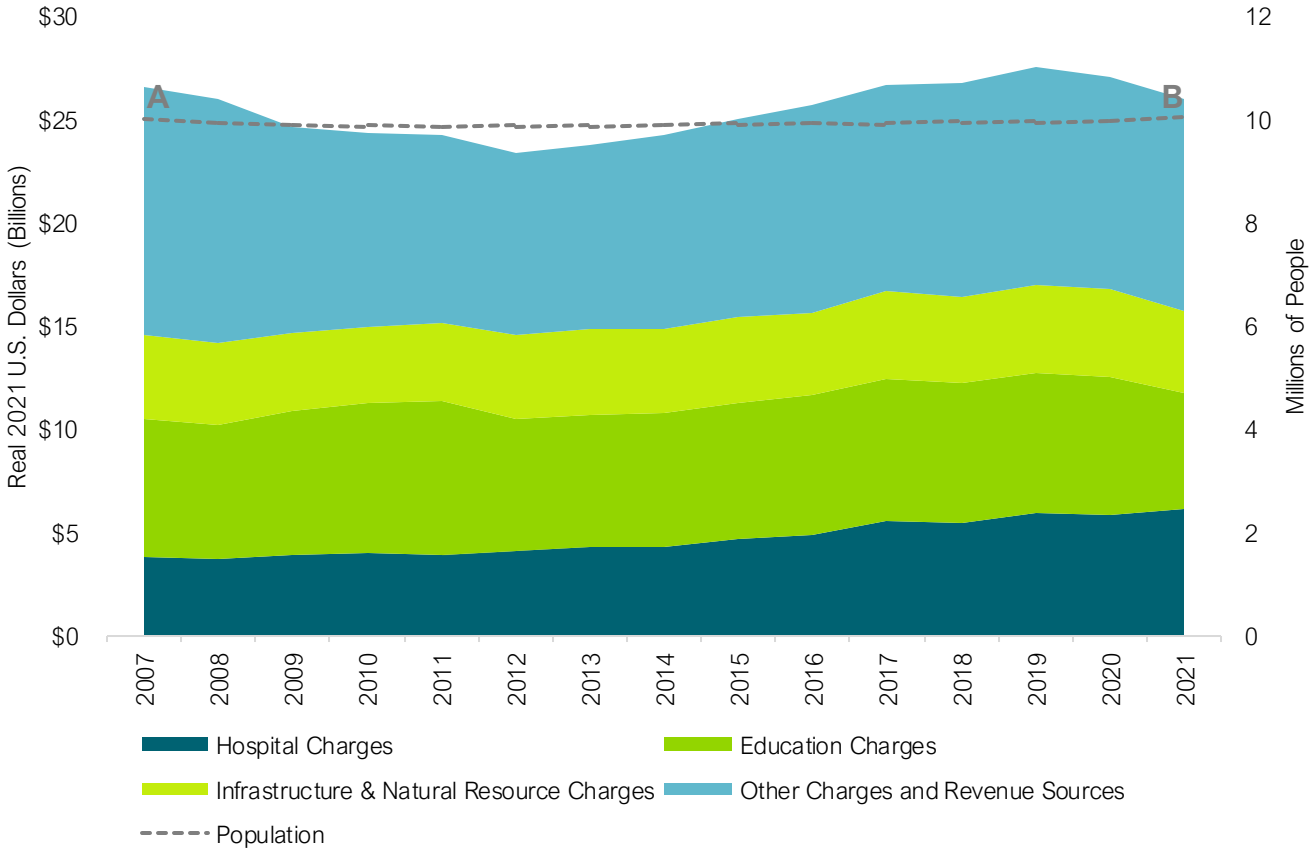


- **State taxes have increased slightly as a portion of Michigan's own-source revenues:** The portion of Michigan's total own-source general revenues (taxes and charges) from state taxes has grown slightly from 41.5% of total own-source general revenues in 2007 to 45.3% in 2021.
- **Michigan's local tax collections have decreased slightly:** In 2007, local taxes accounted for 23.1% of total own-source general revenues, though this decreased to 20.5% in 2021.
- **Charges follow a similar trend:** State charges accounted for 18.6% of Michigan's own-source revenue in 2007, and this portion increased to 20% in 2021. In contrast, own-source revenue from local charges decreased from 16.8% to 14.4% in the same period.
  - Note, charges include tuition and other fees, hospital charges, highway tolls, parking fees, parks and recreation fees, and others from public services and commercial activities.

Michigan's charge and miscellaneous revenues declined in the past 15 years, putting pressure on state and local budgets

State and local charge revenues in Michigan declined in the last 15 years, with the 'Education Charges' category experiencing the most significant drop

Michigan Total State and Local Charges by Source, 2007-21[13]



- **State and local revenues in Michigan from charges and miscellaneous sources experienced decline from 2007-21 when adjusted for inflation:** Total state and local revenue in Michigan from charges and miscellaneous revenue sources declined from $26.6B in 2007 to $26.0 B in 2021 (2% decline), whereas total state and local charges and miscellaneous revenues in the United States grew by 12% in the same period. The most significant driver of decline in Michigan was a $1.9B drop (56%) in interest revenues (classified as "Other Charges and Revenue Sources").
- **Revenue from education charges dropped in both Michigan and the U.S. as a whole:** Education charge revenues declined by $1B (15%) in Michigan from 2007 to 2021, reflecting a downward trend in total U.S. state and local education charge revenues, which saw a 7% drop in the same period.
- **Hospital charge revenues grew significantly in Michigan, tracking a broad U.S. trend:** Hospital charge revenues in Michigan grew by $2.3B (62%) from 2007 to 2021, similar to the national growth rate of 66%.

Peer State Benchmarking Approach

Our approach to benchmarking against peer states was to select states that are comparable to Michigan and represent Michigan's growth goals based on target selection criteria. Through continued research, we aimed to collect and analyze data on five states to inform our fiscal analysis.

STEP 1

Define Target Selection Criteria

- Review relevant literature and Michigan budget data to select demographic and expenditure indicators associated with economic growth
- Research target selection criteria across a broad range of states, including neighboring states, states with similar population and expenditures, and states recommended by leadership

STEP 2

Assess and Select States for Benchmarking

- Identify states comparable to Michigan across demographic and expenditure indicators and those otherwise deemed informative to the analysis
- Prioritize metrics with the strongest association with population and economic growth

STEP 3

Conduct Benchmarking Across Selected States

- Across states identified, collect and analyze data on expenditures and revenue sources most relevant to Michigan's growth strategy
- Aggregate key takeaways from peer states and discern best practices for Michigan's policy considerations

Peer State Selection Criteria Summary

Variables used to select states include socioeconomic factors that drive population-level behaviors and indicate similarity to Michigan. In addition, prioritized variables include those indicative of broader economic performance, including trends in employment, household earnings, population, and state GDP.

Demographics

Relevant socioeconomic characteristics used to understand behaviors and forecast economic patterns

- State Population
- Educational Attainment (Age 25+)
- Non-Farm Employment (Seasonally-Adjusted)
- Median Income

State Fiscal Indicators

Metrics that indicate the financial health and fiscal policies of state governments

- State GDP
- Total State Expenditures per Capita
- Total State Revenue per Capita

5-Year Growth Trends

Factors that indicate macroeconomic performance, stability, and business investment

- Population Growth
- GDP Growth
- Employment Growth
- Median Income Growth

The four states below were considered for benchmarking but ultimately deprioritized due to lower population, median income, or GDP growth trends

	Michigan	Illinois	Ohio	Massachusetts	Utah
					
Population[16]*	**2021** | 10,050,8111 **5-Year Growth** | 1.2%	**2021** | 12,671,469 **5-Year Growth** | -1.0%	**2021** | 11,780,017 **5-Year Growth** | 1.4%	**2021** | 6,984,723 **5-Year Growth** | 2.5%	**2021** | 3,337,975 **5-Year Growth** | 9.4%
Median Income[16]*	**2021** | $63,498 **5-Year Growth** | 21.0%	**2021** | $72,205 **5-Year Growth** | 18.4%	**2021** | $62,262 **5-Year Growth** | 19.0%	**2021** | $89,645 **5-Year Growth** | 19.1%	**2021** | $79,449 **5-Year Growth** | 20.4%
Real GDP ($ Millions)[17]*^	**2021** | $473,333 **5-Year Growth** | 4.6%	**2021** | $774,588 **5-Year Growth** | 3.4%	**2021** | $615,416 **5-Year Growth** | 5.4%	**2021** | $530,505 **5-Year Growth** | 11.6%	**2021** | $182,881 **5-Year Growth** | 23.6%
Bachelor's Degree or Higher (Adults Age 25+)[16]	32%	38%	32%	47%	38%
Non-Farm Employment Growth[18]*	-2.9%	-3.4%	-2.0%	-1.4%	13.0%
Selection Criteria	*Comparator state*	• Neighboring state with high median income and educational attainment • Deprioritized due to negative population growth trend and lower income growth than Michigan	• Neighboring state with comparable total state expenditures per capita • Deprioritized due to low growth trends (population and median income)	• High GDP growth and similar total state expenditures compared to Michigan • Deprioritized due to lower five-year population growth and median income growth	• High population growth and competitive advantages compared to Michigan (e.g., outdoor recreation) • Deprioritized due to slightly stronger trends for Washington

* Population, median income, GDP, and employment growth figures are calculated for the years 2016-2021. Median income growth is not adjusted for inflation
^ Overall U.S. GDP growth for the same period was 9.9%

Peer State Outcomes Data: Demographic

Metric	Source	US	CO	IN	MI	MN	NC	WA
State Population (2021)	U.S. Census Bureau American Community Survey, 2021	331,893,745	5,812,069	6,805,985	10,050,811	5,707,390	10,551,162	7,738,692
State Population (2016)	U.S. Census Bureau American Community Survey, 2016	323,127,515	5,540,545	6,633,053	9,928,300	5,519,952	10,146,788	7,288,000
Population Change (2016-2021)	U.S. Census Bureau American Community Survey	2.7%	4.9%	2.6%	1.2%	3.4%	4.0%	6.2%
Median Income (2021)	U.S. Census Bureau American Community Survey, 2021	$69,717	$82,254	$62,743	$63,498	$77,720	$61,972	$84,247
Median Income (2016)	U.S. Census Bureau American Community Survey, 2016	$57,617	$65,685	$52,314	$52,492	$65,599	$50,584	$67,106
Median Income Growth (2017-2021)	U.S. Census Bureau American Community Survey	21.0%	25.2%	19.9%	21.0%	18.5%	22.5%	25.5%
Non-Farm Employment (2021)	Bureau of Labor Statistics State and Area Employment	148,951,000	2,744,000	3,088,500	4,193,500	2,841,900	4,585,700	3,356,500
Non-Farm Employment (2016)	Bureau of Labor Statistics State and Area Employment	145,303,000	2,602,400	3,073,800	4,319,100	2,892,300	4,341,000	3,241,900
Non-Farm Employment Growth (2016-2021)	Bureau of Labor Statistics State and Area Employment	2.5%	5.4%	0.5%	-2.9%	-1.7%	5.6%	3.5%
Real State GDP (2021) ($ Millions)	Bureau of Economic Analysis Annual GDP by State	19,427,287.0	365,918.3	352,624.1	473,333.1	345,172.0	533,089.8	568,302.8
Real State GDP (2016) ($ Millions)	Bureau of Economic Analysis Annual GDP by State	17,680,274.0	318,953.4	319,601.5	452,325.2	324,030.3	482,968.9	458,263.8
GDP Growth (2016-2021)	Bureau of Economic Analysis Annual GDP by State	9.9%	14.7%	10.3%	4.6%	6.5%	10.4%	24.0%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Education (Total Population)

Metric	Source	US	CO	IN	MI	MN	NC	WA
4-Year high school graduation rate (2020)	National Center for Education Statistics	87%	82%	91%	82%	84%	88%	83%
Adults 25+ with Associate's degree	U.S. Census Bureau American Community Survey 2021	9%	8%	9%	10%	12%	10%	10%
Adults 25+ with Bachelor's or higher	U.S. Census Bureau American Community Survey 2021	36%	46%	30%	32%	39%	36%	40%
K-12 students per certified teacher	National Center for Education Statistics	15.4	16.3	15.6	16.7	15.6	14.9	18.0
Grade 4 reading proficiency (2022)	National Assessment of Educational Progress (NAEP)	32%	38%	33%	28%	32%	32%	34%
STEM employment rate	Bureau of Labor Statistics STEM Data Sets 2021	6.6%	9.2%	4.9%	7.2%	7.2%	6.8%	10.2%
STEM degrees per 1k students (18-24)	NSF Science and Engineering State Indicators 2021	25.5	29.9	25.9	24.5	27.6	23.7	25.9

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Education (Select Populations)

Metric and Source	Population	US	CO	IN	MI	MN	NC	WA
4-Year high school graduation rate (2020)	White	90%	86%	93%	85%	89%	91%	85%
	Black	81%	76%	85%	70%	69%	85%	76%
	Hispanic	83%	75%	88%	76%	70%	82%	78%
	Asian	93.0%	90.0%	96.0%	93.0%	89%	94.0%	89.0%
	AI/AN	75%	67%	89%	74%	56%	85%	70%
Adults 25+ with Bachelor's or higher	White	39%	51%	30%	33%	41%	39%	40%
	Black	25%	30%	21%	19%	24%	25%	27%
	Hispanic	20%	21%	20%	23%	22%	18%	20%
	Asian	57%	54%	54%	66%	45%	63%	60%
	AI/AN	23%	31%	18%	20%	22%	19%	23%
Grade 4 reading proficiency (2022)	White	42%	49%	38%	35%	41%	44%	41%
	Black	17%	21%	15%	10%	13%	17%	25%
	Hispanic	21%	20%	26%	17%	16%	21%	16%
	Asian	56%	47%	-	-	22%	56%	42%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Health and Human Services (Total Population)

Metric	Source	US	CO	IN	MI	MN	NC	WA
Adult Uninsured Rate (19-64)	Kaiser Family Foundation State Health Facts 2021	12%	11%	10%	7%	6%	15%	9%
Adult Obesity Prevalence	CDC Behavioral Risk Factor Surveillance System (BRFSS)	34%	25%	36%	34%	32%	36%	29%
Intentional Injuries Death Rate	CDC WONDER Underlying Cause of Death Data	24.5	32.1	29.1	27.6	19.8	24.6	21.9
Infant Mortality Rate	CDC National Center for Health Statistics 2021	5.4	5.0	6.8	6.2	4.8	6.7	4.4
Child Foster Care Reentry Rate	U.S. DHHS Child Welfare Outcomes Data Report 2021	7.5%	13.6%	6.1%	5.1%	13.5%	8.3%	7.6%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Health and Human Services (Select Populations)

Metric and Source	Population	US	CO	IN	MI	MN	NC	WA
Uninsured Rate (Age 0-64)	White	90%	86%	93%	85%	89%	91%	85%
	Black	81%	76%	85%	70%	69%	85%	76%
	Hispanic	83%	75%	88%	76%	70%	82%	78%
	Asian	93.0%	90.0%	96.0%	93.0%	89%	94.0%	89.0%
Adult Obesity Prevalence	White	32%	23%	35%	34%	32%	33%	30%
	Black	43%	24%	47%	41%	36%	52%	38%
	AI/AN	39%	29%	33%	26%	42%	34%	44%
	Asian	12%	8%	10%	9%	22%	17%	10%
	Hispanic	37%	32%	42%	37%	34%	32%	35%
Intentional Injuries Death Rate	White	21.8	30.9	23.0	18.7	16.2	21.5	21.5
	Black	43.0	50.9	61.1	53.0	37.1	34.9	39.8
	Asian	8.6	14.2	16.6	7.4	13.9	6.4	9.9
	Hispanic	14.9	27.9	15.3	17.3	16.5	15.4	14.6
Infant Mortality Rate	White	-	3.9	5.9	4.3	3.8	5.3	4.1
	Black	10.6	10.4	10.8	13.4	9.2	11.3	6.2
	Asian	3.7	6.4	-	5.9	3.5	6.8	3.7
	Hispanic	4.8	5.5	7.6	6.6	4.0	4.7	3.4

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Infrastructure (Total Population)

Metric	Source	US	CO	IN	MI	MN	NC	WA
Roads in 'Acceptable' Condition (2020)	Bureau of Transportation Statistics State Statistics	81%	78%	82%	79%	91%	90%	72%
Bridges in Poor Condition (% of Total Area)	Bureau of Transportation Statistics State Statistics	5.1%	4.9%	3.3%	7.7%	4.1%	5.8%	6.4%
Households with Broadband Subscription	U.S. Census Bureau American Community Survey 2021	90%	93%	89%	90%	91%	89%	94%
Number of lead service lines (LSL)	EPA Drinking Water Infrastructure Needs Survey	9.2%	6.7%	14.2%	11.3%	9.8%	11.7%	0.9%
Electric Rate (all sectors, avg cents/kWh)	U.S. Energy Information Administration Electricity Data	11.1	10.9	10.4	12.9	11.1	9.3	8.8
Electric Reliability (SAIFI) All Events	U.S. Energy Information Administration Electricity Data	1.4	1.1	1.4	1.7	1.0	1.2	1.7
Outdoor Recreation Share of State GDP	Bureau of Economic Analysis Outdoor Recreation	1.9%	2.7%	3.1%	1.9%	2.4%	1.8%	1.8%
Use of Public Transit for Work Commute	U.S. Census Bureau American Community Survey 2021	2.5%	1.3%	0.6%	0.8%	1.4%	0.5%	2.1%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Infrastructure (Select Populations)

Metric and Source	Population	US	CO	IN	MI	MN	NC	WA
Households with Broadband Subscription: Race/Ethnicity	White	91%	93%	89%	90%	91%	90%	93%
	Black	86%	89%	87%	87%	90%	85%	93%
	Hispanic	90%	90%	92%	90%	91%	90%	93%
	Asian	95%	95%	95%	95%	94%	97%	96%
	AI/AN	86%	90%	89%	88%	87%	84%	88%
Households with Broadband Subscription: Household Median Income	<$20,000	74%	78%	74%	76%	74%	70%	80%
	$20,000 to $74,999	88%	91%	88%	88%	88%	88%	91%
	$75,000 or more	97%	97%	96%	97%	97%	96%	98%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Socioeconomic (Total and Select Populations)

Total Population

Metric	Source	US	CO	IN	MI	MN	NC	WA
Median Household Income	U.S. Census Bureau American Community Survey, 2021	$69,717	$82,254	$62,743	$63,498	$77,720	$61,972	$84,247
Labor Force Participation Rate	U.S. Census Bureau American Community Survey, 2021	63%	68%	63%	61%	68%	62%	64%
Percentage of Cost-Burdened Renters	U.S. Census Bureau American Community Survey, 2021	51%	53%	47%	50%	48%	49%	49%

Select Populations

Metric and Source	Population	US	CO	IN	MI	MN	NC	WA
Median Household Income	White	$75,412	$88,715	$65,642	$67,867	$80,923	$69,704	$86,105
	Black	$46,679	$57,809	$42,788	$39,431	$47,852	$42,885	$62,495
	Hispanic	$60,566	$63,547	$57,653	$57,617	$64,102	$53,880	$65,248
	Asian	$100,843	$96,815	$80,949	$99,496	$92,713	$103,556	$123,874
	AI/AN	$53,210	$64,408	$58,583	$49,455	$55,641	$36,977	$63,364
Cost-Burdened Renters	White	47.5%	51.6%	44.3%	48.3%	46.6%	44.9%	48.7%
	Black	58.0%	60.1%	56.5%	56.9%	58.1%	56.1%	61.1%
	Hispanic	54.8%	56.1%	46.8%	45.8%	48.6%	48.8%	50.4%
	Asian	43.8%	46.0%	40.0%	34.2%	38.9%	29.5%	38.2%
	AI/AN	51.5%	62.0%	46.8%	48.3%	50.1%	53.4%	52.9%

Outcomes are captured for 2021 unless otherwise noted by the variable name

Peer State Outcomes Data: Socioeconomic (Select Populations)

Metric	Population	US	CO	IN	MI	MN	NC	WA
Labor Force Participation: Gender	Male	82%	86%	83%	81%	87%	82%	83%
	Female	74%	77%	74%	72%	81%	73%	73%
Labor Force Participation: Race/Ethnicity	White	61.4%	67.3%	62.8%	60.5%	67.2%	60.5%	61.3%
	Black	62.3%	70.5%	62.7%	58.4%	70.5%	62.6%	66.9%
	Hispanic	67.5%	69.2%	69.0%	68.1%	77.5%	70.2%	72.7%
	Asian	65.9%	70.7%	68.4%	67.1%	75.3%	68.7%	67.7%
	AI/AN	61.8%	64.6%	-	56.8%	60.3%	57.8%	61.0%
Labor Force Participation: Educational Attainment	Less than high school graduate	61%	67%	57%	53%	67%	59%	64%
	High school graduate	72%	75%	72%	69%	77%	71%	72%
	Some college or associate's degree	79%	81%	81%	78%	85%	78%	77%
	Bachelor's degree or higher	87%	89%	88%	87%	91%	86%	86%

Outcomes are captured for 2021 unless otherwise noted by the variable name