

## **Jobs, Talent, and People Workgroup Policy Recommendations**

### **The Jobs, Talent, and People Charge: Address Three Priorities**

The Growing Michigan Together Council Jobs, Talent, and People workgroup (JTP) was tasked with crafting recommendations that address three key priorities for growing and retaining Michigan's population: **addressing workforce shortages, attracting and retaining talent, and increasing Michigan's quality of life**. Workgroup members were presented with grounding data during the first three meetings highlighting Michigan's issues and opportunities related to the key priorities so they could best determine the policy recommendations that would have the most impact on growing Michigan's population. Facilitated discussions, with additional data presented along the way in meetings or through hearings, were held to narrow the recommendations to policy strategies that would address workgroup priorities and grow Michigan's population.

A key data point to emerge quickly in the workgroup discussions was Michigan's lag in talent attraction. Michigan **only attracts 3 percent of its college-educated workforce from other states annually** in recent years. Michigan is also losing critical talent, such as computer programmers, with low wages and lack of job opportunities being cited as potential reasons for critical talent outmigration. A positive trend for Michigan was its attraction of international immigrants. Michigan is **projected to grow its population of immigrants through 2050** and take advantage of the positive impacts that immigrants have on the economy. At a public hearing in Traverse City, a presentation by Richard Florida inspired the workgroup to focus on data indicating leveraging **Michigan's unique regional assets, such as universities and natural resources for job growth and placemaking**, could lead to population growth experienced in cities like Austin. The workgroup started to discuss how regional development and **entrepreneurship and innovation** could be the sources of job opportunities for the talent Michigan wants to attract while creating new opportunities for equity for Michigan's existing workforce. **Equity** was also addressed through the consideration of **family support** that would keep talent participating in Michigan's workforce.

## The Results: Attract Domestic and International Talent

Leveraging these data trends in building recommendations and using the lenses of population growth and economic equity, JTP members developed recommendations designed to stabilize and grow Michigan's population via **domestic and international migration**. The workgroup prioritized **the importance of regional economic development** to diversify Michigan's industries and **attract talent** while providing **higher wage opportunities for the existing workforce**. Members felt strongly that it is important to leverage the unique regional assets within our state to attract and grow businesses and **nurture innovative entrepreneurial ventures**. Ensuring comprehensive **family support** is important to strengthen the workforce and ensure economic opportunities for all on a long-term basis.

To address the workgroup's three topic areas, the workgroup drafted **five sets of recommendations** that they believe will help grow Michigan's population.

- **Talent attraction and retention:** Michigan must attract and retain a workforce that can meet the needs of employers and reverse current population trends, particularly related to young talent.
- **Regional economic and workforce development:** Michigan must focus on promoting regional approaches to economic development to further catalyze growth within high-growth regions and support regions that are losing population.
- **Entrepreneurship and innovation:** Michigan must bolster the resources provided to entrepreneurs in high-growth sectors to catalyze the growth of small businesses and create the industries of the future.
- **Immigration and welcoming communities:** Michigan must expand efforts to remove barriers and create inclusive places to attract and retain immigrants and diverse populations.
- **Family supports for a strong workforce:** Michigan must support families' need for adequate child care, elder care, and other care services to eliminate barriers that reduce workforce participation and support talent retention and attraction.

These recommendations holistically address population growth for all regions of the state and offer opportunities for equity and growth for Michigan's workforce.

# Recommendation One: Talent Attraction and Retention

## Recommendation:

Implement a robust talent retention and attraction program including novel incentives, workforce development program expansion, community placemaking investments that support shared cultural experiences, and targeted marketing.

---

## Description:

- **Offer targeted incentives to retain and attract young talent.**

Specific strategies may include:

- Provide first-time homebuyer, relocation, and alternative underwriting incentives to encourage new graduates or members of the workforce to stay in Michigan and new workers to migrate to Michigan.
- Pilot a reverse scholarship program, providing financial reimbursement to retain Michigan postsecondary graduates and attract talent.

- **Expand programs and resources to ensure all Michiganders have the skills and opportunities to participate in the workforce.**

Specific strategies may include:

- Establish a workforce activation fund that provides flexibility to offer training and support services based on critical employer and workforce needs.
- Improve coordination of resource delivery to veterans, including mental and physical health services, training, and job placement.
- Expand opportunities for formerly incarcerated residents to obtain job skills training and other services to support reentry and fill workforce gaps until they are Clean Slate eligible.
- Support workers who are negatively affected by the electric vehicle transition, including retraining and education programs, temporary insurance coverage, counseling, and short-term wage replacement if workers lose their incomes before finding a new job or becoming eligible for full retirement benefits.

- **Support regional marketing efforts to maximize the unique opportunities regions offer in growing Michigan's talent pool, including supporting placemaking efforts and messaging that will contribute to attracting and retaining talent.**

Specific strategies may include:

- Amplify regional strengths in coordination with a statewide talent attraction and retention marketing campaign to showcase each region's unique natural, historical, and place-based community assets.
- Expand support for arts and culture programs and initiatives and build on existing MiPlace and regional placemaking programs to support the growth of vibrant, diverse, and resilient communities that contribute to a sense of inclusion and belonging.

## **Rationale:**

Michigan ranks seventh nationally for its percentage of college and university graduates who stay in the state. The greater Detroit metro area has the highest retention rate for two- and four-year college grads of any metro area in the country. However, the state lags significantly in attracting college graduates from other states. Just 3 percent of Michigan's college-educated adults moved from other states annually in recent years (Source: Michigan's Great Inflection: A Strategy for the Age of Technology and Talent, May 2023, Richard Florida and the Creative Class).

Michigan's outmigration of talent critical to our economic future continues to be an issue, too. For example, just one-quarter of University of Michigan's computer-related majors are working in the state five years after graduation. In 2022, the state ranked 19th in wages for computer programmers.

Recent polling conducted by the Detroit Regional Chamber in partnership with Business Leaders for Michigan indicates that jobs with competitive salaries and welcoming places are major factors in the decision on where to locate amongst Michigan adults 18 to 29 years of age. College-educated adults are most likely to leave the state according to the poll, and 64 percent can see themselves returning to Michigan in ten years. Michigan has an opportunity to promote its natural amenities and beauty, its commitment to policies that create a welcoming environment, its abundance of higher-learning institutions, and its opportunity to market "a better way of living" to attract and retain talent.

## Recommendation Two: Regional Economic and Workforce Development

### Recommendation:

Implement the state's economic development strategic plan with a focus on aligning Michigan's workforce development programs, talent attraction and retention efforts, and growth sector strategies to collectively drive regional priorities in a coordinated way.

---

### Description:

- **Catalyze regional growth capitalizing on existing assets to create jobs and attract and retain talent.**

Specific strategies may include:

- Establish a flexible fund to support regions with planning, technical assistance, pilot projects, marketing, and other supports based on their unique needs.
- Prioritize coordinated public-private investments in region's that are experiencing growth or are poised for growth to create high-growth, high-wage jobs and expand innovation clusters in key industries (e.g., mobility/electric vehicles, healthcare).
- Refresh economic and workforce development incentives and programs to better align with knowledge economy jobs (e.g., revise investment threshold for state economic development incentives to be more relevant to technology job creators).
- Expand Michigan's regional prosperity team approach to strategically deliver economic and workforce development programming that reflects appropriate strategies for regions' unique populations and growth trends.
- Support planning and modeling to help regions leverage natural resources and climate migration for sector growth, talent attraction and retention, and supply chain resources critical to state growth plans (e.g., outdoor recreation, mass timber).

- **Expand workforce development programming to address gaps and ensure economic opportunities for all.**

Specific strategies may include:

- Expand customizable skills training programs tailored to company needs to significantly scale dynamic and rapid employee training and upskilling in coordination with employers and regional workforce development partners.
- Expand apprenticeship, internship, and mentorship programs for high-demand careers and entrepreneurs, targeting underrepresented populations for inclusion.

- Conduct a full review of professional licensing requirements to identify which licensing requirements can be maintained, improved, updated, or eliminated to remove unnecessary bureaucratic barriers to workforce entry without sacrificing workplace/consumer safety or the quality of work provided to Michiganders.
- Create targeted incentives to assist rural and/or distressed communities, businesses, and local governments in developing and implementing plans to address the economic dislocation associated with the closing of a major employer facility or for communities that are economically disadvantaged and/or experience persistent unemployment.

## **Rationale:**

Regions have demonstrated the economic opportunity provided when they leverage their unique industry, workforce, educational institutions, and natural assets to grow the regional economy. To maximize the investment of federal and other dollars, the Brookings Institution says, “. . . the country needs to marshal the economic assets that cluster in specialized ways across the regions that make up the U.S. economy—be they leading industries, research universities, entrepreneurs, or workers.”

A cluster strategy makes regional economies more resilient to disruption. In looking at the often-referenced model of metro Austin, a cluster strategy around technology grew Austin's estimated regional gross domestic product by 4.3 percent in 2022, second only to San Francisco's growth at 4.8 percent, according to the Kenan Institute of Private Enterprise at the University of North Carolina. Site Selection Group has also projected that Austin will have the fastest-growing population in a metro area in five years if current trends continue. Michigan needs to begin its transformation by prioritizing investments in regions most ready to grow population while offering planning and technical support that can assist other regions in getting transformation ready.

A regional growth strategy includes addressing workforce shortages unique to the region and offering new opportunities for economic growth and equity for all workers in the region. State economic growth strategies working in concert with regional growth strategies make a better Michigan for all and create more unique opportunities across the state for talent attraction and retention, whether that talent is currently outside of the state or residing and/or attending school in Michigan.

## Recommendation Three: Entrepreneurship and Innovation

### Recommendation:

Embrace Michigan's entrepreneurial and innovation roots, driving rapid growth in early-stage and high-growth businesses and creating a culture that supports entrepreneurship and innovation for all.

---

### Description:

- **Make a transformational public-private investment in the state's entrepreneurial and innovation economy to attract and retain entrepreneurs to start and grow businesses in Michigan.**

Specific strategies may include:

- Establish a public-private continuum of capital to fund entrepreneurs and startups from early stage to scale.
- Increase access to financing for underserved communities and immigrants through innovative financing mechanisms.
- Engage former Michigan residents and graduates to return to Michigan to start and grow businesses and invest private equity in Michigan's entrepreneurial growth.

- **Expand support services for entrepreneurs, startups, and second-stage businesses.**

Specific strategies may include:

- Increase investment in Michigan's business incubation and accelerator network to build capacity for service provision to increase business startups and their growth, particularly for underserved communities and immigrant populations.
- Expand mentoring, entrepreneur-in-residence programs, and peer-to-peer engagement opportunities to support small businesses at all stages.
- Scale programs such as the public-private Second-Stage Growth Solutions (SSGS) to provide technical assistance to growth stage companies, such as access to mentors and expert resources.
- Engage entrepreneurial support organizations in talent attraction and retention marketing to leverage their insight on strategic messaging for diverse populations and extend the campaign reach through their networks.
- Increase investments in technology transfer out of Michigan's universities to contribute to industry innovation and increase business startups and tech commercialization, particularly in targeted growth sectors.

## Rationale:

Michigan came in 10th overall in the CNBC's America's Top States for Business 2023 rankings, including improvement in the state's technology and innovation ranking:

- 6th for cost of doing business, up from 9th last year
- 7th for cost of living, up from 12th last year
- 12th for technology and innovation, up from 15th last year
- 15th for business friendliness, up from 20th last year

Michigan is starting to gain attention as an emerging tech ecosystem, with entities such as Startup Genome. Michigan's universities are competitive in entrepreneurship rankings and are an invaluable asset to the state's business growth. The Economic Policy Institute says a state's investment in the creation of high-wage jobs increases a state's tax base and overall economic growth. With higher wages, people can afford to buy goods and services, creating opportunity for economic growth and equity and a sustainable, productive economy. Entrepreneurship and innovation can be a fast path to high-wage jobs with a game-changing investment.

Entrepreneurship is an opportunity for international immigrants and underserved communities to gain economic equity with the right supports in place. According to Global Detroit, immigrants have founded 51 percent of United States startups valued at \$1 billion or more, and 20 percent of Main Street business owners in Michigan are immigrants, generating \$1.3 billion annually. Addressing the barriers presented in this workgroup's Immigration and Welcoming Communities recommendations can keep immigrant entrepreneurs in Michigan creating jobs.

Entrepreneurship is also connected to the regional industry growth and talent attraction strategies proposed by this workgroup. A reinvigorated entrepreneurship and innovation ecosystem, with the capital and connections needed to grow companies, will create the jobs of the future crucial to growing Michigan's population, with equity at the forefront.

Despite the positive progress noted above, Michigan is losing population to knowledge economy and innovation centers across the country. Michigan can catalyze its current business climate improvements by taking decisive action to bolster a culture of innovation at a scale designed to exceed our national competitors. Ambitious entrepreneurship and innovation strategies, like Israel's Startup Nation, represent the scope of investment Michigan should strive to deploy.



## Recommendation Four: Immigration and Welcoming Communities

### Recommendation:

Prioritize programs, policies, and regional supports to develop a stronger pipeline of international talent that is retained long term through a welcoming environment for international immigrants and diverse communities in Michigan.

---

### Description:

- **Collaboratively address state and federal policies preventing immigrants from being able to call Michigan home.**

Specific strategies may include:

- Simplify the route by which H-1B visa holders and international students can achieve citizenship and transition to permanent Michigan residency.
- Reduce barriers for international immigrants to obtain a driver's license in Michigan.
- Develop a strategy to ensure licensed/credentialed professionals from outside the United States can have their relevant documentation translated and applied to Michigan's license or credential standards.

- **Strengthen the international immigrant talent pipeline and the immigration-to-workforce transition.**

Specific strategies may include:

- Support the deployment of models for immigrant talent and entrepreneur attraction and retention regionally, like Global Talent Attraction and Retention Program (GTARP) and Global Entrepreneur in Residence.
- Develop and support a clear pathway for migrant families to access state support services and skilled trades training and education opportunities at colleges and universities, including more portable community college credits as migrant workers follow the job opportunities that brought them to Michigan.
- Provide meaningful language access at state agencies and entities that provide direct services to immigrants.

- **Support state and regional efforts to create more welcoming communities for immigrants and diverse populations to attract and retain them in Michigan.**

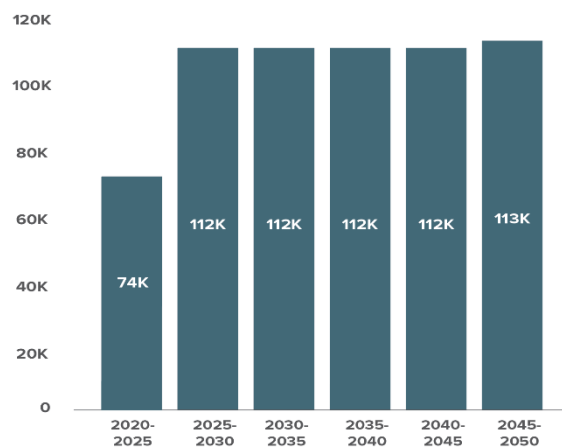
Specific strategies may include:

- Create a statewide welcoming community strategy that ensures regional planning entities drive the development of infrastructure to support local immigrant populations, including the establishment of interregional communication protocols to ensure that successful strategies are shared.
- Offer opportunities for creative engagement and connection of state residents to diverse populations in their communities, including supporting a larger rollout of programs like City Institute/Detroit Experience Factory tours.

## Rationale:

While Michigan is losing population overall, international immigration continues to be a source of population growth. The trend is expected to continue through 2050, with a projected growth total of 630,000 immigrants per the current trend (University of Michigan, Research Seminar in Quantitative Economics, The Economic and Demographic Outlook for Michigan Through 2050, July 29, 2022).

International Migration by Years Through 2050



There are over 678,000 immigrants in Michigan, comprising 7 percent of Michigan's total population, with over 423,000 immigrants in Metro Detroit and 74,400 in the Grand Rapids metro area (American Immigration Council). Immigrants grow the Michigan economy, with over 37,400 immigrant entrepreneurs contributing \$731.5 million in business income in 2018. International students contributed 965.5 million dollars and supported 9,699 jobs in 2021. The full economic potential of immigrants is not realized due to the insufficient resources within Michigan to help immigrants convert from an H-1B visa to citizenship.

To recognize the full benefits from this opportunity for population and economic growth through international immigration, Michigan must overcome policy, program, and cultural barriers that prevent immigrants from calling Michigan home. From difficulties with obtaining a driver's license to not being able to fully transition to citizenship, immigrants are struggling to overcome policies that prevent employment and citizenship. In addition, they are often not made to feel welcome in Michigan culturally, with many misconceptions about their effect on the job market and the economy. The policy options offered by the Jobs, Talent, and People workgroup address the barriers and offer a pipeline of talent from visa to citizenship that could maximize this population trend and create culturally vibrant, welcoming Michigan communities.

## Recommendation Five: Family Supports for a Strong Workforce

### Recommendation:

Increase access to and affordability of culturally appropriate family support resources, including training and certifying a workforce to support the need.

---

### Description:

- **Support incentives and funding models that increase access to and affordability of child care with flexibility to address regional nuances and challenges related to child care capacity building.**

Specific strategies may include:

- Guarantee child care for all Michiganders, offering low or no cost options for families who meet an equitable means test threshold.
- Scale the Tri-Share Model statewide by investing in employer engagement and providing incentives for employers that participate in the program.
- Increase the child tax credit targeted to families with low incomes.
- Provide a state tax credit for small businesses offering paid parental leave, mirroring the baseline requirements of the current federal tax credit, which sunsets in 2025.
- Develop a state pilot grant program providing technical assistance and capital to expand capacity within Michigan's network of child care providers, ensuring available and affordable slots for all workers in an equitable way.
- Encourage Michigan employers to explore and deploy onsite child care, where possible in partnership with existing child care operators.
- Expand access to before- and after-school care by helping districts and community partners offer safe spaces for kids up to 8th grade from 7:00 AM to 6:00 PM.
- Take a leadership role among states in advocacy for meaningful increases to federal child care funding programs.

- **Address the shortage of certified child care programs and professionals throughout Michigan who care for children and support our workforce.**

Specific strategies may include:

- Create tuition free pathways to be an early educator, youth development professional, or child care professional, such as expanding the Michigan Reconnect program to 18-year-olds for the limited purpose of obtaining relevant degrees and certificates, expanding Mi Future Educator to include individuals earning degrees in child and youth development who commit

to work in child care or youth development after graduation, and providing free continuing education/certifications for professionals in this sector.

- Convene a task force to establish and implement a model salary schedule for child care workers that is attached to increases in the child care subsidy, Great Start Readiness Program, out-of-school time grants, and other related state investments.
  - Streamline childcare licensing, making it easier to operate while not sacrificing health and safety standards for children.
  - Sustain the Caring for MI Future program to support child care entrepreneurs working to open or expand child care businesses.
- **Address the shortage of elder care options and insufficient resources for elder care professionals throughout Michigan who care for aging family members and support our workforce.**

Specific strategies may include:

- Leverage the expansion of Medicaid and other benefits for home care and community-based care services, including mental health services, for older Michiganders.
  - Expand the reach of PACE (Program for All-inclusive Care for the Elderly) in the state to address Michigan's lagging position relative to other states in the implementation of this program.
  - Assess and invest in capacity for elder care, targeting investments from caregiving and home care to facility expansion.
  - Address the shortage of culturally sensitive and quality elder care through an increased investment in healthcare workforce, including training and programs that could address wage disparities.
  - Take a leadership role among states in advocacy for meaningful increases to federal elder care funding programs.
- **Implement policies to address disparities in health and care services for working families by creating a continuum of funding and supports to avoid the benefits cliff.**

Specific strategies may include:

- Create transitional funding for care services for working families who are above public assistance thresholds but still income constrained as they advance in their career and wage-earning potential.
- Create a pathway to higher-waged, degreed roles for the direct care workforce to address current personnel shortages.

## Rationale:

According to a United States Chamber of Commerce Foundation report released in September, Michigan's shortage of child care results in a loss of \$2.88 billion a year of economic activity and \$576 million in tax revenues. Michigan employers lose out on \$2.3 billion from turnover related to child care. This crisis is nationwide, and Michigan has a chance to become a leader in how it is addressed, attracting talent to grow its population with care that working families can count on. Polling data released in September from KinderCare Learning Companies' 2023 Parent Confidence Report found that Generation Z parents consider child care a top priority employment benefit, demonstrating that child care is an integral component of attracting young, mobile talent (KinderCare Learning Companies 2023). Implementing solutions to address how insufficient child care impacts employment will help Michigan create an equitable child care environment that meets the financial needs of its diverse residents.

Additional data from the U.S. Chamber of Commerce Foundation identified that 18 percent of parents were planning to leave the workforce due to child care and that child care-related issues have impacted 35 percent of women (U.S. Chamber of Commerce Foundation 2023). The estimated economic impact of insufficient child care on Michigan's economy is 2.88 billion dollars a year. Insufficient child care is limiting Michigan's economic potential and growth.

The same report indicates that, across all income groups, 32 percent of families have had their employment impacted by child care issues, with lower-income families reporting higher rates, at 44 percent. This is creating high levels of economic burdens for Michigan families paying for child care. Increasing access to quality child care may help reduce the child care cost burdens that families face. Economic Policy Institute estimated in 2020 that infant care for one child would cost 19 percent of the median income for a Michigan family (Economic Policy Institute 2020).

Michigan has been noted on the national stage to be proactive in its efforts to address the high cost and shortage of child care, which includes the following:

- The Tri-Share program, with child care costs split evenly between employers, the state, and families
- \$1.4 billion in American Rescue Plan Act funds, with \$560 million for child care stabilization grants and \$800 million for child care and development block grants
- Roughly \$100 million in the Caring for MI Future initiative to help entrepreneurs open 1,000 new child care programs by the end of 2024 or expand existing offerings to increase the state's capacity by 105,000 children

- \$51.1 million in grant funding to renovate and upgrade facilities to meet licensing and quality standards; \$23 million in grants for startup programs; more than \$11.4 million for recruitment, training, and retention; and \$14.3 million in business development tools to clear startup hurdles like licensing and zoning.

Michigan needs to amplify and expedite its efforts to grow child care capacity to support its population and workforce attraction and retention goals. The state needs to take a similar approach to elder care.

In AARP's 2023 Long-term Services and Supports Scorecard, Michigan received an overall ranking of 31st for services for older adults. There is also a shortage of elder care options and workforce in Michigan causing similar barriers to family members remaining in the workforce. The Marquette-based nonprofit Caregiver Incentive Project (CIP) says Michigan is now short more than 34,000 caregivers, causing a crisis as more Michiganders age. If Michigan is attracting talent through immigration and other targeted strategies, and families move with the talent, this crisis will be exacerbated. Expanding in-home care options along with improved training and wages can address a portion of the crisis. Future elder care capacity will also need to be assessed against population growth goals.